



PROGRAMS COMMITTEE MEETING “This is an Open Public Meeting”

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

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

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

Meeting Date:	December 3, 2015	Location:	Alliant Insurance Services, Inc. 100 Pine Street, 11 th Floor San Francisco, CA 94111
Time:	8:00 AM	Legend:	A – Action may be taken I – Information Only

A. CALL TO ORDER

1. **Approval of the Agenda Order** A p. 4
The Committee will be asked to approve today’s meeting agenda order

B. PUBLIC COMMENTS

C. GENERAL ADMINISTRATION

1. **Approval of Meeting Minutes – June 25, 2015** A p. 5
The Committee will be asked to review and approve the minutes from the last Programs Committee meeting on June 25, 2015
2. **Merger of Member Services, Loss Control and Training Committee Projects into the Programs Committee** I p. 14
The Committee will be asked to discuss the decision made by the AORMA Committee to merge the MSLCTC projects into the PC
3. **Employment Practices Liability Member Deductibles for FY 2016/2017** A p. 15
The committee will be asked to review and approve the EPL deductible calculation for FY 16/17 as well as Policy and Procedure L-7 – Employment Practices Liability

4. **Workers' Compensation Supplemental Actuarial Report (Experience Modification Factors) and the AORMA Class Code Rates** A p. 27
The Committee will be asked to review and accept the supplemental actuarial report
5. **Workers' Compensation Program Member Allocation for FY 2016/2017** A p. 31
The Committee will be asked to approve the member allocation for FY 16/17
6. **Liability Supplemental Actuarial Reports** A p. 40
The Committee will be asked to review and accept the supplemental actuarial reports
7. **Liability Program Member Allocation for FY 2016/2017** A p. 56
The Committee will be asked to approve the member allocation for FY 16/17
8. **Property Program Member Allocation for FY 2016/2017** A p. 59
The Committee will be asked to approve the member allocation for FY 16/17
9. **Crime Program Member Allocation for FY 2016/2017** A p. 68
The Committee will be asked to approve the member allocation for FY 16/17
10. **Risk Reduction Innovation Matching Grant Incentive Program – CSU Fullerton ASI** A p. 75
The Committee will be asked to review the grant submitted by CSU Fullerton, ASI and if appropriate approve the future grant award
11. **Approval of the Distribution for the Liability and Workers' Compensation Program** A p. 95
The Committee will be asked to approve the allocation of the dividends to be paid in July, 2016
12. **2015 Workers' Compensation Payroll Desk Audits** I p. 109
The Committee will be asked to review the workers' compensation payroll desk audit completed by Staff, providing direction as appropriate
13. **Workers' Compensation Program Volunteer Claims** A p. 118
As per Policy and Procedure W-6, the Committee will be asked to review the workers' compensation claims submitted by volunteer staff
14. **2016 Meeting Dates for the CSURMA AORMA Programs Committee** A p. 126
The Committee will be asked to approve the meeting dates for 2016

D. INFORMATION ITEMS

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|---|----------|---------------|
| 1. 2016 CSURMA AORMA Meeting Calendar | I | <i>p. 127</i> |
| 2. FY 15/16 AORMA Long Range Action Plan | I | <i>p. 129</i> |
| 3. AORMA Committee and Standing Committee Roster | I | <i>p. 133</i> |

E. ADJOURNMENT

The next Programs Committee meeting dates will be decided during this meeting.

APPROVAL OF THE AGENDA ORDER

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MEETING MINUTES – JUNE 25, 2015

ISSUE: The Committee will be asked to review and approve the draft minutes from the June 25, 2015, Programs Committee meeting.

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Programs Committee Meeting Minutes – June 25, 2015

**MINUTES OF THE CSURMA AORMA
PROGRAMS COMMITTEE MEETING
JUNE 25, 2015
TELECONFERENCE MEETING
1:00 PM**

MEMBERS PRESENT

Guy Dalpe, Associated Students, Inc., San Francisco State University
Jason Porth, The University Corporation, San Francisco State
Gigi Kiama, The University Corporation at Monterey Bay

ABSENT MEMBERS

Jun Reina, Capital Public Radio, Inc., CSU Sacramento

STAFF, GUESTS AND CONSULTANTS

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

A. CALL TO ORDER

The meeting was called to order by Guy Dalpe at 1:02 PM.

B. PUBLIC COMMENTS

There were no public comments.

C. GENERAL ADMINISTRATION

C1. Approval of the Agenda Order

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

First: Gigi Kiama

Second: Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C2. Approval of Minutes – February 26, 2015

A motion was made to approve the minutes of the February 26, 2015 meeting.

First: Jason Porth
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C3. Policy and Procedure C-1 – Crime Program Member Allocation Formula

Mimi Long explained that Policy and Procedure C-1 – Crime Program Member Allocation Formula was revised to remove the rate collars. The Crime Program Member Allocation Formula was revised effective July 1, 2014. Rate collars were included in the FY 14/15 rating allocation to minimize the premium variation for any one member. Within the FY 15/16 rating allocation, six members were collared at the maximum 30% rate increase. If the maximum rate increase remains at 30%, no members will be subject to a rate collar for FY 16/17. Within the FY 15/16 rating allocation, no members were collared at the maximum rate decrease.

A motion was made to recommend approval to the AORMA Committee of the revisions to Policy and Procedure C-1.

First: Gigi Kiama
Second: Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X

Jason Porth	X			
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Motion carried.

C4. Policy and Procedure P-1 – Property Program Member Allocation Formula

Mimi Long explained that Policy and Procedure P-1 – Property Program Member Allocation Formula was revised to remove the rate collars. The Property Program Member Allocation Formula was revised effective July 1, 2014. Rate collars were included in the FY 14/15 rating allocation to minimize the premium variation for any one member. Because the premium for the AORMA Property Program decreased so dramatically effective July 1, 2015, all of the members received a premium discount and therefore, premium / rate collars were not necessary.

A motion was made to recommend approval to the AORMA Committee of the revisions to Policy and Procedure P-1.

- First:** Jason Porth
- Second:** Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C5. Policy and Procedure W-1 – Workers’ Compensation Member Allocation Formula

Mimi Long explained that Policy and Procedure W-1 – Workers’ Compensation Member Allocation Formula was revised to accurately reflect the current allocation practices. Long explained all of the proposed revisions.

1. A PROCEDURE section was added which provides a detailed description of the allocation formula, along with examples. The prior version explained the allocation formula but in very general terms.
2. A DEFINITIONS section was added.
3. A definition for AORMA Basic Rates was included to show that the WCIRB rate will be used for each of the AORMA class codes and the rates will be normalized to achieve the Total Program Funding required.
4. A definition for Experience Modification Factor (EMF) was added. The actuary uses the published WCIRB formula. The definition of EMF states that, “the actuary will determine

each member's experience modification factor based on the most current published WCIRB method." If in the future, AORMA decides to follow an experience rating formula that deviates from the WCIRB, then the Policy and Procedure can be updated to include those formula factors. To maintain pricing stability, the EMF's are capped at +/- 15%. In prior calculations this cap was not necessary as the rates were collared. The actuary will also adjust the EMF's for off-balance and will balance the EMF's at a 100%. Because this is a pool, the Total Program Funding must be met using the approved rates and EMF's. If the combined AORMA Pool EMF is more or less than 100%, the Member's modified rates will generate too much or not enough premium. Therefore, the pool received another layer of rate stability by balancing the EMF's to 100% while still maintaining the +/- 15% cap.

5. A definition of Total Program Funding was included.
6. The basic deposit overview was deleted and replaced with the detailed PROCEDURE and ALLOCATION FORMULA sections.
7. Item 3 – Experience Modification – was removed because the experience modification factors are calculated by the actuary and the basic WCIRB formula is used. The basic WCIRB formula is too complicated to include in the Policy and Procedure. The Committee reviewed the formula which was included with the agenda item.
8. Item 4 – Adjustments to reflect experience modification on funding – was removed because that factor, the “off-balance” is described in the new definition of Experience Modification Factor.
9. Item 5 – Administrative Costs – was removed because that is now included in the definition of Total Program Funding.
10. Item 6 – Deposit Adjustments – was removed because rate or premium collars are no longer part of the Member Allocation Formula.
11. The Plan Fund Adjustment section was removed because it is not standard practice for refunds to be applied to next year's premium. CSU Accounting will allow this on a one off basis, but their preference is to issue refund checks.
12. The name of the Policy and Procedure was changed to be consistent with the new Policy and Procedure documents that describe the crime and property allocation formulas.

The Committee suggested that within the definition of Experience Modification Factor, the term “off-balance” be changed to “normalization factor” and the term “balanced” be changed to “normalized”.

A motion was made to recommend approval to the AORMA Committee of the revisions to Policy and Procedure W-1, including the suggested changes noted above.

First: Gigi Kiama

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Second: Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C6. FY 15/16 AORMA Liability Program Member Allocation

At the February 26, 2015, meeting the Programs Committee reviewed a request by Sonoma State University Academic Foundation, Inc. and Associated Students of Sonoma State University to re-rate the liability allocation based on updated exposure information. In order to be fair and equitable to all AORMA members, the committee directed Staff to audit those members whose collared FY 15/16 premiums were substantially higher than the non-collared premiums. Mimi Long and Daniel Howell noted that Staff reviewed the current and expiring exposure information and compared it against the old and new member allocation formulas.

Staff does not recommend re-rating those members whose FY 15/16 collared premiums are substantially higher than the uncollared premiums. The new FY 15/16 allocation collared decreases to 13% and increases to 30%. Staff recommends increasing the collars every year until each member is paying its allocated premium.

A motion was made to not re-rate FY 15/16.

First: Jason Porth
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C7. FY 15/16 AORMA Crime Program Member Allocation

At the February 26, 2015, meeting the Programs Committee reviewed a request by CSU Bakersfield Associated Students, Inc. to modify its expenditures to remove the campus pass-through expenses. The Programs Committee felt that other auxiliaries may have similar expense items and asked Staff to gather information to review.

Staff does not recommend re-rating those members who are subject to the minimum premium within the FY 15/16 crime allocation. Staff does believe that there are certain expense items that can be removed from the exposure information. This would be applicable to all members not just those with no employees. Therefore, Staff recommends that the Programs Committee approve a schedule to be included in the FY 16/17 application which indicates which items can be removed from the expenditures.

Staff was directed to build a proposed schedule of expenditures to be removed from the total expenditures as used in the member’s liability program member allocation. The Committee will review it at their next meeting.

C8. CSU Dominguez Hills Philanthropic Foundation - New Liability Program Member

CSU Dominguez Hills Philanthropic Foundation is a newly formed CSU Auxiliary Organization. This auxiliary does not have its own employees nor does it own any real or personal property. Its loss exposures are minimal.

Using AORMA’s new liability and crime program member allocation formulas this auxiliary would be subject to AORMA’s minimum liability premium of \$2,000 and the minimum crime premium of \$517.

CSU Dominguez Hills Philanthropic Foundation’s exposure information within the liability program is as follows:

- Payroll:\$0
- Square Footage:\$0
- Number of Owned Autos:.....None
- Total Expenditures:.....\$95,000

This generates a minimum premium of \$2,000.

The crime program utilizes payroll and expenditures if the auxiliary has no payroll. The total expenditures of \$95,000 will generate a minimum premium of \$517.

At the next CSUDH Philanthropic Foundation board meeting, the JPA Agreement and Participation Agreement will be approved and executed.

A motion was made to approve CSU Dominguez Hills Philanthropic Foundation as a new CSURMA AORMA member and approve the liability and crime rating program member allocations.

- First:** Jason Porth
- Second:** Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
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Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C9. Capital Public Radio – New Workers’ Compensation Member

Capital Public Radio, Inc., CSU Sacramento would like to join the AORMA Workers’ Compensation program effective July 1, 2015.

Using the current experience modification factor of .79, the FY 15/16 annual premium is \$9,749. The new experience modification factor calculated by AORMA’s actuary may be higher or lower than the current factor which will change the annual premium.

Estimated Payroll for FY 15/16: \$3,481,740
 AORMA Class Code 1001 Rate:36
 Experience Modification Factor:79
 Modified AORMA Class Code 1001 Rate:28
 Annual Premium:\$9,749

A motion was made to approve Capital Public Radio, Inc. as a new member within the AORMA Workers’ Compensation Program and direct staff to adjust the experience modification factor as required.

First: Jason Porth
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama	X			
Jun Reina				X
Jason Porth	X			

Motion carried.

C10. Discussion and Recommendation for New Programs Committee Chair for FY 2014/2015

Annually, the AORMA Committee Chair will appoint the new Chair of the Programs Committee. The Chair of the Programs Committee must also be an AORMA Committee member. Every spring, the membership of the Programs Committee will recommend to the AORMA Committee Chair a nominee for the Chair position. The following Programs Committee members will also

service on the AORMA Committee during FY 15/16 and therefore are eligible to serve as the Programs Committee Chair:

1. Guy Dalpe
2. Gigi Kiama

A motion was made to recommendation Gigi Kiama as the Programs Committee Chair for FY 15/16.

First: Jason Porth
Second: Gigi Kiama

NAME	AYE	ABSTAIN	NAY	ABSENT
Guy Dalpe	X			
Gigi Kiama		X		
Jun Reina				X
Jason Porth	X			

Motion carried.

D. INFORMATION ITEMS

The information items were reviewed, but there was no discussion.

- D1. 2015 CSURMA AORMA Meeting Calendar**
- D2. FY 14/15 Long Range Action Plan**
- D3. CSURMA AORMA Committee and Standing Committee Roster**

E. ADJOURNMENT

A motion was made to adjourn the meeting at 2:03 PM

MERGER OF THE MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE INTO THE PROGRAMS COMMITTEE

ISSUE: At its meeting on October 22, 2015, the AORMA Committee made the decision to conclude the work of the Member Services, Loss Control and Training Committee (MSLCTC).

Bill Olmstead from University Union Operation of CSU Sacramento and Raven Tyson from Associated Students of San Diego State University have accepted the appointments by Frank Mumford, the AORMA Chair, to join the Programs Committee.

RECOMMENDATION: This item is for information only. Staff recommends welcoming Bill and Raven to the Programs Committee.

FISCAL IMPACT: None.

BACKGROUND: The MSLCTC was instrumental in establishing loss control programs, formalizing methods of communication, and overseeing the development of “value-added” services. Now that the heavy lifting is complete, the AORMA Committee oversees and approves the programs that were put in place by the MSLCTC. The ongoing projects that the MSLCTC is currently overseeing will be merged into the AORMA Programs Committee. From time to time, the AORMA Committee Chair may appoint an ad hoc committee to work on a loss control / risk management project that requires additional time and/or expertise.

PUBLICATION: The AORMA roster will be updated. The roster is maintained on the CSURMA website.

ATTACHMENT(S): None.

EMPLOYMENT PRACTICES LIABILITY
MEMBER DEDUCTIBLE FOR FY 2016/2017

ISSUE: In accordance with Policy and Procedure L-7 – Employment Practices Liability Deductible (EPL) Options, shown below, the Programs Committee is responsible for approving each member’s minimum EPL deductible for FY 16 17.

Policy and Procedure L-7 states the following:

It is the policy of CSURMA AORMA that annually a minimum EPL deductible will be determined for each Member. The formula for determining the minimum EPL deductible is based on number and cost of EPL claims paid, at June 30, for the last five fiscal years. If a Member has more than one EPL claim payment within the last five fiscal years, then the total amount paid within those five years for all claims exceeding \$25,000 will be applied to the following schedule:

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

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

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

TABLE 1		
Auxiliary Organization	FY 16/17	FY 15/16
California State University, Fresno Foundation	\$ 75,000	\$ 75,000
California State University, Long Beach Research Foundation	\$ 75,000	\$ 75,000
The Cal Poly Pomona Foundation, Inc.	\$ 100,000	\$ 100,000
University Enterprises, Inc., CSU Sacramento	\$ 50,000	\$ 50,000
San Diego State University Research Foundation	\$ 100,000	\$ 100,000
San Jose State University Research Foundation	\$ 100,000	\$ 75,000

RECOMMENDATION: Staff recommends that the Committee review and approve the EPL deductible schedule for FY 16 17.

FISCAL IMPACT: Because the EPL coverage is written on an “occurrence” basis, the EPL incidents occurring during FY 16 17 will be subject to the deductibles in TABLE 1 regardless of when the occurrence is reported.

BACKGROUND: Employment Practices Liability losses continue to be AORMA’s number one loss leader. As a way to reduce EPL loss costs, the AORMA committee approved changes to Policy & Procedure L-7 effective July 1, 2013, which mandates higher EPL deductibles for those auxiliary organizations with a frequency of EPL claims.

In December 2013, Policy & Procedure L-7 was retroactively amended to the July 1, 2013 effective date so that the EPL deductible increases would be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule within the Policy & Procedure.

PUBLICATION: Those members receiving an EPL deductible in excess of \$25,000 will be notified in December, as well as in January within the budgeting letter.

ATTACHMENT(S):

- a. EPL Deductible Schedule
- b. EPL Member Deductible Calculation
- c. Policy & Procedure L-7 – Employment Practices Liability Deductible

AORMA Liability Program - EPL Deductible Schedule

#	Campus	Auxiliary Organization	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
2	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
3	Bakersfield	California State University, Bakersfield Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
4	Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
5	Chancellor's Office	California State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
6	Chancellor's Office	California State University Institute	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
8	Channel Islands	California State University Channel Islands Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
9	Channel Islands	University Glen Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
10	Chico	Associated Students of California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
11	Chico	Auxiliary Organization Associations	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
12	Chico	The CSU, Chico Research Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
13	Chico	The University Foundation, California State University, Chico	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
14	Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
15	Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
16	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	\$ 25,000	\$ 25,000					
17	East Bay	Associated Students, California State University, East Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
18	East Bay	Cal State East Bay Educational Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
19	East Bay	California State University, East Bay Foundation, Inc.	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
20	Fresno	Associated Students, Inc. of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
21	Fresno	California State University, Fresno Association, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
22	Fresno	California State University, Fresno Foundation	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
23	Fresno	Fresno State Programs for Children, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
24	Fresno	The Agricultural Foundation of California State University, Fresno	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
25	Fresno	The California State University, Fresno Athletic Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
26	Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
27	Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
28	Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Humboldt	Associated Students, Humboldt State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Humboldt	Humboldt State University Advancement Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Humboldt	Humboldt State University Center Board of Directors	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Long Beach	Associated Students, California State University, Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Long Beach	California State University, Long Beach Research Foundation	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Long Beach	CSULB 49er Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Los Angeles	California State University, Los Angeles Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

AORMA Liability Program - EPL Deductible Schedule

#	Campus	Auxiliary Organization	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
#####	Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Maritime Academy	The Associated Students of the California Maritime Academy	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Monterey Bay	Foundation of California State University, Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Monterey Bay	The University Corporation at Monterey Bay	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Northridge	Associated Students, California State University, Northridge, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Northridge	California State University, Northridge Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Northridge	North Campus University Park Development Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Northridge	The University Corporation, CSU Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Northridge	University Student Union of California State University, Northridge	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 100,000	\$ 100,000	\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 25,000
#####	Sacramento	Associated Students of California State University, Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sacramento	The University Foundation at Sacramento State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sacramento	University Union Operation of CSUS, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Bernardino	CSUSB Philanthropic Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Bernardino	University Enterprises Corporation at CSUSB	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Diego	Associated Students, San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Diego	Aztec Shops, Ltd., San Diego State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Diego	San Diego State University Research Foundation	\$ 100,000	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Diego	The Campanile Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Francisco	Associated Students, Inc., San Francisco State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Francisco	San Francisco State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Francisco	The University Corporation, San Francisco State	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Jose	Associated Student, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Jose	San Jose State University Research Foundation	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Jose	Spartan Shops, Inc., San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Jose	The Student Union of San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Jose	The Tower Foundation, San Jose State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Luis Obispo	Cal Poly Corporation	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Luis Obispo	California Polytechnic State University Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Marcos	California State University San Marcos Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

AORMA Liability Program - EPL Deductible Schedule

#	Campus	Auxiliary Organization	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11
#####	San Marcos	San Marcos University Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Marcos	The Associated Students of California State University, San Marcos	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	San Marcos	University Auxiliary and Research Services Corporation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sonoma	Associated Students of Sonoma State University	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sonoma	Sonoma State Enterprises, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Stanislaus	California State University, Stanislaus Foundation	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
#####	Stanislaus	University Student Union of California State University, Stanislaus	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

Black Bold - represents that the EPL deductible is now back down to the minimum of \$25,000

Blue - represents the mandated minimum EPL deductible per Policy & Procedure L-7

Red - represents the year the member chose to increase its EPL deductible above the minimum. The member must maintain the higher deductible for three years.

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2010 and June 30, 2015

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Channel Islands	CSU CHANNEL ISLANDS UNIVERSITY GLEN CORP	1597956	155,755	155,755
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
Chico	CHICO RESEARCH FOUNDATION	1881293	110,874	110,874
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1755087	3,083	-
Dominguez Hills	CSU DOMINGUEZ HILLS FOUNDATION	1846619	6,181	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	0		
Dominguez Hills	CSU DOMINGUEZ HILLS LOKER STUDENT UNION, INC.	1593281	4,547	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
East Bay	CSU EAST BAY FOUNDATION	1492625	1,791	-
East Bay	CSU EAST BAY FOUNDATION	1505817	14,256	-
East Bay	CSU EAST BAY FOUNDATION	1507297	825	-
East Bay	CSU EAST BAY FOUNDATION	1517494	6,602	-
East Bay	CSU EAST BAY FOUNDATION	1517601	1,445	-
East Bay	CSU EAST BAY FOUNDATION	1548055	4,697	-
	Number of Claims	6		
	Number of Claims in excess of \$25,000	0		
Fresno	CSU FRESNO ASSOCIATION	1888278	2,108	-
Fresno	CSU FRESNO ASSOCIATION (This loss is excluded from the calculation while it is being reviewed)	1603788	40,164	40,164
	Number of Claims	2		
	Number of Claims in excess of \$25,000	1		
Fresno	CSU FRESNO FOUNDATION	1632425	140,464	140,464
Fresno	CSU FRESNO FOUNDATION	1743848	99,840	99,840
Fresno	CSU FRESNO FOUNDATION	1854811	3,192	-
	Number of Claims	3		
	Number of Claims in excess of \$25,000	2		
Total for claims in excess of \$25,000:				240,304
Minimum EPL deductible for FY 16/17 (w/o one level limitation):				75,000
Minimum EPL deductible for FY 16/17 (w/ one level limitation):				75,000
Minimum EPL deductible for FY 15/16:				75,000
Fullerton	CSU FULLERTON AUXILIARY SERVICES CORPORATION	1882328	44,399	44,399
		1532101	1,756	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	1		
Humboldt	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	1565127	25,219	25,219
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2010 and June 30, 2015

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Long Beach	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758506	384,442	384,442
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1889986	379	Same Occurrence
	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	1758388	463	Same Occurrence
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
Long Beach	LONG BEACH RESEARCH FOUNDATION	1515384	64,803	64,803
Long Beach	LONG BEACH RESEARCH FOUNDATION	1581787	123,679	123,679
Long Beach	LONG BEACH RESEARCH FOUNDATION	1598220	376	Incident Report Only
Long Beach	LONG BEACH RESEARCH FOUNDATION	1856078	5,550	-
	Number of Claims	3		
	Number of Claims in excess of \$25,000	2		
Total for claims in excess of \$25,000:				188,482
Minimum EPL deductible for FY 16/17 (w/o one level limitation):				75,000
Minimum EPL deductible for FY 16/17 (w/ one level limitation):				75,000
Minimum EPL deductible for FY 15/16:				75,000
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1483401	1,784	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1499878	10,866	-
Los Angeles	CSU LOS ANGELES UNIVERSITY AUXILIARY SERVICES	1582137	16,548	-
	Number of Claims	3		
	Number of Claims in excess of \$25,000	0		
Northridge	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC.	1547624	5,552	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1593276	17,924	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1600567	4,826	-
Northridge	CSU NORTHRIDGE UNIVERSITY CORP.	1862493	16,914	-
	Number of Claims	3		
	Number of Claims in excess of \$25,000	0		
Pomona	CPSU POMONA FOUNDATION	1734312	104,877	104,877
Pomona	CPSU POMONA FOUNDATION	1735120	187,962	187,962
Pomona	CPSU POMONA FOUNDATION	293884	400	Incident Report Only
Pomona	CPSU POMONA FOUNDATION	293886	891	Incident Report Only
	Number of Claims	2		
	Number of Claims in excess of \$25,000	2		
Total for claims in excess of \$25,000:				292,839
Minimum EPL deductible for FY 16/17 (w/o one level limitation):				100,000
Minimum EPL deductible for FY 16/17 (w/ one level limitation):				100,000
Minimum EPL deductible for FY 15/16:				100,000
Sacramento	CSU SACRAMENTO CAPITOL PUBLIC RADIO, INC.	1734620	12,153	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1613613	81,069	81,069

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2010 and June 30, 2015

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC. (This loss is split 50/50 with the Union)	1634228	23,837	-
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1755960	79,717	79,717
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1879642	788	Incident Report Only
Sacramento	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	1904741	13,760	-
	Number of Claims	5		
	Number of Claims in excess of \$25,000	2		
	Total for claims in excess of \$25,000:			160,786
	Minimum EPL deductible for FY 16/17 (w/o one level limitation):			50,000
	Minimum EPL deductible for FY 16/17 (w/ one level limitation):			50,000
	Minimum EPL deductible for FY 15/16:			50,000
Sacramento	UNIVERSITY UNION OPERATION OF CSUS, INC. (This loss is split 50/50 with UEI)	1634228	23,837	-
San Bernardino	CSU SAN BERNARDINO UNIVERSITY ENTERPRISES CORP	1898188	430	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1812963	65,987	65,987
San Diego	CSU SAN DIEGO ASSOCIATED STUDENTS	1895248	10,816	-
	Number of Claims	2		
	Number of Claims in excess of \$25,000	1		
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1492624	109	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1524874	514,786	514,786
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1542001	65,908	65,908
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1549214	191,279	191,279
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1598936	26,388	26,388
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1600832	313,777	313,777
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1733219	457,646	457,646
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1763201	7,722	-
San Diego	CSU SAN DIEGO RESEARCH FOUNDATION	1768697	20,470	-
	Number of Claims	9		
	Number of Claims in excess of \$25,000	6		
	Total for claims in excess of \$25,000:			1,569,783
	Minimum EPL deductible for FY 16/17 (w/o one level limitation):			100,000
	Minimum EPL deductible for FY 16/17 (w/ one level limitation):			100,000
	Minimum EPL deductible for FY 15/16:			100,000
San Francisco	CSU SAN FRANCISCO CESAR CHAVEZ STUDENT CENTER	1506997	54,382	54,382
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
San Francisco	CSU SAN FRANCISCO THE UNIVERSITY CORPORATION	1522876	8,973	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		

AORMA Liability Program - Employment Practices Liability Loss Information
Employment Practices Liability Loss Information
Paid Losses between July 1, 2010 and June 30, 2015

Campus	Auxiliaries	Claim #	Total Incurred	Claims Over \$25,000
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1506767	21,533	-
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1614600	511,357	511,357
San Jose	CSU SAN JOSE RESEARCH FOUNDATION	1879863	44,510	44,510
	Number of Claims	3		
	Number of Claims in excess of \$25,000	2		
			Total for claims in excess of \$25,000:	555,867
			Minimum EPL deductible for FY 16/17 (w/o one level limitation):	100,000
			Minimum EPL deductible for FY 16/17 (w/ one level limitation):	100,000
			Minimum EPL deductible for FY 15/16:	75,000
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1502347	430	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1521031	261	-
San Jose	CSU SAN JOSE SPARTAN SHOPS, INC.	1596850	2,981	-
	Number of Claims	3		
	Number of Claims in excess of \$25,000	0		
San Jose	CSU SAN JOSE STUDENT UNION, INC.	1565299	3,249	-
	Number of Claims	1		
	Number of Claims in excess of \$25,000	0		
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1483955	27,359	27,359
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1502492	2,555	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1597354	11,163	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1601806	889	Incident Report Only
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1622290	10,018	-
San Luis Obispo	CPSU SAN LUIS OBISPO CAL POLY CORP.	1537083	8,745	-
	Number of Claims	5		
	Number of Claims in excess of \$25,000	1		
			Total for claims in excess of \$25,000:	27,359
			Minimum EPL deductible for FY 16/17 (w/o one level limitation):	25,000
			Minimum EPL deductible for FY 16/17 (w/ one level limitation):	25,000
			Minimum EPL deductible for FY 15/16:	50,000
San Marcos	CSU SAN MARCOS RESEARCH SERVICES CORP.	1892678	51,470	51,470
	Number of Claims	1		
	Number of Claims in excess of \$25,000	1		
Stanislaus	CSU STANISLAUS ASSOCIATED STUDENTS, INC.	1892553	910	Incident Report Only
	Number of Claims	0		
	Number of Claims in excess of \$25,000	0		



CSURMA AORMA

POLICY AND PROCEDURE NO. L-7

**SUBJECT: EMPLOYMENT PRACTICES LIABILITY
DEDUCTIBLE (EPL) OPTIONS**

ADOPTED: MAY 12, 2011

**AMENDED: JULY 1, 2011
DECEMBER 6, 2012
DECEMBER 5, 2013
MARCH 19, 2015**

EFFECTIVE: JULY 1, 2011

POLICY:

1. It is the policy of CSURMA AORMA that annually a minimum EPL deductible will be determined for each Member. The formula for determining the minimum EPL deductible is based on number and cost of EPL claims paid, at June 30, for the last five fiscal years. If a Member has more than one EPL claim payment within the last five fiscal years, then the total amount paid within those five years for all claims exceeding \$25,000 will be applied to the following schedule:

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

EPL EXPENSE PAYMENTS made in a fiscal year subsequent to the fiscal year in which the final EPL LOSS PAYMENT was made will be considered to have been made in the same fiscal year as the final EPL LOSS PAYMENT.

Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member.

To assist Members in budget forecasting, the minimum EPL deductible will be limited to one EPL deductible level increase per year, regardless of the minimum EPL deductible calculated based on the schedule above.

The Programs Committee will review and determine each Member’s minimum EPL deductible for the upcoming fiscal year.

2. Each Member will have the option of electing an EPL deductible in excess of the minimum deductible.



CSURMA AORMA

POLICY AND PROCEDURE NO. L-7

3. Should a Member elect an EPL deductible in excess of the minimum EPL deductible, then that Member will be required to maintain the same EPL deductible for three full program years (July 1st to June 30th) before selecting a new EPL deductible. EPL deductibles can only be changed at the beginning of the coverage term – July 1st of each year. If, however, the formula for determining the minimum EPL deductible results in a deductible level higher than the EPL deductible level elected by the Member, the Member's EPL deductible will increase to the deductible level determined by the formula. Because the election of higher EPL deductibles can only be changed once per every three full program years, CSURMA AORMA strongly recommends a review of prior years' claims and consultation with the JPA Program Administrator before making any decisions regarding these higher EPL deductibles.
4. As outlined in Policy and Procedure L-1, Claims Reporting, it is the policy of CSURMA AORMA that written notice of any claim within the AORMA Liability Coverage Program be given to the Third Party Claims Administrator as soon as practicable. Failure to report a claim is cause for a reduction in or denial of coverage by AORMA.

PROCEDURE:

1. Annually, based on the formula above, the JPA Program Administrator will determine the minimum EPL deductible for each Member.
2. The Programs Committee will approve each Member's minimum EPL deductible.
3. The JPA Program Administrator will provide the Members with the costs for each of the different EPL deductibles options.
4. If the Member chooses an EPL deductible higher than the minimum EPL deductible as approved by the Programs Committee for that Member, then the Member will be required to sign the attached Consent to Change Employment Practices Liability Deductible letter.
5. A Member may appeal its minimum EPL deductible to the AORMA Committee in writing prior to the commencement of the coverage year, and the AORMA Committee will make a final decision.

DEFINITIONS:

EPL EXPENSE PAYMENT: Allocated loss adjustment expenses that are assignable to the claim. This may include but is not limited to fees to attorneys, experts, investigators, court reporters as well as third-party claims administrators incurred in defense of an EPL claim.

EPL LOSS PAYMENT: Compensatory damages which the Member is legally obligated to pay as a result of a claim.

EPL: Employment Practices Liability.

Consent to Change Employment Practices Liability Deductible

I am authorizing CSURMA AORMA to increase the Employment Practices Liability deductible within the CSURMA AORMA Liability Coverage Program for this Auxiliary Organization effective _____.

I understand that I must maintain this same deductible for three full program years (July 1st to June 30th) before selecting a new deductible. I am also aware that the following coverage provisions apply to all Employment Practices Liability claims regardless of the probable size of the claim. The Auxiliary Organization's or the Covered Party's failure to comply with any of these provisions will cause a reduction in, or denial of, coverage by CSURMA AORMA.

CLAIMS REPORTING PROVISIONS

If a Auxiliary Organization or Covered Party becomes aware of an event, occurrence or offense, which **may** result in a claim, suit or proceeding, the event must be reported to the Third Party Claims Administrator (TPA) as soon as practicable. If the event is not reported to the TPA within the timeframe set below; the following late reporting penalties shall apply;

LATE REPORTING PENALTIES

1. If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
2. If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
3. If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.

DEFENSE COVERAGE PROVISIONS

If an Auxiliary Organization or Covered Party becomes aware of an event, occurrence or offense, which **may** result in a claim, suit or proceeding, CSURMA AORMA will reimburse any costs incurred by the Auxiliary Organization or Covered Party to defend the covered claim **but only if** the event is reported to the TPA within thirty (30) days of becoming aware of the event. CSURMA AORMA will not, however, reimburse any costs incurred more than thirty (30) days prior to notification to the TPA.

CLAIMS SETTLEMENT PROVISIONS

An Auxiliary Organization or Covered Party will not be reimbursed by CSURMA AORMA if the Auxiliary Organization or Covered Party settles a claim without prior written authorization of the Liability Claims Administrator.

I have read the above coverage provisions and I have a thorough understanding of my claims reporting obligations within the CSURMA AORMA Liability Program and consent to a change in my Employment Practices Liability deductible to:

\$50,000 / \$75,000 / \$100,000

Auxiliary Organization

Signed

Name

Title

Date

WORKERS' COMPENSATION SUPPLEMENTAL ACTUARIAL REPORTS

ISSUE: CSURMA's retains the services of an independent actuary to evaluate the liabilities of the workers' compensation program as well as calculating each member's experience modification factor (EMF) for use in the member allocation. The Committee is asked to accept the EMF supplemental report.

RECOMMENDATION: Staff recommends that the Committee accept the Workers' Compensation 2016/17 Experience Modification Factors supplemental report dated September 14, 2015.

FISCAL IMPACT: The EMF's are used in the FY 16/17 workers' compensation member allocation. Each member's EMF has the potential of increasing or decreasing a maximum of 15%.

BACKGROUND: In order to achieve rate stability, the AORMA Committee approved changes to Policy and Procedure WC-1 – Workers' Compensation Program Member Allocation Formula which requires the EMF to be (1) "normalized" to 1.00 in order to achieve the required program funding, and (2) capped at +/- 15%. The actuary incorporated these changes into the experience modification factor calculation as shown in the supplemental report.

The actuary was also requested by Staff to provide a separate EMF calculation for each member. These reports are attached as well.

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

ATTACHMENT(S):

- a. Workers' Compensation 2016/17 Experience Modification Factors supplemental report dated September 14, 2015 *(complete report provided as a handout)*
- b. Policy and Procedure WC-1 – Workers' Compensation Program Member Allocation Formula



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT: WORKERS' COMPENSATION MEMBER
ALLOCATION FORMULA

ADOPTED: MAY 15, 2008

EFFECTIVE: MAY 15, 2008

AMENDED: DECEMBER 8, 2009
SEPTEMBER 10, 2015

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 criteria with the Workers' Compensation Member Allocation Formula:

1. **AORMA Basic Rates** for each class code
2. **Experience Modification Factors** (as determined by the actuary)

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.*

**** 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.

DEFINITIONS:

- 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

2. **Experience Modification Factor** – The actuary will determine each Member’s Experience Modification Factor based on the current published WCIRB method. The Experience Modification Factors will be adjusted for the normalization factor and capped at a maximum change of +/- 15% from the prior (normalized) Experience Modification Factor.

3. **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 2016/2017**

ISSUE: At its September 10, 2015 meeting, the AORMA Committee approved the FY 16/17 Workers' Compensation Program funding of \$4,523,000. The Programs Committee must now (1) approve the FY 16/17 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 16/17 and their experience modification factor as determined by the CSURMA actuary.

RECOMMENDATION: Staff recommends that the Committee approve the FY 16/17 rates shown below, as well as the FY 16/17 workers' compensation program member allocation, with modifications for changes in payroll as required:

AORMA Class Code	1001	1002	1004	1005	1006	1007
FY 16/17 Rates	.30	.75	1.05	2.64	3.60	5.21

FISCAL IMPACT: The total program costs for FY 16/17 are \$4,523,000. This is a 1% increase over the contributions for FY 15/16.

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 includes a normalization factor of between 63% and 70% in order to establish the proposed AORMA FY 16/17 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 16/17 Rates	0.46	1.18	1.66	3.88	5.14	7.60
Normalization Factor	65%	64%	63%	68%	70%	69%
AORMA FY 16/17 Rates (Proposed)	0.30	0.75	1.05	2.64	3.60	5.21

Because of the program's excellent claims history (compared to the entire state of California) each WCIRB rate has been reduced by at least 30%. TABLE 2 below shows a comparison between the AORMA proposed rates and WCIRB rates.

TABLE 2						
Comparison of WCIRB and AORMA Rates						
AORMA Class Codes	1001	1002	1004	1005	1006	1007
WCIRB FY 16/17 Rates	0.46	1.18	1.66	3.88	5.14	7.60
AORMA FY 16/17 Rates (Proposed)	0.30	0.75	1.05	2.64	3.60	5.21
Difference	-35%	-36%	-37%	-32%	-30%	-31%

Effective July 1, 2015, the AORMA workers' compensation program began using the WCIRB rates as a starting point when determining the AORMA rates. Eventually, the goal being that the program would use the same normalization factor for all of the WCIRB rates; however, because long term rate stability is vital to the success of the program, slightly different normalization factors were used so that any one rate did not increase more than 4% while at the same time achieving the approved funding amount.

TABLE 3						
Comparison of FY 15/16 and FY 16/17 Rates						
AORMA Class Codes	1001	1002	1004	1005	1006	1007
AORMA FY 15/16 Rates (Approved)	0.36	0.94	1.38	2.53	3.47	5.00
AORMA FY 16/17 Rates (Proposed)	0.30	0.75	1.05	2.64	3.60	5.21
Difference	-17%	-20%	-24%	4%	4%	4%

TABLE 4 below shows a comparison of the program's historical rates. By using the WCIRB rates as a starting point, AORMA will provide rate stability going forward.

TABLE 4						
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 15 16	0.36	0.94	1.38	2.53	3.47	5.00
FY 16 17	0.30	0.75	1.05	2.64	3.60	5.21
Diff	-17%	-20%	-24%	4%	4%	4%

PUBLICATION: The final approved premiums / rates will be sent out to the program members at the end of January, 2016.

ATTACHMENT(S):

- a. FY 16/17 Workers' Compensation Program Member Allocation – Comparison
- b. FY 16/17 – Total Funding Approved
- c. Policy and Procedure WC-1 – Workers' Compensation Program Member Allocation Formula (2015 09 10)

CSURMA AORMA
FY 16/17 Workers' Compensation Program
Comparison Exhibit - Prior Year vs. Current Year

Campus	Auxiliary	FY 16/17 Premium	\$ Diff	% Diff
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	14,874	(5,706)	-28%
Bakersfield	California State University, Bakersfield Foundation	5,477	(407)	-7%
Channel Islands	University Glen Corporation, CSU Channel Islands	75,090	17,367	30%
Chico	Associated Students of California State University, Chico	164,254	6,424	4%
Chico	The CSU, Chico Research Foundation	137,707	11,703	9%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	6,699	4,776	248%
Dominguez Hills	California State University, Dominguez Hills Foundation	41,794	(9,715)	-19%
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	17,863	(2,299)	-11%
East Bay	Associated Students, California State University, East Bay	2,223	(823)	-27%
Fresno	California State University, Fresno Association, Inc.	90,568	(771)	-1%
Fresno	The California State University, Fresno Athletic Corporation	75,483	2,556	4%
Fullerton	Associated Students, California State University, Fullerton, Inc.	109,391	1,805	2%
Fullerton	CSU Fullerton Auxiliary Services Corporation	124,642	(12,949)	-9%
Humboldt	Humboldt State University Center	102,479	14,072	16%
Humboldt	Humboldt State University Sponsored Programs Foundation	100,287	(27,863)	-22%
Humboldt	Associated Students, Humboldt State University	2,209	245	12%
Long Beach	Associated Students, California State University, Long Beach	127,928	13,496	12%
Long Beach	California State University Long Beach Research Foundation	100,410	9,683	11%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	229,415	(15,690)	-6%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	136,103	15,508	13%
Los Angeles	University-Student Union Board, California State University, Los Angeles	47,978	(6,659)	-12%
Monterey Bay	The University Corporation at Monterey Bay	81,490	(25,433)	-24%
Northridge	Associated Students, California State University, Northridge, Inc.	63,817	10,862	21%
Northridge	The University Corporation, CSU Northridge	0	(237,903)	-100%
Northridge	University Student Union of California State University, Northridge	107,793	(4,321)	-4%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	120,972	38,723	47%
Pomona	The Cal Poly Pomona Foundation, Inc.	370,366	43,606	13%
Sacramento	Associated Students of California State University, Sacramento	71,554	4,119	6%
Sacramento	University Enterprises, Inc., CSU Sacramento	287,767	6,727	2%
Sacramento	Capital Public Radio	9,683	(66)	-1%
San Bernardino	Associated Students Inc., California State University, San Bernardino	1,381	(149)	-10%
San Bernardino	University Enterprises Corporation at CSUSB	79,655	11,372	17%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	45,461	1,773	4%
San Diego	Associated Students, San Diego State University	211,477	33,947	19%
San Francisco	Associated Students, Inc., San Francisco State University	59,223	(2,523)	-4%
San Francisco	The University Corporation, San Francisco State	20,835	(5,125)	-20%
San Jose	Associated Student, San Jose State University	42,195	(2,360)	-5%
San Jose	San Jose State University Research Foundation	165,915	(24,485)	-13%
San Jose	Spartan Shops, Inc., San Jose State University	215,487	21,460	11%
San Jose	The Student Union of San Jose State University	44,311	6,856	18%
San Jose	The Tower Foundation, San Jose State University	7,275	1,441	25%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	157,297	26,920	21%
San Luis Obispo	Cal Poly Corporation	550,811	104,508	23%
San Marcos	University Auxiliary and Research Services Corporation	48,691	(4,575)	-9%
Sonoma	Associated Students of Sonoma State University	9,254	(502)	-5%
Sonoma	Sonoma State Enterprises	30,300	28,322	1432%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	1,993	(43)	-2%
Stanislaus	University Student Union of California State University, Stanislaus	6,202	(861)	-12%

Totals 48 4,524,079

70% Confidence Level (Discounted)

CSURMA AORMA FY 2016/2017 Workers' Compensation Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 12/13 \$500,000 SIR	Actual Program Costs FY 13/14 \$500,000 SIR	Actual Program Costs FY 14/15 \$500,000 SIR	Program Costs FY 15/16 \$500,000 SIR	Proposed FY 16/17 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	\$2,928,900	\$3,149,900	#1 \$3,108,750	#2 \$3,208,750	#3 \$3,236,000
Claims Administration	\$207,089	\$207,089	\$211,231	\$205,000	\$205,000
JPA Program Administration Fee	\$538,104	\$539,787	\$529,743	\$597,135	\$597,000
Excess Insurance	\$477,508	\$467,704	\$483,420	\$485,365	\$485,000
Total Expenses:	\$4,151,601	\$4,364,480	\$4,333,144	\$4,496,250	\$4,523,000
Difference from prior year:	12.40%	5.13%	-0.72%	3.76%	0.59%
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.95	\$1.03	\$1.04	\$1.08	\$1.08

Actuarial Recommended Estimated Pooled Layer Funding (per the actuarial report dated August 3, 2015)
 Claims Administration (no increase or decrease is contemplated)
 JPA Program Administration Fee (no increase or decrease is contemplated)
 Excess Insurance (no increase or decrease is contemplated)

#1 - The CSAC EIA reinsurance premium of \$1,241,707 (for six months - 1/01/15 to 6/30/15) was paid from the Pooled Layer Funding

#2 - The CSAC EIA reinsurance premium of \$2,483,349 was paid from the Pooled Layer Funding

#3 - The Pooled Layer Funding is "discounted" at a 70% confidence level

CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT: **WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA**

ADOPTED: **MAY 15, 2008**

EFFECTIVE: **MAY 15, 2008**

AMENDED: **DECEMBER 8, 2009**
SEPTEMBER 10, 2015

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 criteria with the Workers' Compensation Member Allocation Formula:

1. **AORMA Basic Rates** for each class code
2. **Experience Modification Factors** (as determined by the actuary)

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.*

**** Example ****

1001	.50	*	.95	=	.48
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AORMA basic rates			Experience modification factor		Modified rates
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1004	1.43	*	\$0	=	\$0
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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.

DEFINITIONS:

- 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
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Food service	1006	9079
Manual labor	1007	9101

2. **Experience Modification Factor** – The actuary will determine each Member’s Experience Modification Factor based on the current published WCIRB method. The Experience Modification Factors will be adjusted for the normalization factor and capped at a maximum change of +/- 15% from the prior (normalized) Experience Modification Factor.

3. **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 liabilities of the liability program as well as providing 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 liability program member allocation.

RECOMMENDATION: Staff recommends that the Committee accept the Liability Program 2016/17 Rates and Experience Modification Factors report dated September 18, 2015 and Employment Practices Liability Indicated Deductible Credits report dated September 18, 2015.

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 effect on the members’ FY 16 17 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		
Deductibles	FY 15/16	FY 16/17
25,000	22%	20%
50,000	35%	33%
75,000	48%	45%
100,000	58%	55%

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

TABLE 2			
Actuary's Recommended Rates			
Exposure	FY 15/16	FY 16/17	% Diff
Auto Liability	150	151	1%
Premises Liability	37	40	7%
Other Liability	132	134	1%
EPL	2,566	2,219	-14%

TABLE 3 attached, compares the member's EMF's for FY 15/16 and FY 16/17. 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 are limited to between .75 and 2.00.

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 2016/17 Rates and Experience Modification Factors report dated September 18, 2015
- c. Employment Practices Liability Indicated Deductible Credits report dated September 18, 2015

Liability Program Supplemental Actuarial Report - Agenda Item C6

TABLE 3

Actuary's Experience Modification Factors				
Campus	Auxiliary Organization	FY 15/16	FY 16/17	% Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	0.973	0.988	2%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.881	0.858	-3%
Bakersfield	California State University, Bakersfield Foundation	0.892	0.908	2%
Bakersfield	California State University, Bakersfield Student Union, Inc.	0.898	0.897	0%
Chancellor's Office	California State University Foundation	0.993	0.987	-1%
Chancellor's Office	California State University Institute	0.990	0.990	0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	0.986	0.967	-2%
Channel Islands	California State University Channel Islands Foundation	0.988	0.990	0%
Channel Islands	University Glen Corporation	1.935	1.857	-4%
Chico	Associated Students of California State University, Chico	0.750	0.750	0%
Chico	Auxiliary Organization Associations	0.998	0.998	0%
Chico	The CSU, Chico Research Foundation	2.000	2.000	0%
Chico	The University Foundation, California State University, Chico	0.962	0.956	-1%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.961	0.953	-1%
Dominguez Hills	California State University, Dominguez Hills Foundation	0.784	0.945	21%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	0.952	0.941	-1%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	1.000	1.000	0%
East Bay	Associated Students, California State University, East Bay	0.856	0.930	9%
East Bay	Cal State East Bay Educational Foundation	1.000	0.992	-1%
East Bay	California State University, East Bay Foundation, Inc.	0.881	0.838	-5%
Fresno	Associated Students, Inc. of California State University, Fresno	0.986	0.940	-5%
Fresno	Fresno State Programs for Children, Inc.	0.940	0.913	-3%
Fresno	The Agricultural Foundation of California State University, Fresno	0.954	0.953	0%
Fresno	The California State University, Fresno Athletic Corporation	0.816	0.861	6%
Fresno	California State University, Fresno Association, Inc.	0.767	0.750	-2%
Fresno	California State University, Fresno Association, Inc. (Courtyard)	0.767	0.750	-2%
Fresno	California State University, Fresno Association, Inc. (SMC)	0.767	0.750	-2%
Fresno	California State University, Fresno Foundation	1.676	1.053	-37%
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.750	0.750	0%
Fullerton	Cal State Fullerton Philanthropic Foundation	0.973	0.972	0%
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.750	1.124	50%
Humboldt	Associated Students, Humboldt State University	0.973	0.974	0%
Humboldt	Humboldt State University Advancement Foundation	0.906	0.997	10%
Humboldt	Humboldt State University Center Board of Directors	0.750	0.837	12%
Humboldt	Humboldt State University Sponsored Programs Foundation	0.928	0.930	0%
Long Beach	Associated Students, California State University, Long Beach	1.368	1.537	12%
Long Beach	California State University, Long Beach Research Foundation	1.590	1.499	-6%
Long Beach	CSULB 49er Foundation	0.993	1.019	3%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	0.750	0.838	12%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	1.101	1.006	-9%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	0.750	0.750	0%
Los Angeles	California State University, Los Angeles Foundation	0.995	0.991	0%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.773	0.750	-3%
Maritime	California Maritime Academy Foundation, Inc.	0.998	0.995	0%
Maritime	The Associated Students of the California Maritime Academy	1.000	0.998	0%
Monterey	Foundation of California State University, Monterey Bay	1.000	0.999	0%
Monterey	The University Corporation at Monterey Bay	0.750	0.750	0%
Northridge	Associated Students, California State University, Northridge, Inc.	1.223	1.197	-2%

TABLE 3

Actuary's Experience Modification Factors				
Campus	Auxiliary Organization	FY 15/16	FY 16/17	% Diff
Northridge	California State University, Northridge Foundation	0.980	0.972	-1%
Northridge	North Campus University Park Development Corporation	0.996	0.999	0%
Northridge	The University Corporation, CSU Northridge	0.934	0.750	-20%
Northridge	University Student Union of California State University, Northridge	2.000	2.000	0%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.867	0.863	0%
Pomona	The Cal Poly Pomona Foundation, Inc.	1.443	1.752	21%
Sacramento	Associated Students of California State University, Sacramento	0.868	0.923	6%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	0.944	0.937	-1%
Sacramento	The University Foundation at Sacramento State	0.995	0.990	-1%
Sacramento	University Enterprises, Inc., CSU Sacramento	0.750	0.786	5%
Sacramento	University Union Operation of CSUS, Inc.	0.872	0.790	-9%
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.970	0.973	0%
San Bernardino	CSUSB Philanthropic Foundation	0.863	0.990	15%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	0.814	1.819	123%
San Bernardino	University Enterprises Corporation at CSUSB	0.750	0.750	0%
San Diego	Associated Students, San Diego State University	1.292	1.029	-20%
San Diego	Aztec Shops, Ltd., San Diego State University	0.750	0.750	0%
San Diego	San Diego State University Research Foundation	1.234	1.025	-17%
San Francisco	Associated Students, Inc., San Francisco State University	0.864	0.828	-4%
San Francisco	San Francisco State University Foundation	0.950	0.947	0%
San Francisco	The University Corporation, San Francisco State	1.380	0.982	-29%
San Jose	Associated Student, San Jose State University	0.935	0.947	1%
San Jose	San Jose State University Research Foundation	1.155	1.002	-13%
San Jose	Spartan Shops, Inc., San Jose State University	0.854	0.825	-3%
San Jose	The Student Union of San Jose State University	0.750	0.970	29%
San Jose	The Tower Foundation, San Jose State University	0.814	0.793	-3%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.244	1.031	-17%
San Luis Obispo	Cal Poly Corporation	0.750	0.750	0%
San Luis Obispo	California Polytechnic State University Foundation	0.942	0.951	1%
San Marcos	California State University San Marcos Foundation	0.994	0.987	-1%
San Marcos	San Marcos University Corporation	1.104	0.878	-20%
San Marcos	The Associated Students of California State University, San Marcos	0.985	0.988	0%
San Marcos	University Auxiliary and Research Services Corporation	0.750	1.343	79%
Sonoma	Associated Students of Sonoma State University	0.991	1.004	1%
Sonoma	Sonoma State Enterprises, Inc.	0.882	0.798	-10%
Sonoma	Sonoma State University Academic Foundation, Inc.	0.750	0.985	31%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.970	0.982	1%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	0.959	0.990	3%
Stanislaus	California State University, Stanislaus Foundation	0.961	0.977	2%
Stanislaus	University Student Union of California State University, Stanislaus	0.930	0.964	4%



September 18, 2015

331415

CSU Auxiliary Organizations Risk Management Alliance
% Alliant Insurance Services, Inc.
600 Montgomery Street, Suite 900
San Francisco, California 94111-2711

Attn: Ms. Amber Anderson
JPA Program Coordinator

**CSU Auxiliary Organizations
Risk Management Alliance
Liability Program
2016/17 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, 2015 (the "Actuarial Study", report dated September 16, 2015). We were subsequently asked to allocate the projected 2016/17 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 2010/11 through 2015/16 vehicles, square feet, and payroll by member, as well as 2010/11 through 2014/15 expenditures by member. We understand that Alliant corrected the exposure data, particularly the square footage, compared to that provided for our prior rate and experience modification factor study. As such, the results of this study may not be directly comparable to those in the prior study.

We also relied on the claim data valued as of June 30, 2015 provided by Alliant for the Actuarial Study. In addition, Alliant provided the projected 2015/16 program expenses, which we projected to 2016/17 assuming a 3% trend. We also received the membership history for each organization.

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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 2016/17 loss rates by coverage are shown in Table 1.

**Table 1
Projected Limited Loss Rates
Gross of Deductibles
2016/17**

Coverage (1)	Projected Exposure (2)	Full Value		Present Value	
		Projected Losses (3)	Loss Rate (4)	Projected Losses (5)	Loss Rate (6)
(A) Automobile Liability	442 Vehicles	\$70,160	\$158.60	\$66,960	\$151.36
(B) Premises Liability	11,410,775 Square Feet	473,580	41.50	451,980	39.61
(C) Employment Practices Liability	\$429,946,836 Payroll	999,780	2,325.36	954,180	2,219.30
(D) Other Liability	\$1,499,392,418 Expenditures	210,480	140.38	200,880	133.97
(E) Total		\$1,754,000		\$1,674,000	

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 2010/11 through 2014/15 reported claim experience valued as of June 30, 2015 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 0.24% of all losses and 0.39% of all risk-adjusted exposure during the 2010/11 to 2014/15 experience period (Exhibit LI-XMOD-7, Columns 3 and 4), giving an indicated experience modification factor of 0.606 ($= 0.24\% / 0.39\%$).

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 14.9%, resulting in a credibility-weighted experience modification factor of 0.941 ($= 0.606 \times 14.9\% + 1.000 \times [1 - 14.9\%]$), 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 0.75 and 2.00.

3. Sample Premium Calculation

The 2016/17 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 2016/17 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.

◇ ◇ ◇ ◇ ◇

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

Respectfully submitted,

Aon Risk Consultants, Inc.

Mujtaba Datto, ACAS, MAAA, FCA
Actuarial Practice Leader

Tracy Fleck, ACAS, MAAA
Consultant and Actuary

MD/TF

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AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY

Exhibit LI-ALLO-1

Projected Ultimate Limited Losses and Loss Rates
Allocated by Coverage

I. Allocation of Losses by Coverage

Claim Period (1)	Automobile Liability (2)	Premises Liability (3)	Employment Practices Liability (4)	Other Liability (5)	Total (6)
A. Reported Limited Incurred Loss as of 6/30/15					
2010/11	\$36,619	\$110,125	\$952,933	\$42,097	\$1,141,774
2011/12	57,272	621,834	1,769,536	250,450	2,699,092
2012/13	18,645	24,939	172,396	169,317	385,297
2013/14	76,306	907,981	141,110	225,956	1,351,353
2014/15	78,704	32,660	94,576	87,022	292,962
Total	\$267,546	\$1,697,538	\$3,130,551	\$774,842	\$5,870,478
B. Percentage of Reported Limited Incurred Loss as of 6/30/15					
2010/11	3.2%	9.6%	83.5%	3.7%	100.0%
2011/12	2.1%	23.0%	65.6%	9.3%	100.0%
2012/13	4.8%	6.5%	44.7%	43.9%	100.0%
2013/14	5.6%	67.2%	10.4%	16.7%	100.0%
2014/15	26.9%	11.1%	32.3%	29.7%	100.0%
Total	4.6%	28.9%	53.3%	13.2%	100.0%
Selected	4.0%	27.0%	57.0%	12.0%	

II. Projected Ultimate Losses Allocated by Coverage

Coverage (1)	Selected Allocation (7)	2016/17 Projected Ultimate Limited Losses (8)	Present Value of 2016/17 Projected Ultimate Limited Losses (9)
Automobile Liability	4.0%	\$70,160	\$66,960
Premises Liability	27.0%	473,580	451,980
Employment Practices Liability	57.0%	999,780	954,180
Other Liability	12.0%	210,480	200,880
Total	100.0%	\$1,754,000	\$1,674,000

III. 2016/17 Loss Rates by Coverage

Coverage (1)	Exposure (10)	Projected 2016/17 Exposure (11)	Projected 2016/17 Loss Rate (12)	Present Value of Projected 2016/17 Loss Rate (13)	Exposure Units in Loss Rate (14)
Automobile Liability	Vehicles	442	\$158.60	\$151.36	1
Premises Liability	Square Feet	11,410,775	41.50	39.61	1,000
Employment Practices Liability	Payroll	\$429,946,836	2,325.36	2,219.30	1,000,000
Other Liability	Expenditures	\$1,499,392,418	140.38	133.97	1,000,000

IV. Exposure Risk Adjustment Factors

Coverage (1)	2016/17 Loss Rate per \$Million Expenditures (15)	Risk Adjustment Factor (16)
Automobile Liability	\$46.79	0.136
Premises Liability	315.85	0.035
Employment Practices Liability	666.79	1.988
Other Liability	140.38	0.120
Total	\$1,169.81	

All amounts are gross of member deductibles.

(7) is based on Section I.

(8) = (7) x Total (8)

(9) = (7) x Total (9)

Total (8) and (9) are from the CSU AORMA Liability Actuarial Study dated August 23, 2015.

(11) was provided by Alliant.

(12) = (8) / [(11) / (14)]

(13) = (9) / [(11) / (14)]

(15) = (8) / [2016/17 Expenditures / 1,000,000]

(16) = Total (15) / (12)



AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY

Exhibit LI-XMOD-6 (Page 1)

Total Risk-Adjusted Exposure

Member Number (1)	Member Name (2)	2010/11 through 2014/15 Risk-Adjusted Exposure						% of Total (8)
		Vehicles (3)	Square Feet (4)	Payroll (5)	Expenditures (6)	Total (7)		
1	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0	1	22	4	26	0.37%	
2	Associated Students, California State University, Bakersfield, Inc.	0	0	0	2	2	0.03%	
3	California State University, Bakersfield Foundation	0	2	10	4	16	0.23%	
4	California State University, Bakersfield Student Union	0	16	0	2	18	0.26%	
5	California State University Foundation	0	0	0	2	2	0.03%	
6	California State University Institute	0	0	0	2	2	0.02%	
7	Associated Students of California State University, Channel Islands	1	4	0	0	6	0.08%	
8	California State University, Channel Islands Foundation	0	1	0	1	2	0.02%	
9	University Glen Corporation, CSU Channel Islands	8	12	18	2	41	0.57%	
10	Associated Students of California State University, Chico	17	50	78	15	159	2.22%	
11	The University Foundation, California State University, Chico	1	7	0	4	11	0.16%	
12	The CSU, Chico Research Foundation	12	7	127	23	169	2.36%	
13	Auxiliary Organization Associations c/o CSU Chico Research Foundation	0	0	0	0	0	0.00%	
14	Associated Students, California State University, Dominguez Hills	0	3	4	1	8	0.12%	
15	The Donald P. and Katherine B. Loker University Student Union, Inc.	0	21	6	1	28	0.39%	
16	California State University, Dominguez Hills Foundation	1	3	39	9	51	0.72%	
17	California State University, Dominguez Hills Philanthropic Foundation	0	0	0	0	0	0.00%	
18	California State University, East Bay Foundation, Inc.	0	0	35	8	43	0.59%	
19	Associated Students, California State University, East Bay	1	1	11	2	15	0.21%	
20	Cal State East Bay, Educational Foundation, Inc.	0	0	0	1	1	0.02%	
21	Associated Students, California State University, Fresno	0	8	2	0	10	0.14%	
22	California State University, Fresno Association, Inc.	7	136	60	22	225	3.14%	
23	California State University, Fresno Foundation	1	1	158	35	195	2.72%	
24	Fresno State Programs for Children, Inc.	0	7	8	1	15	0.21%	
25	The Agricultural Foundation of California State University, Fresno	0	0	5	3	8	0.11%	
26	The California State University, Fresno Athletic Corporation	22	21	85	17	145	2.03%	
27	Associated Students, California State University, Fullerton, Inc.	1	44	51	4	100	1.40%	
28	CSU Fullerton Auxiliary Services Corporation	2	74	146	38	261	3.64%	
29	Cal State Fullerton Philanthropic Foundation	0	0	0	5	5	0.06%	
30	Associated Students, Humboldt State University	0	2	1	1	4	0.06%	
31	Humboldt State University Advancement Foundation	0	0	0	0	0	0.01%	
32	Humboldt State University Sponsored Programs Foundation	1	1	67	12	81	1.12%	
33	Humboldt State University Center	4	8	35	8	55	0.77%	
34	Associated Students, California State University, Long Beach	4	53	61	7	125	1.74%	
35	California State University, Long Beach Foundation	4	35	164	31	235	3.28%	
36	Forty-Niner Shops, Inc., CSU Long Beach	2	27	70	17	117	1.63%	
37	CSULB 49er Foundation	0	0	0	2	3	0.04%	
38	Associated Students, California State University, Los Angeles, Inc.	0	0	0	1	1	0.02%	
39	Cal State L.A. University Auxiliary Services, Inc.	0	20	98	19	137	1.91%	
40	California State University, Los Angeles Foundation	0	0	0	1	1	0.02%	
41	University-Student Union Board, California State University, Los Angeles	1	30	26	3	59	0.82%	
42	The Associated Students of the California Maritime Academy	0	0	0	0	0	0.00%	
43	California Maritime Academy Foundation, Inc.	0	0	0	1	1	0.01%	
44	Foundation of California State University, Monterey Bay	0	0	0	0	0	0.00%	
45	The University Corporation at Monterey Bay	6	92	87	22	207	2.89%	
46	Associated Students, California State University, Northridge, Inc.	4	6	28	4	41	0.58%	
47	California State University, Northridge Foundation	0	0	0	5	5	0.06%	
48	North Campus University Park Development Corporation	0	0	0	0	0	0.00%	
49	The University Corporation, CSU Northridge	5	44	163	26	237	3.31%	
50	University Student Union of California State University, Northridge	1	89	49	6	145	2.03%	



AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY

Exhibit LI-XMOD-6 (Page 2)

Total Risk-Adjusted Exposure

Member Number (1)	Member Name (2)	2010/11 through 2014/15 Risk-Adjusted Exposure					
		Vehicles (3)	Square Feet (4)	Payroll (5)	Expenditures (6)	Total (7)	% of Total (8)
51	Associated Students Inc., California State Polytechnic University, Pomona	0	51	28	3	83	1.16%
52	The Cal Poly Pomona Foundation, Inc.	20	106	150	36	312	4.35%
53	Associated Students of California State University, Sacramento	10	7	36	4	57	0.79%
54	Capital Public Radio, Inc., CSU Sacramento	0	4	28	5	38	0.53%
55	The University Foundation at Sacramento State	0	0	0	2	2	0.02%
56	University Enterprises, Inc., CSU Sacramento	7	144	282	46	480	6.69%
57	University Union Operation of CSUS, Inc.	0	58	18	5	81	1.13%
58	Associated Students Inc., California State University, San Bernardino	0	0	3	1	4	0.06%
59	Santos Manual Student Union of California State University, San Bernardino	0	22	15	2	42	0.59%
60	University Enterprises Corporation at CSUSB	0	9	83	16	109	1.52%
61	CSUSB Philanthropic Foundation	0	0	0	2	2	0.02%
62	Associated Students, San Diego State University	4	100	81	11	196	2.74%
63	Aztec Shops, Ltd., San Diego State University	12	105	116	31	266	3.71%
64	San Diego State University Research Foundation	60	262	744	109	1,175	16.39%
65	Associated Students, Inc., San Francisco State University	0	13	27	2	42	0.59%
66	San Francisco State University Foundation	8	0	0	0	9	0.12%
67	The University Corporation, San Francisco State	0	13	20	5	38	0.53%
68	Associated Student, San Jose State University	0	6	27	4	38	0.53%
69	San Jose State University Research Foundation	6	24	235	40	304	4.25%
70	Spartan Shops, Inc., San Jose State University	4	15	60	8	87	1.21%
71	The Student Union of San Jose State University	2	82	29	4	117	1.64%
72	The Tower Foundation, San Jose State University	1	0	32	8	42	0.58%
73	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	3	50	50	8	111	1.54%
74	Cal Poly Corporation	41	21	215	45	322	4.49%
75	California Polytechnic State University Foundation	0	0	0	12	12	0.16%
76	Associated Students of California State University, San Marcos	0	1	0	1	2	0.03%
77	The California State University San Marcos Foundation	0	0	0	2	2	0.03%
78	The University Corporation of CSU San Marcos	0	39	0	4	44	0.61%
79	University Auxiliary and Research Services Corporation	1	6	52	8	67	0.93%
80	Associated Students of Sonoma State University	0	1	5	1	7	0.10%
81	Sonoma State Enterprises, Inc.	6	26	6	4	42	0.59%
82	Sonoma State University Academic Foundation, Inc.	0	2	0	0	2	0.03%
83	Associated Students, Inc., California State University, Stanislaus	0	1	4	1	5	0.07%
84	California State University, Stanislaus Auxiliary and Business Services	1	0	0	1	2	0.02%
85	California State University, Stanislaus Foundation	2	0	0	2	4	0.05%
86	University Student Union of California State University, Stanislaus	0	1	4	1	6	0.08%
Total		296	1,996	4,068	808	7,169	100.00%

(3) through (6) are from Exhibit LI-XMOD-2 through Exhibit LI-XMOD-5.

(8) = (7) / (Total 7)



AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY

Exhibit LI-XMOD-7 (Page 1)

2016/17 Experience Modification Factors

Member Number (1)	Member Name (2)	2010/11 - 2014/15 % of Total					Credibility-Weighted Experience Modification Factor (7)	Capped Experience Modification Factor (8)
		Reported Incurred Losses as of 06/30/15 - Capped at \$100,000 per Claim (3)	Total Risk-Adjusted Exposure (4)	Indicated Experience Modification Factor (5)	Credibility Weight (6)			
1	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.00%	0.37%	0.000	14.2%	0.858	0.858	
2	Associated Students, California State University, Bakersfield, Inc.	0.00%	0.03%	0.000	1.2%	0.988	0.988	
3	California State University, Bakersfield Foundation	0.00%	0.23%	0.000	9.2%	0.908	0.908	
4	California State University, Bakersfield Student Union	0.00%	0.28%	0.000	10.3%	0.897	0.897	
5	California State University Foundation	0.00%	0.03%	0.000	1.3%	0.987	0.987	
6	California State University Institute	0.00%	0.02%	0.000	1.0%	0.990	0.990	
7	Associated Students of California State University, Channel Islands	0.00%	0.08%	0.000	3.3%	0.967	0.967	
8	California State University, Channel Islands Foundation	0.00%	0.02%	0.000	1.0%	0.990	0.990	
9	University Glen Corporation, CSU Channel Islands	2.97%	0.57%	5.198	20.4%	1.857	1.857	
10	Associated Students of California State University, Chico	0.28%	2.22%	0.128	49.9%	0.565	0.750	
11	The University Foundation, California State University, Chico	0.05%	0.16%	0.344	6.6%	0.956	0.956	
12	The CSU, Chico Research Foundation	9.69%	2.35%	4.102	51.4%	2.594	2.000	
13	Auxiliary Organization Associations c/o CSU Chico Research Foundation	0.00%	0.00%	0.000	0.2%	0.998	0.998	
14	Associated Students, California State University, Dominguez Hills	0.01%	0.12%	0.056	4.9%	0.953	0.953	
15	The Donald P. and Katherine B. Loker University Student Union, Inc.	0.24%	0.39%	0.606	14.9%	0.941	0.941	
16	California State University, Dominguez Hills Foundation	0.56%	0.72%	0.774	24.4%	0.945	0.945	
17	California State University, Dominguez Hills Philanthropic Foundation	0.00%	0.00%	1.000	0.0%	1.000	1.000	
18	California State University, East Bay Foundation, Inc.	0.14%	0.59%	0.228	21.0%	0.838	0.838	
19	Associated Students, California State University, East Bay	0.04%	0.21%	0.170	8.5%	0.930	0.930	
20	Cal State East Bay, Educational Foundation, Inc.	0.00%	0.02%	0.000	0.8%	0.992	0.992	
21	Associated Students, California State University, Fresno	0.00%	0.14%	0.000	6.0%	0.940	0.940	
22	California State University, Fresno Association, Inc.	1.66%	3.14%	0.528	58.5%	0.724	0.750	
23	California State University, Fresno Foundation	2.98%	2.72%	1.096	54.9%	1.053	1.053	
24	Fresno State Programs for Children, Inc.	0.00%	0.21%	0.000	8.7%	0.913	0.913	
25	The Agricultural Foundation of California State University, Fresno	0.00%	0.11%	0.000	4.7%	0.953	0.953	
26	The California State University, Fresno Athletic Corporation	1.44%	2.03%	0.709	47.6%	0.861	0.861	
27	Associated Students, California State University, Fullerton, Inc.	0.16%	1.40%	0.111	38.6%	0.657	0.750	
28	CSU Fullerton Auxiliary Services Corporation	4.37%	3.64%	1.200	62.0%	1.124	1.124	
29	Cal State Fullerton Philanthropic Foundation	0.00%	0.06%	0.000	2.8%	0.972	0.972	
30	Associated Students, Humboldt State University	0.00%	0.06%	0.000	2.6%	0.974	0.974	
31	Humboldt State University Advancement Foundation	0.00%	0.01%	0.000	0.3%	0.997	0.997	
32	Humboldt State University Sponsored Programs Foundation	0.89%	1.12%	0.792	33.5%	0.930	0.930	
33	Humboldt State University Center	0.28%	0.77%	0.364	25.6%	0.837	0.837	
34	Associated Students, California State University, Long Beach	3.87%	1.74%	2.226	43.8%	1.537	1.537	
35	California State University, Long Beach Foundation	6.02%	3.28%	1.839	59.5%	1.499	1.499	
36	Forty-Niner Shops, Inc., CSU Long Beach	1.00%	1.63%	0.615	42.2%	0.838	0.838	
37	CSULB 49er Foundation	0.08%	0.04%	2.142	1.6%	1.019	1.019	
38	Associated Students, California State University, Los Angeles, Inc.	0.03%	0.02%	1.814	0.7%	1.006	1.006	
39	Cal State L.A. University Auxiliary Services, Inc.	0.00%	1.91%	0.000	46.1%	0.539	0.750	
40	California State University, Los Angeles Foundation	0.00%	0.02%	0.000	0.9%	0.991	0.991	
41	University-Student Union Board, California State University, Los Angeles	0.00%	0.82%	0.000	27.0%	0.730	0.750	
42	The Associated Students of the California Maritime Academy	0.00%	0.00%	0.000	0.2%	0.998	0.998	
43	California Maritime Academy Foundation, Inc.	0.00%	0.01%	0.000	0.5%	0.995	0.995	
44	Foundation of California State University, Monterey Bay	0.00%	0.00%	0.000	0.1%	0.999	0.999	
45	The University Corporation at Monterey Bay	0.05%	2.89%	0.021	56.4%	0.448	0.750	
46	Associated Students, California State University, Northridge, Inc.	1.13%	0.58%	1.955	20.6%	1.197	1.197	
47	California State University, Northridge Foundation	0.00%	0.06%	0.000	2.8%	0.972	0.972	
48	North Campus University Park Development Corporation	0.00%	0.00%	0.000	0.1%	0.999	0.999	
49	The University Corporation, CSU Northridge	1.09%	3.31%	0.328	59.7%	0.599	0.750	
50	University Student Union of California State University, Northridge	6.92%	2.03%	3.414	47.6%	2.149	2.000	



AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY

Exhibit LI-XMOD-7 (Page 2)

2016/17 Experience Modification Factors

Member Number (1)	Member Name (2)	2010/11 - 2014/15 % of Total		Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility-Weighted Experience Modification Factor (7)	Capped Experience Modification Factor (8)
		Reported Incurred Losses as of 06/30/15 - Capped at \$100,000 per Claim (3)	Total Risk-Adjusted Exposure (4)				
51	Associated Students Inc., California State Polytechnic University, Pomona	0.70%	1.16%	0.601	34.2%	0.863	0.863
52	The Cal Poly Pomona Foundation, Inc.	9.30%	4.35%	2.137	66.1%	1.752	1.752
53	Associated Students of California State University, Sacramento	0.56%	0.79%	0.705	26.1%	0.923	0.923
54	Capital Public Radio, Inc., CSU Sacramento	0.35%	0.53%	0.608	19.1%	0.937	0.937
55	The University Foundation at Sacramento State	0.00%	0.02%	0.000	1.0%	0.990	0.990
56	University Enterprises, Inc., CSU Sacramento	4.79%	6.69%	0.715	75.0%	0.786	0.786
57	University Union Operation of CSUS, Inc.	0.42%	1.13%	0.375	33.7%	0.790	0.790
58	Associated Students Inc., California State University, San Bernardino	0.00%	0.06%	0.000	2.7%	0.973	0.973
59	Santos Manual Student Union of California State University, San Bernardino	2.90%	0.59%	4.920	20.9%	1.819	1.819
60	University Enterprises Corporation at CSUSB	0.01%	1.52%	0.008	40.5%	0.598	0.750
61	CSUSB Philanthropic Foundation	0.00%	0.02%	0.000	1.0%	0.990	0.990
62	Associated Students, San Diego State University	2.68%	2.74%	1.052	55.1%	1.029	1.029
63	Aztec Shops, Ltd., San Diego State University	2.01%	3.71%	0.542	62.4%	0.714	0.750
64	San Diego State University Research Foundation	16.93%	16.39%	1.033	75.0%	1.025	1.025
65	Associated Students, Inc., San Francisco State University	0.10%	0.59%	0.177	20.9%	0.828	0.828
66	San Francisco State University Foundation	0.00%	0.12%	0.000	5.3%	0.947	0.947
67	The University Corporation, San Francisco State	0.48%	0.53%	0.907	19.1%	0.982	0.982
68	Associated Student, San Jose State University	0.38%	0.53%	0.721	19.1%	0.947	0.947
69	San Jose State University Research Foundation	4.26%	4.25%	1.003	65.6%	1.002	1.002
70	Spartan Shops, Inc., San Jose State University	0.61%	1.21%	0.503	35.2%	0.825	0.825
71	The Student Union of San Jose State University	1.52%	1.64%	0.930	42.3%	0.970	0.970
72	The Tower Foundation, San Jose State University	0.00%	0.58%	0.000	20.7%	0.793	0.793
73	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.66%	1.54%	1.075	40.9%	1.031	1.031
74	Cal Poly Corporation	1.74%	4.49%	0.389	66.8%	0.592	0.750
75	California Polytechnic State University Foundation	0.05%	0.16%	0.282	6.8%	0.951	0.951
76	Associated Students of California State University, San Marcos	0.00%	0.03%	0.000	1.2%	0.988	0.988
77	The California State University San Marcos Foundation	0.00%	0.03%	0.000	1.3%	0.987	0.987
78	The University Corporation of CSU San Marcos	0.26%	0.61%	0.428	21.4%	0.878	0.878
79	University Auxiliary and Research Services Corporation	2.02%	0.93%	2.163	29.5%	1.343	1.343
80	Associated Students of Sonoma State University	0.11%	0.10%	1.083	4.3%	1.004	1.004
81	Sonoma State Enterprises, Inc.	0.02%	0.58%	0.029	20.7%	0.798	0.798
82	Sonoma State University Academic Foundation, Inc.	0.00%	0.03%	0.000	1.5%	0.985	0.985
83	Associated Students, Inc., California State University, Stanislaus	0.03%	0.07%	0.383	3.0%	0.982	0.982
84	California State University, Stanislaus Auxiliary and Business Services	0.00%	0.02%	0.000	1.0%	0.990	0.990
85	California State University, Stanislaus Foundation	0.00%	0.05%	0.000	2.3%	0.977	0.977
86	University Student Union of California State University, Stanislaus	0.00%	0.08%	0.000	3.6%	0.964	0.964
Total		100.00%	100.00%				

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

(4) is from Exhibit LI-XMOD-5.

(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 0.750 and a maximum of 2.000.



AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY

Exhibit LI-XMOD-8

Sample Premium Calculation
Member XYZ
2016/17

A.	Coverage (1)	Exposure (2)	Member's 2016/17 Exposure (3)	2016/17 Projected Loss Rate (4)	Loss Rate Units (5)	Deductible Credit (6)	Total Projected 2016/17 Losses Net of Deductible Credits (7)
	Automobile Liability	Vehicles	10	\$158.60	1	0%	\$1,586
	Premises Liability	Square Feet	500,000	41.50	1,000	0%	20,751
	Employment Practices Liability	Payroll	\$8,000,000	2,325.36	1,000,000	33%	12,464
	Other Liability	Expenditures	\$16,000,000	140.38	1,000,000	0%	2,246
	i. Total - Member						\$37,047
	ii. Total - Program						\$1,421,000
	iii. Member Portion [(A.i) / (A.ii)]						2.6%
B.	Experience Modification Factor						
	i. Credibility-Weighted Experience Modification Factor						0.950
	ii. Capped Experience Modification Factor						0.950
C.	Experience Modified Projected 2016/17 Losses [Total (A.7.i) x (B.ii)]						\$35,195
D.	Balanced Experience Modified Projected 2016/17 Losses						\$35,195
E.	Projected 2016/17 Expenses						
	i. Total Program						\$2,212,000
	ii. Member [(A.iii) x (E.i)]						\$57,870
	iii. Capped Member Expenses						\$57,870
F.	Projected 2016/17 Premium [(D) + (E.iii)]						\$92,865

* Member has an EPL deductible of: \$50,000

** Minimum and maximum for xmod factors and expense amounts included for illustration and discussion purposes.
An additional off-balance adjustment may be required if minimums and maximums are imposed.

(7) = [(3) / (5)] x (4) x [1.0 - (6)]

(B.i) should be derived for each member, as shown in Exhibit LI-XMOD-1 through Exhibit LI-XMOD-7.
(B.ii) = (B.i), subject to a minimum of .750 and a maximum of 2.0.

(E.iii) = (E.ii), subject to a minimum of \$1,000 and a maximum of \$75,000.



September 18, 2015

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	19.8%	19.1%	20.0%
(B) 50,000	33.2%	32.5%	33.0%
(C) 75,000	44.5%	44.0%	45.0%
(D) 100,000	54.3%	53.8%	55.0%

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

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Aon Risk Solutions | Global Risk Consulting | Actuarial and Analytics



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

Respectfully submitted,

Aon Risk Consultants, Inc.

Mujtaba Dattoo, ACAS, MAAA, FCA
Actuarial Practice Leader

Tracy Fleck, ACAS, MAAA
Consultant and Actuary

Ziruo Wang
Actuarial Analyst

MD/TF:zw

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DRAFT

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LIABILITY PROGRAM MEMBER ALLOCATION FOR FY 16/17

ISSUE: The Programs Committee is responsible for approving the final member allocation and the allocation factors for the FY 16/17 Liability Program Member Allocation. The AORMA Committee approved the total liability program costs for FY 16/17 of \$3,880,956 which is a 1.28% increase over the approved FY 15/16 costs. The total Liability Program costs have been allocated to the members based on the allocation formula approved by the Programs Committee and AORMA Committee. The following factors have been included in the allocation and require approval by the Programs Committee:

1. Four basic rates
2. Maximum premium for calculating the size credit
3. Maximum size credit rate percentage
4. Maximum collared rate percentage increase
5. Maximum collared rate percentage decrease
6. Capped excess premium
7. Minimum administrative costs
8. Maximum administrative costs
9. Minimum premium

RECOMMENDATION: Staff recommends that the Programs Committee approve (1) the FY 16/17 Liability Program Allocation Factors as noted above and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated member information as appropriate.

FISCAL IMPACT: The FY 16/17 approved program costs are \$3,880,956 which is a 1.28% increase over the approved FY 15/16 costs.

BACKGROUND: The Liability Program Member Allocation formula was revised effective July 1, 2015. Rate and premiums collars have been added to the allocation formula in order to minimize premium fluctuations.

PUBLICATION: The liability premiums will be sent out to the members in January, 2016.

ATTACHMENT(S):

- a. The FY 16/17 Liability Program Member Allocation Rating Formula – Comparison Page
(this will be provided at the meeting as a handout)
- b. FY 16/17 - Total Funding Approved

70% Confidence Level (Discounted)

CSURMA AORMA FY 2016/2017 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs FY 12/13 \$350,000 SIR	Actual Program Costs FY 13/14 \$350,000 SIR	Actual Program Costs FY 14/15 \$350,000 SIR	Program Costs FY 15/16 \$350,000 SIR	Proposed FY 16/17 \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	1,618,750	1,565,000	1,675,550	#1 1,774,778	1,700,777
Claims Administration	12,600	12,600	13,300	15,000	15,000
Program Administration Fees	742,383	727,678	751,572	812,179	812,179
Reinsurance / Excess Liability Insurance	1,207,471	1,193,751	1,227,876	1,230,000	1,353,000
Total Costs:	3,581,204	3,499,029	3,668,298	3,831,957	3,880,956
Difference from prior year:	-12.40%	-2.29%	4.84%	4.46%	1.28%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 3, 2015)

Claims Administration (an increase or decrease is not contemplated)

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

Reinsurance / Excess Liability (a 10% increase is included)

#1 - The FY 15/16 program includes a \$350,000 pooled layer; however, the pooled layer funding was approved for a \$500,000 pooled layer

PROPERTY PROGRAM MEMBER ALLOCATION FOR FY 2016/2017

ISSUE: The Programs Committee is responsible for approving the final member allocation and the allocation factors for FY 16/17 Property Program Member Allocation. The AORMA Committee approved the total property program costs for FY 16/17 of \$2,368,714. The total Property Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1. The following factors have been included in the allocation and require approval by the Programs Committee:

1. **Basic rates:** .1402 for real property and business interruption/rents and .1682 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	% Diff
Real Property, Business Interruption and Rents	0.1730	0.1424	0.1402	-2%
Business Personal Property	0.2076	0.1709	0.1682	-2%

2. **Maximum premium for calculating the size credit:** \$600,000 - *no change from FY 15/16 calculation.*
3. **Maximum size credit rate percentage:** 30% (one member received the entire 30% size credit) - *no change from the FY 15/16 calculation.*
4. **Minimum premium:** \$600 - *no change from FY 15/16 calculation.*
5. **Loss ratio surcharge schedule:** – *no change from FY 15/16 calculation.*
 - a. Less than 20% - 0%
 - b. Between 20% and 40% - 5%
 - c. Between 40% and 60% - 10%
 - d. Between 60% and 80% - 15%
 - e. Between 60% and 80% - 20%
 - f. Excess of 100% - 25%

RECOMMENDATION: Staff recommends that the Programs Committee approve (1) the FY 16/17 Property Program Allocation Factors as noted above 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 AORMA Committee approved the total property program costs for FY 16/17 of \$2,368,714. This includes \$1,812,714 for the excess premium, \$250,000 for the self-insured layer and \$306,000 for administrative costs. The members' rates as noted on the allocation spreadsheet will not change; however, the overall premium could change if a member adds or deletes property values.

BACKGROUND: You may notice that the FY 15/16 Program Costs within the Total Estimated Funding spreadsheet do not match the FY 15/16 Premium within the Property Program Member Allocation spreadsheet. This is because a member's total insurable values change throughout the fiscal year and premium changes are invoiced mid-year.

PUBLICATION: The Property rates and premiums will be sent out to the members in January, 2016.

ATTACHMENTS:

- a. FY 16/17 Property Rating – Member Allocation (*Comparison Section*)
- b. FY 16/17 Property Program Total Funding
- c. Policy & Procedures P-1 Property Program Member Allocation Formula

CSURMA AORMA Property Program								
FY 16/17								
Member Information			Comparison					
Campus	Auxiliary Organization	Prior TIV	Current TIV	(\$ TIV Change From Prior Year	(%) TIV Change From Prior Year	Prior Rate	Current Rate	Rate Change From Prior Year
Bakersfield	Associated Students Inc., California State University, Bakersfield	77,370	77,370	-	0.00%	0.1709	0.1682	-1.58%
Bakersfield	CSU, Bakersfield Auxiliary for Sponsored Programs and Administration	483,860	483,860	-	0.00%	0.1424	0.1402	-1.54%
Bakersfield	Student Union, Inc., California State University, Bakersfield	982,316	982,316	-	0.00%	0.1700	0.1674	-1.53%
Channel Islands	University Glen Corporation, CSU Channel Island	63,841	63,841	-	0.00%	0.2136	0.1682	-21.25%
Chico	Associated Students of California State University, Chico	13,545,182	13,545,182	-	0.00%	0.1580	0.1549	-1.96%
Chico	The CSU, Chico Research Foundation	12,473,370	12,473,370	-	0.00%	0.1734	0.1499	-13.55%
Chico	The University Foundation, California State University, Chico	942,089	942,089	-	0.00%	0.1531	0.1682	9.86%
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	449,568	449,568	-	0.00%	0.1699	0.1673	-1.53%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State	1,932,491	1,932,491	-	0.00%	0.1689	0.1663	-1.54%
Dominguez Hills	California State University, Dominguez Hills Foundation	429,375	429,375	-	0.00%	0.1424	0.1402	-1.54%
Fresno	The Agricultural Foundation of CSU Fresno	25,720,500	25,720,500	-	0.00%	0.1654	0.1415	-14.45%
Fresno	Associated Students, Inc., CSU Fresno	127,000	127,000	-	0.00%	0.1709	0.1682	-1.58%
Fresno	California State University, Fresno Association	195,037,452	195,037,452	-	0.00%	0.1239	0.1223	-1.29%
Fresno	The Athletic Corporation, CSU Fresno	24,183,447	24,183,447	-	0.00%	0.1537	0.1626	5.79%
Fresno	CSU Fresno Foundation	1,295,712	1,295,712	-	0.00%	0.1607	0.1513	-5.85%
Fresno	Fresno - State Programs for Children	141,069	141,069	-	0.00%	0.1709	0.1682	-1.58%
Fullerton	Associated Students, California State University, Fullerton, Inc.	18,833,698	18,833,698	-	0.00%	0.1597	0.1572	-1.57%
Fullerton	Cal State Fullerton Auxiliary Services Corporation	135,065,061	135,065,061	-	0.00%	0.1286	0.1283	-0.23%
East Bay	Associated Students, Inc., CSU East Bay	131,529	131,529	-	0.00%	0.2136	0.1682	-21.25%
East Bay	California State University, East Bay Foundation, Inc.	10,830,726	10,830,726	-	0.00%	0.1458	0.1436	-1.51%
Long Beach	Associated Students, Inc., CSU Long Beach	8,744,235	8,744,235	-	0.00%	0.1598	0.1560	-2.38%
Long Beach	Forty Niner Shops, Inc., CSU Long Beach	18,133,559	18,133,559	-	0.00%	0.1474	0.1455	-1.29%
Long Beach	CSULB Research Foundation	45,559,397	45,559,397	-	0.00%	0.1462	0.1370	-6.29%
Los Angeles	Associated Students, Inc., CSU Los Angeles	30,127	30,127	-	0.00%	0.1709	0.1682	-1.58%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	8,401,215	8,401,215	-	0.00%	0.1641	0.1616	-1.52%
Los Angeles	University Student Union, CSU Los Angeles	2,354,334	2,354,334	-	0.00%	0.1680	0.1654	-1.55%
Maritime Academy	Associated Students Inc., California Maritime Academy	105,640	105,640	-	0.00%	0.1709	0.1682	-1.58%
Monterey Bay	The University Corporation at Monterey Bay	502,928,929	502,928,929	-	0.00%	0.1008	0.0991	-1.69%
Northridge	Associated Students Inc., CSU Northridge	3,173,362	3,173,362	-	0.00%	0.1485	0.1462	-1.55%
Northridge	CSU Northridge Foundation	711,900	711,900	-	0.00%	0.1709	0.1682	-1.58%
Northridge	The University Corporation, CSU Northridge	34,698,564	34,698,564	-	0.00%	0.1477	0.1445	-2.17%
Northridge	University Student Union, CSU Northridge	7,237,953	7,237,953	-	0.00%	0.1697	0.1670	-1.59%
Pomona	Associated Students, Inc., CSU Pomona	1,832,207	1,832,207	-	0.00%	0.1660	0.1635	-1.51%
Pomona	Cal Poly Pomona Foundation	32,665,560	32,665,560	-	0.00%	0.1518	0.1494	-1.58%
Sacramento	Associated Students, Inc., CSU Sacramento	6,334,629	6,334,629	-	0.00%	0.1724	0.1772	2.78%
Sacramento	University Union, CSU Sacramento	9,828,515	9,828,515	-	0.00%	0.1694	0.1667	-1.59%
Sacramento	University Enterprises, Inc.	152,993,183	152,993,183	-	0.00%	0.1353	0.1530	13.08%
Sacramento	Capitol Public Radio, CSU Sacramento	9,397,820	9,397,820	-	0.00%	0.1622	0.1521	-6.23%
San Bernardino	Associated Students Inc., CSU San Bernardino	1,522,919	1,522,919	-	0.00%	0.1470	0.1447	-1.56%
San Bernardino	University Enterprises Corporation at CSUSB	9,529,808	9,529,808	-	0.00%	0.1473	0.1450	-1.56%
San Bernardino	Santos Manual Student Union, CSU San Bernardino	5,584,881	5,584,881	-	0.00%	0.1636	0.1611	-1.53%
San Bernardino	CSUSB Philanthropic Foundation	4,768,868	4,768,868	-	0.00%	0.1704	0.1677	-1.58%
San Marcos	Associated Students, Inc., CSU San Marcos	117,805	117,805	-	0.00%	0.1700	0.1682	-1.06%
San Marcos	University Auxiliary and Research Services Corporation at Cal State University San Marcos	10,412,602	10,412,602	-	0.00%	0.1445	0.1426	-1.31%
San Marcos	University Corporation, CSU San Marcos	12,746,408	12,746,408	-	0.00%	0.1704	0.1487	-12.73%
Stanislaus	Associated Students, Incorporated, California State University, Stanislaus	188,394	188,394	-	0.00%	0.1709	0.1682	-1.58%
Stanislaus	CSU Stanislaus Auxiliary & Business Services	4,085,778	4,085,778	-	0.00%	0.1620	0.1595	-1.54%
Stanislaus	University Student Union of CSU Stanislaus	1,339,744	1,339,744	-	0.00%	0.1688	0.1661	-1.60%
Humboldt	Associated Students of Humboldt State University	255,326	255,326	-	0.00%	0.1709	0.1682	-1.58%
Humboldt	University Center, Humboldt State University	4,946,455	4,946,455	-	0.00%	0.1702	0.1675	-1.59%
Humboldt	Humboldt State University Sponsored Programs Foundation	2,351,225	2,351,225	-	0.00%	0.1455	0.1516	4.19%
Humboldt	Humboldt State University Advancement Foundation	9,826,670	9,826,670	-	0.00%	0.1415	0.1394	-1.48%
San Diego	Associated Students of San Diego State University	30,159,096	30,159,096	-	0.00%	0.1538	0.1515	-1.50%
San Diego	Aztec Shops, LTD, San Diego State University	170,998,354	170,998,354	-	0.00%	0.1365	0.1338	-1.98%
San Diego	San Diego State University Research Foundation	161,053,594	161,053,594	-	0.00%	0.1431	0.1355	-5.31%
San Francisco	Associated Students, Inc., San Francisco State University	5,412,236	5,412,236	-	0.00%	0.1446	0.1460	0.97%
San Francisco	The University Corporation, San Francisco State	839,495	839,495	-	0.00%	0.1462	0.1440	-1.50%
San Jose	Associated Students, Inc., San Jose State University	9,567,483	9,567,483	-	0.00%	0.1561	0.1540	-1.35%
San Jose	San Jose State University Research Foundation	16,228,589	16,228,589	-	0.00%	0.1508	0.1530	1.46%
San Jose	Spartan Shops, Inc., San Jose State University	19,533,711	19,533,711	-	0.00%	0.1488	0.1469	-1.28%
San Jose	Student Union of San Jose State University	8,739,986	8,739,986	-	0.00%	0.1635	0.1607	-1.71%
San Jose	The Tower Foundation, San Jose State University	592,580	592,580	-	0.00%	0.1468	0.1446	-1.50%
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	7,217,287	7,217,287	-	0.00%	0.1539	0.1527	-0.78%
San Luis Obispo	Cal Poly Corporation	37,629,435	37,629,435	-	0.00%	0.1602	0.1501	-6.30%
San Luis Obispo	California Polytechnic State University Foundation	1,228,190	1,228,190	-	0.00%	0.1709	0.1682	-1.58%
Sonoma	Sonoma State University Academic Foundation	3,434,331	3,434,331	-	0.00%	0.1422	0.1400	-1.55%
Sonoma	Associated Students, Inc., Sonoma State University	409,422	409,422	-	0.00%	0.2136	0.2103	-1.54%
Sonoma	Sonoma State Enterprises	4,789,246	4,789,246	-	0.00%	0.1524	0.1500	-1.57%
	68	1,833,386,703	1,833,386,703					

Draft

CSURMA AORMA FY 2016/2017 Property Program Total Estimated Funding \$100,000 SIR / \$250,000 Aggregate SIR					
Expense Item	Actual Program Costs FY 12/13	Actual Program Costs FY 13/14	Actual Program Costs FY 14/15	Program Costs FY 15/16	Proposed FY 16/17
Estimated Pooled Layer Funding	\$240,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurance Premium	\$2,717,248	\$2,849,135	\$1,717,748	\$1,647,922	\$1,812,714
Program Administrative Costs	\$303,307	\$306,692	\$296,388	\$306,309	\$306,000
Total Expenses:	\$3,260,555	\$3,405,827	\$2,264,136	\$2,204,231	\$2,368,714
Difference from prior year:	6.33%	4.46%	-33.52%	-2.65%	7.46%

Estimated Pooled Layer Funding (no change is contemplated)
 Excess Insurance Premium (includes a 5% increase)
 Administrative costs (no increase or decrease is contemplated)



CSURMA AORMA

POLICY & PROCEDURE NO. P-1

SUBJECT: PROPERTY PROGRAM MEMBER ALLOCATION FORMULA

**ADOPTED: NOVEMBER 6, 2013
SEPTEMBER 10, 2015**

EFFECTIVE: JULY 1, 2014

AMENDED: N/A

POLICY:

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

PROCEDURE:

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

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

1. Basic rates
2. Maximum premium for calculating the size credit
3. Maximum size credit percentage
4. Minimum 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.*

CSURMA AORMA

POLICY & PROCEDURE NO. P-1

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.*

CSURMA AORMA

POLICY & PROCEDURE NO. P-1

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

Loss Ratio Surcharge Schedule

Loss ratio less than 20%	=	No surcharge
Loss ratio between 20% and 40%	=	5% surcharge
Loss ratio between 40% and 60%	=	10% surcharge
Loss ratio between 60% and 80%	=	15% surcharge
Loss ratio between 80% and 100%	=	20% surcharge
Loss ratio in excess of 100%	=	25% surcharge

Minimum Premium:

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

**** Example ****

1.	\$154,500 If the Final Premium is greater than the minimum premium, use the Final Premium	>	\$600 Premium	=	\$154,500 Final Premium
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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 2016/2017

ISSUE: The Programs Committee is responsible for approving the final member allocation and the allocation factors for FY 16/17 Crime Program Member Allocation. The AORMA Committee approved the total crime program costs for FY 16/17 of \$310,552. The total Crime Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure C-1. The following factors have been included in the allocation and require approval by the Programs Committee:

1. **Basic rates:** .00068 – *The basic rate for FY 15/16 was .000745. The rate was higher because the allocation still included collars. Those collars are not included in the FY 16/17 allocation.*
2. **Maximum premium for calculating the size credit:** \$15,000 - *no change from FY 15/16 calculation.*
3. **Maximum size credit rate percentage:** 30% (four members received the entire 30% size credit) - *no change from the FY 15/16 calculation.*
4. **Minimum premium:** \$600 - *no change from FY 15/16 calculation.*
 - a. Expenditures less than \$2,000,000 - \$250
 - b. Expenditures between \$2,000,001 and \$6,000,000 - \$1,250
 - c. Expenditures between \$6,000,001 and \$10,000,000 - \$2,250
 - d. Expenditures between \$10,000,001 and \$20,000,000 - \$2,750
 - e. Expenditures greater than \$20,000,001 - \$3,250
5. **Loss ratio surcharge schedule:** – *no change from FY 15/16 calculation.*
 - a. Less than 50% - 0%
 - b. Between 50% and 100% - 10%
 - c. Excess of 100% - 20%

RECOMMENDATION: Staff recommends that the Programs Committee approve (1) the FY 16/17 Crime Program Allocation Factors as noted above 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 AORMA Committee approved the total crime program costs for FY 16/17 of \$310,552.

BACKGROUND: None.

PUBLICATION: The crime costs will be sent out to the members in January, 2016.

ATTACHMENTS:

- a. FY 16/17 Crime Rating – Member Allocation (*Comparison Section – will be provided as a handout at the meeting*)
- b. FY 16/17 Crime Program Total Funding
- c. Policy & Procedures C-1 Crime Program Member Allocation Formula

Draft

CSURMA AORMA FY 2016/2017 Crime Program Total Estimated Funding \$25,000 SIR / \$100,000 Aggregate SIR					
Expense Item	Actual Program Costs FY 12/13	Actual Program Costs FY 13/14	Actual Program Costs FY 14/15	Program Costs FY 15/16	Proposed FY 16/17
Estimated Pooled Layer Funding	\$75,000	\$75,000	\$50,000	\$50,000	\$50,000
Excess Insurance Premium	\$183,702	\$202,258	\$212,443	\$218,621	\$229,552
Program Administrative Costs	\$29,067	\$29,640	\$28,901	\$30,847	\$31,000
Total Expenses:	\$287,769	\$306,898	\$291,344	\$299,468	\$310,552
Difference from prior year:	8.50%	6.65%	-5.07%	2.79%	3.70%

Estimated Pooled Layer Funding - At June 30, 2015, the crime program has a fund balance of \$329,070.
 Excess Insurance Premium (a 5% increase is contemplated)
 Administrative Costs (no increase or decrease is contemplated)



CSURMA AORMA

POLICY & PROCEDURE NO. C-1

SUBJECT: **CRIME PROGRAM MEMBER ALLOCATION FORMULA**

ADOPTED: **NOVEMBER 6, 2013
SEPTEMBER 10, 2015**

EFFECTIVE: **JULY 1, 2014**

AMENDED: **N/A**

POLICY:

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

PROCEDURE:

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

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

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

Basic Rates:

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

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

**** Example ****

1.	\$10,000,000 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.*

**** 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

Loss Rating:

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

**** Example ****

1.	\$20,000 Five Years Paid Claims	/	\$17,500 Total Premium for Five Prior Years	=	114% Loss Ratio
2.	114% 114% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is assigned.			=	20% Loss Ratio Surcharge
3.	20%	+	.0352	=	.0422



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POLICY & PROCEDURE NO. C-1

Loss Ratio Surcharge		Basic Rate w/ Size Credit		Final Rate
4.	.0422	*	\$10,000,000	= \$4,220
	Final Rate		Total Payroll	Basic Premium w/ Size Credit and Loss Rating
<u>Loss Ratio Surcharge Schedule</u>				
	Loss ratio less than 50%			= No surcharge
	Loss ratio between 50% and 100%			= 10% surcharge
	Loss ratio in excess of 100%			= 20% surcharge

Minimum Premium:

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

- Using the Minimum Premium Schedule, each member is assigned a minimum premium based on their total expenditures. *Result – member’s scheduled minimum premium.*
- Member’s final premium is compared to the member’s scheduled minimum premium. *Result – the minimum premium will be applied if the member’s final premium is less than the minimum premium.*

**** Example ****

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

Administrative Costs:

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.*

**** Example ****

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

DEFINITIONS:

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

**RISK REDUCTION INNOVATION MATCHING GRANT
INCENTIVE PROGRAM – ASSOCIATED STUDENTS, CSU FULLERTON**

ISSUE: The goal of the Risk Reduction Innovation Matching Grant Program is to encourage Members to enhance existing risk reduction efforts and to inspire ingenious safety ideas that all Member may eventually adopt. Policy and Procedure A-6, was recently revised to reiterate that the program's intent is to provide grant money for,

- ✓ Original and inventive training programs
- ✓ Cutting edge safety equipment
- ✓ Innovative modernization of a Member's premises
- ✓ Unique or creative safety related projects

Associated Students, CSUF, Inc. Titan Recreation has submitted a grant application for basketball courts padding to protect players who may overrun the court and make contact with the concrete wall. Their application is attached for the Committee's review.

RECOMMENDATION: Staff recommends that the Committee review the grant application and provide direction to Staff as appropriate.

FISCAL IMPACT: The current maximum grant amount available under this program is \$10,000. ASI Fullerton anticipates that the project will cost \$30,000. Fifty percent (50%) of the project costs, up to \$10,000, are available if the grant is approved.

BACKGROUND: None.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. AORMA Risk Innovation Reduction Matching Grant application from ASI Fullerton
- b. Policy and Procedure A-6 – Risk Reduction Innovation Matching Grant Incentive Program



CSURMA AORMA RISK REDUCTION INNOVATION MATCHING GRANT INCENTIVE PROGRAM APPLICATION

Per Member Grant Amount: **\$10,000**

Name of Auxiliary Organization:

Associated Students, CSUF, Inc., Titan Recreation

Total anticipated costs for the risk reduction project: \$ 30,000

Description of your proposed risk reduction project:

Currently, our basketball courts do not have padding to protect players who may overrun the court and make contact with the concrete wall around the courts. We would like to purchase wall padding that will go around our gym courts in order to provide this necessary protection and prevent potential injuries to participants in our open gym program times and Intramural programs.

Anticipated start date and completion date of your risk reduction project:

January 2016 with completion prior to the start of our spring semester, January 23rd, 2016

Informational attachments (optional):

See attachments

Please email your completed application to Mimi Long

mlong@alliant.com



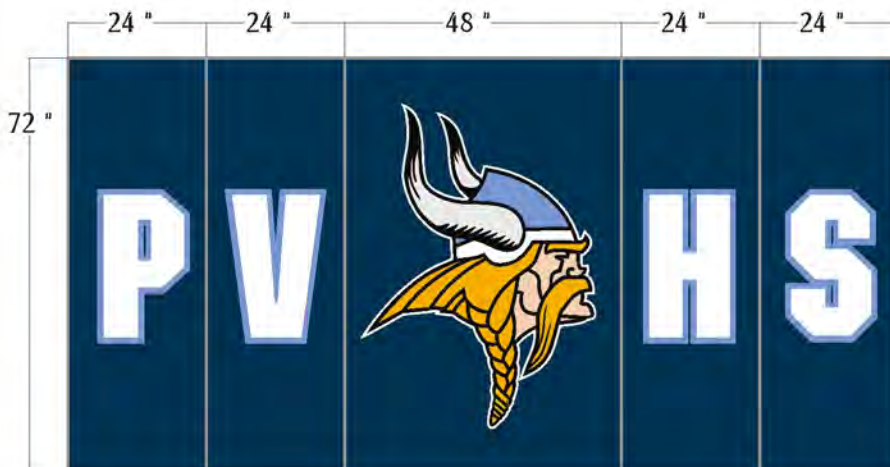
Wiggs Middle School

File Name: Wiggs MS Cougars - LAYOUT / File Name:
 TWO SETS OF THESE PADS (8 total)
 "WIGGS" lettering 8" w/ 1/2" white outline / Cougar Logo 33" tall / "MIDDLE SCHOOL" lettering 6" tall w/ 1/2" white outline
 "WHATEVER IT TAKES" 3-1/2" white lettering
 Vinyl: Navy Blue / Graphics: Orange and White

66"

66"





PVHS Vikings

File Name: PVHS Vikings - LAYOUT / Folder: Margaret / Date Drawn: 1-17-12
No PMS color specified... only "sky blue"

2 SETS

24"

24"

48"

24"

24"

72"





The Canyons

File Name: Canyons - LAYOUT / Folder: Margaret / Date Drawn: 4-10-12

Pads: Black / Graphics: Beige / ALL Digitally Printed

80

period
fouls | player | fouls |
won | game | won
METRO EAST LUTHERAN HIGH SCHOOL



h e r e

24"

24"

24"

24"

24"

24"

24"

24"

72"

Three Rivers College

THE COMMUNITY COLLEGE OF SOUTHEAST MISSOURI



16'-0"

82

Three Rivers College

File Name: Three Rivers - LAYOUT / Folder: Margaret / Date Drawn: 9-2-11 / Size Revised: 10-25-11



83

BYRON



EAGLES





85

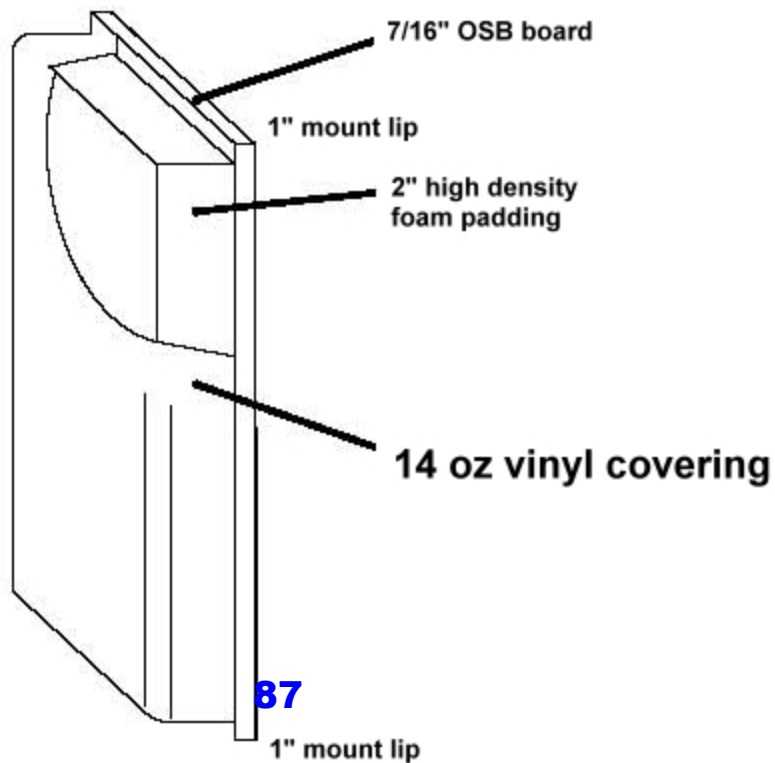
BOOKER T. WASHINGTON HIGH SCHOOL

GOLDEN



EAGLES

EAGLES



CHAMPION MVP VINYL

Champion MVP, the most popular product for the athletic wall pad and mat industry. Champion MVP has a leather grain finish with the necessary FR treatments to meet NFPA-701 / ASTM E-84. This 14 oz. laminate is the user's choice for wall pads due to its ability to endure long term use while maintaining structural integrity and also meets the new national lead free standards put into place by the Consumer Product Safety Improvement Act.

Product Uses and Applications



Floor Mats



Gym Mats



Wall pads

CATEGORY	TEST METHOD	TEST RESULT
Total Weight	FS 5040 / ASTM D3776	14 oz. per square yard
Width		61"
Yarn		Polyester
Count		9 x 9
Denier		1300
Grab Tensile	FT 5100 / ASTM D5034	365 x 348 lbs./in.
Tongue Tear	FT 5134 / ASTM D2261	92 x 83 lbs.
Adhesion	FT 5970 / ASTM D751	28 lbs./in.
F.R. Treatments	CSFM / NFPA-701	PASS
Treatments		Anti-Mildew & U.V.
Finish		Leather
Putup		75 yards

CHARACTERISTICS

CLASS "A" RATING to include:

Extremely Strong and Durable

High Tensile and Tear Strength

Anti-Mildew Treatments & U.V. Pigments for Weatherability

Fire Retardant to meet strict codes and ASTM E84 Smoke Density Test

14 OZ VINYL COLOR SAMPLES



Yellow



Light Gold



Orange



Flair Red



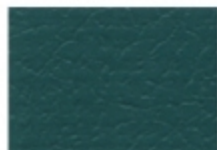
Rich Red



Light Maroon



Dark Maroon



Kelly Green



Forest Green



Sky Blue



Champion Blue



Royal Blue



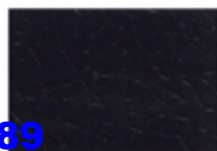
Navy



Purple



Camel



Black



Galaxy Grey

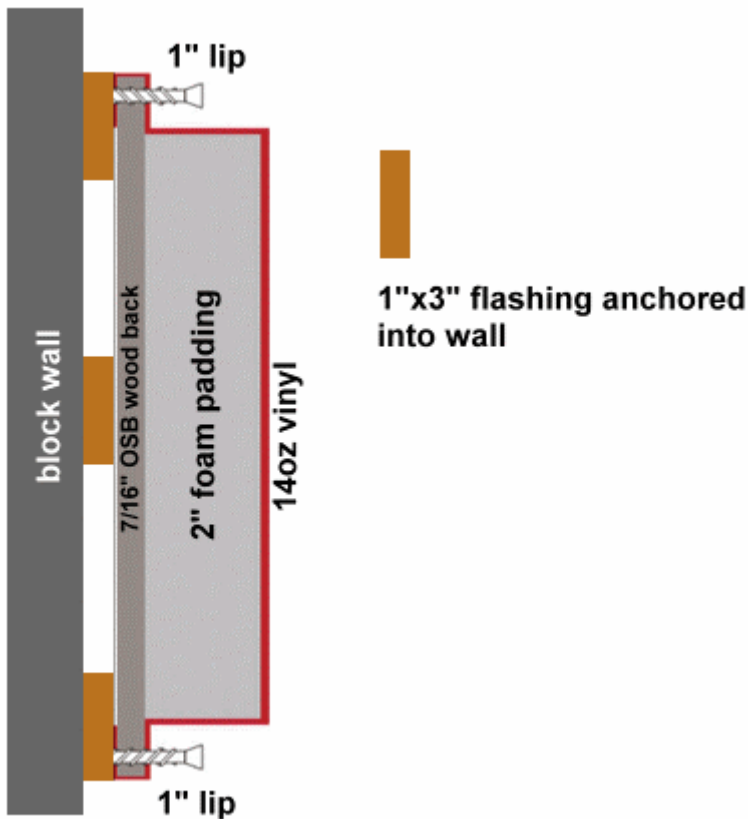


White

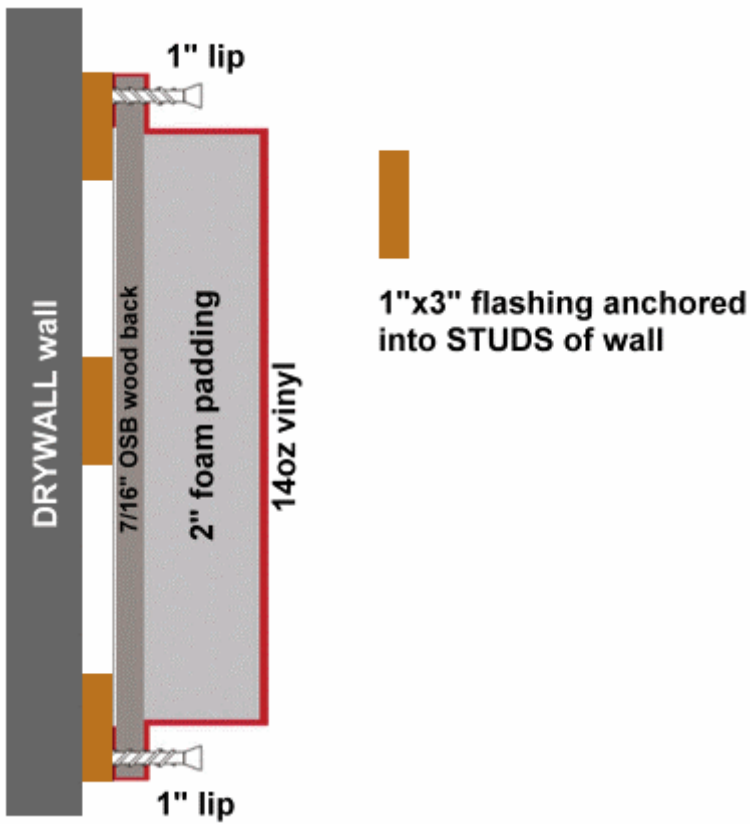
Most people opt to start the panels above the baseboard or even higher, above any outlets (if they aren't too high off the floor). If you can get them 12-14" off the floor you are generally good. You want to cover knees and heads and that gets the panel covering 1-7' on the wall, which covers all players.



Screw directly through 1" nailer lip into your wall every 8-10" for best results. Make sure you use the correct type of screw for your wall material. This process is often more difficult as screwing into your block wall every 8-10" is more difficult than the next option noted below.



Anchor 1"x3" into the wall every 3-4'. With 3/4-1" wood screw, screw directly through 1" nailer lip into 1"x3" flashing every 8-10" for best results. The middle 1"x3" just supports the middle of the panel. **90**



Anchor 1"x3" into the STUDS of your wall. With 3/4-1" wood screw, screw directly through 1" nailer lip into 1"x3" flashing every 8-10" for best results. The middle 1"x3" just supports the middle of the panel.



Screw directly through 1" nailer lip into your wall every 8-10" for best results. Make sure you use the correct type of screw for your wall material.

www.WallPaddingSolutions.com | 877.272.5430 | Tom Nicotera

1" Vinyl Flap top/bottom



NO OSB

1" vinyl flap top/bottom
w/ grommets

Source 1" aluminum or trim locally.
Sandwich flap/grommet between trim
and wall. Screw through all.

Aluminum is optional.
You can screw right
grommet.

VELCRO top/bottom



Sewn velcro in back of panel.
Other side of velcro provided to
apply to wall.



CSURMA AORMA

POLICY AND PROCEDURE NO. A-6

SUBJECT:	RISK REDUCTION INNOVATION MATCHING GRANT INCENTIVE PROGRAM
ADOPTED:	MAY 9, 2013
EFFECTIVE:	JULY 1, 2013
AMENDED:	SEPTEMBER 12, 2013 MARCH 20, 2014 DECEMBER 4, 2014

PURPOSE:

The Risk Reduction Innovation Matching Grant Program (**Program**) makes funds available to AORMA Members (**Members**). It funds original and inventive training programs, the purchase of cutting edge safety equipment, innovative modernization of the **Member's** premises or any other unique or creative safety related project that may lead to a documentable reduction in claims costs. The purpose of this type of *matching grant program* is to encourage **Members** to enhance existing risk reduction efforts and to inspire ingenious safety ideas that the other **Members** may employ.

POLICY:

1. Annually, the following activities will be completed
 - a. The Member Services, Loss Control and Training Committee (**MSLCTC**) will propose to the AORMA Committee a budget amount for the **Program**.
 - b. The **MSLCTC** will approve the maximum grant amount.
 - c. The **MSLCTC** along with the Program Administrator will review the grant applications, and if found to be appropriate and consistent with the purpose of the **Program** may be approved by the **MSLCTC**.
2. To access funds under the **Program**, the **Member**, must complete the grant application which is located on the CSURMA website and will include the following information;
 - a. A description of the proposed risk reduction project
 - b. The anticipated timeline for completion of the risk reduction project.
 - c. An estimate of the total costs for the proposed risk reduction project.
3. The **Member** will be expected to complete the proposed risk reduction project within the timeline provided within the grant application. Upon review, the **MSLCTC** may rescind the

grant if the **Member** has not started, or completed, the risk reduction project within the timeframe proposed.

4. Fifty percent (50%) of the **Member's** risk reduction project costs (up to the maximum grant amount approved for that **Member**) will be reimbursed under the **Program**. The **Member** will submit to the **MSLCTC** the final paid receipt to be used to calculate the **Program** reimbursement amount.
5. After the grant funds are utilized, the **Member** will provide a brief report providing information that will assist the **MSLCTC** in monitoring this **Program's** effectiveness and the merits of future **Program** funds.

**DIVIDEND DISTRIBUTION FOR THE LIABILITY AND WORKERS’
COMPENSATION PROGRAMS**

ISSUE: At its September 10, 2015 and October 22, 2015 meetings, the AORMA Committee approved the following dividends to be distributed in July of 2016:

- a. Liability - \$871,524
- b. Workers’ Compensation - \$300,000

The total dividends have been allocated to the members based on the formula outlined in Policy and Procedure A-4 – Dividends and Assessments.

RECOMMENDATION: The committee is being asked to review and approve the liability and workers’ compensation dividend allocations to be paid in July, 2016.

FISCAL IMPACT: The total dividend payable in July, 2016 is \$1,171,524.

BACKGROUND: Dividends are allocated to those members currently participating in the liability or workers’ compensation program (and who will be participating on July 1, 2016) based on each member’s total percentage of contributions during the following fiscal years: 10/11, 11/12, 12/13, 13/14 and 14/15.

PUBLICATION: Members will be notified of their dividend amounts at the end of January, 2016.

ATTACHMENT(S):

- a. AORMA Liability Program – Dividend Allocation for July, 2016 Distribution
- b. AORMA Workers’ Compensation – Dividend Allocation for July, 2016 Distribution
- c. FY 16/17 Target Surplus Funding Analysis
- d. Policy & Procedure A-3 – Target Surplus Funding Policy
- e. Policy & Procedure A-4 – Dividends and Assessments

**AORMA Liability Program
July 1, 2016 Dividend Allocation**

Campus	Auxiliary Organization Member	7/1/10 - 6/30/11 Premium Contribution	7/1/11 - 6/30/12 Premium Contribution	7/1/12 - 6/30/13 Premium Contribution	7/1/13 - 6/30/14 Premium Contribution	7/1/14 - 6/30/15 Premium Contribution	Total Premium Contributions for Five Years	Dividend Allocation
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	\$ 5,464	\$ 7,186	\$ 6,369	\$ 6,524	\$ 5,785	\$ 31,328	\$ 1,581
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 3,000	\$ 3,408	\$ 3,021	\$ 3,089	\$ 4,089	\$ 16,607	\$ 838
Bakersfield	California State University, Bakersfield Foundation	\$ 2,591	\$ 3,408	\$ 3,021	\$ 20,270	\$ 7,395	\$ 36,685	\$ 1,851
Bakersfield	California State University, Bakersfield Student Union, Inc.	\$ 16,977	\$ 22,327	\$ 19,789	\$ 3,094	\$ 3,404	\$ 65,591	\$ 3,310
Chancellor's Office	California State University Foundation	\$ 1,251	\$ 1,645	\$ 1,458	\$ 1,493	\$ 2,000	\$ 7,847	\$ 396
Chancellor's Office	California State University Institute	\$ 1,710	\$ 2,249	\$ 1,993	\$ 2,042	\$ 2,706	\$ 10,700	\$ 540
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	\$ 1,369	\$ 1,800	\$ 1,596	\$ 1,613	\$ 2,127	\$ 8,505	\$ 429
Channel Islands	California State University Channel Islands Foundation	\$ 1,814	\$ 2,386	\$ 2,114	\$ 2,136	\$ 2,241	\$ 10,691	\$ 540
Channel Islands	University Glen Corporation	\$ 19,158	\$ 25,196	\$ 22,330	\$ 23,183	\$ 21,486	\$ 111,353	\$ 5,620
Chico	Associated Students of California State University, Chico	\$ 108,806	\$ 143,097	\$ 126,822	\$ 131,662	\$ 118,885	\$ 629,272	\$ 31,757
Chico	Auxiliary Organization Associations	\$ 1,251	\$ 1,645	\$ 1,458	\$ 1,473	\$ 2,000	\$ 7,827	\$ 395
Chico	The CSU, Chico Research Foundation	\$ 91,276	\$ 120,042	\$ 106,388	\$ 110,449	\$ 107,578	\$ 535,733	\$ 27,037
Chico	The University Foundation, California State University, Chico	\$ 7,322	\$ 9,630	\$ 8,535	\$ 8,860	\$ 11,954	\$ 46,301	\$ 2,337
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 4,903	\$ 6,448	\$ 5,715	\$ 5,933	\$ 5,287	\$ 28,286	\$ 1,428
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 23,742	\$ 29,975	\$ 26,566	\$ 26,844	\$ 29,245	\$ 136,372	\$ 6,882
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 14,422	\$ 18,967	\$ 16,810	\$ 17,451	\$ 15,862	\$ 83,512	\$ 4,215
East Bay	Associated Students, California State University, East Bay	\$ 24,235	\$ 31,873	\$ 28,248	\$ 28,544	\$ 14,673	\$ 127,573	\$ 6,438
East Bay	Cal State East Bay Educational Foundation				\$ 2,042	\$ 2,000	\$ 4,042	\$ 204
East Bay	California State University, East Bay Foundation, Inc.	\$ 46,207	\$ 68,246	\$ 60,483	\$ 24,739	\$ 35,810	\$ 235,485	\$ 11,884
Fresno	Associated Students, Inc. of California State University, Fresno	\$ 3,300	\$ 4,340	\$ 3,846	\$ 3,887	\$ 5,127	\$ 20,500	\$ 1,035
Fresno	California State University, Fresno Association, Inc.	\$ 202,563	\$ 229,267	\$ 203,191	\$ 102,974	\$ 191,204	\$ 929,199	\$ 46,894
Fresno	California State University, Fresno Foundation	\$ 35,455	\$ 46,629	\$ 41,326	\$ 43,760	\$ 56,909	\$ 224,079	\$ 11,309
Fresno	Fresno State Programs for Children, Inc.	\$ 7,433	\$ 9,776	\$ 8,663	\$ 8,755	\$ 7,727	\$ 42,354	\$ 2,137
Fresno	The Agricultural Foundation of California State University, Fresno	\$ 18,173	\$ 23,900	\$ 21,182	\$ 21,404	\$ 18,890	\$ 103,549	\$ 5,226
Fresno	The California State University, Fresno Athletic Corporation	\$ 151,808	\$ 211,872	\$ 187,773	\$ 198,836	\$ 180,773	\$ 931,062	\$ 46,988
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 27,936	\$ 36,740	\$ 32,562	\$ 33,805	\$ 40,512	\$ 171,555	\$ 8,658
Fullerton	Cal State Fullerton Philanthropic Foundation	\$ 5,737	\$ 7,545	\$ 6,687	\$ 6,757	\$ 8,673	\$ 35,399	\$ 1,786
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 41,801	\$ 54,975	\$ 48,723	\$ 51,594	\$ 70,090	\$ 267,183	\$ 13,484
Humboldt	Associated Students, Humboldt State University	\$ 5,285	\$ 6,951	\$ 6,160	\$ 6,395	\$ 5,774	\$ 30,565	\$ 1,543
Humboldt	Humboldt State University Advancement Foundation	\$ 1,322	\$ 1,739	\$ 1,540	\$ 1,557	\$ 2,000	\$ 8,158	\$ 412
Humboldt	Humboldt State University Center Board of Directors	\$ 52,524	\$ 62,077	\$ 52,566	\$ 54,573	\$ 48,627	\$ 270,367	\$ 13,645
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 23,991	\$ 31,552	\$ 27,964	\$ 29,031	\$ 34,552	\$ 147,090	\$ 7,423
Long Beach	Associated Students, California State University, Long Beach	\$ 65,468	\$ 84,378	\$ 74,782	\$ 77,637	\$ 71,954	\$ 374,219	\$ 18,886
Long Beach	California State University, Long Beach Research Foundation	\$ 118,732	\$ 164,100	\$ 145,436	\$ 151,665	\$ 147,354	\$ 727,287	\$ 36,704
Long Beach	CSULB 49er Foundation		\$ 3,000	\$ 2,658	\$ 2,752	\$ 2,450	\$ 10,860	\$ 548
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 33,959	\$ 44,661	\$ 39,582	\$ 41,092	\$ 55,443	\$ 214,737	\$ 10,837
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	\$ 5,213	\$ 7,276	\$ 6,447	\$ 6,738	\$ 6,138	\$ 31,812	\$ 1,605
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 22,884	\$ 34,109	\$ 30,229	\$ 29,885	\$ 38,815	\$ 155,922	\$ 7,869
Los Angeles	California State University, Los Angeles Foundation	\$ 3,195	\$ 4,202	\$ 3,725	\$ 3,763	\$ 3,322	\$ 18,207	\$ 919
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 22,124	\$ 29,096	\$ 25,786	\$ 27,232	\$ 26,891	\$ 131,129	\$ 6,618
Maritime Academy	California Maritime Academy Foundation, Inc.	\$ 2,751	\$ 3,942	\$ 3,493	\$ 3,566	\$ 3,097	\$ 16,849	\$ 850
Maritime Academy	The Associated Students of the California Maritime Academy	\$ 2,997	\$ 3,618	\$ 3,206	\$ 3,390	\$ 3,102	\$ 16,313	\$ 823
Monterey Bay	Foundation of California State University, Monterey Bay	\$ 3,157	\$ 4,152	\$ 3,680	\$ 3,838	\$ 3,486	\$ 18,313	\$ 924
Monterey Bay	The University Corporation at Monterey Bay	\$ 49,275	\$ 64,804	\$ 57,433	\$ 59,625	\$ 80,452	\$ 311,589	\$ 15,725

**AORMA Liability Program
July 1, 2016 Dividend Allocation**

Campus	Auxiliary Organization Member	7/1/10 - 6/30/11 Premium Contribution	7/1/11 - 6/30/12 Premium Contribution	7/1/12 - 6/30/13 Premium Contribution	7/1/13 - 6/30/14 Premium Contribution	7/1/14 - 6/30/15 Premium Contribution	Total Premium Contributions for Five Years	Dividend Allocation
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 11,504	\$ 16,367	\$ 14,505	\$ 15,360	\$ 21,032	\$ 78,768	\$ 3,975
Northridge	California State University, Northridge Foundation	\$ 9,247	\$ 12,161	\$ 10,778	\$ 11,164	\$ 10,405	\$ 53,755	\$ 2,713
Northridge	North Campus University Park Development Corporation	\$ 4,559	\$ 5,996	\$ 5,315	\$ 5,370	\$ 4,739	\$ 25,979	\$ 1,311
Northridge	The University Corporation, CSU Northridge	\$ 57,724	\$ 84,474	\$ 74,866	\$ 79,276	\$ 100,404	\$ 396,744	\$ 20,022
Northridge	University Student Union of California State University, Northridge	\$ 65,679	\$ 84,650	\$ 75,023	\$ 77,887	\$ 104,856	\$ 408,095	\$ 20,595
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 60,352	\$ 79,372	\$ 70,344	\$ 73,029	\$ 65,942	\$ 349,039	\$ 17,615
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 129,286	\$ 151,062	\$ 135,157	\$ 142,332	\$ 168,783	\$ 726,620	\$ 36,670
Sacramento	Associated Students of California State University, Sacramento	\$ 81,720	\$ 107,474	\$ 95,251	\$ 98,886	\$ 89,291	\$ 472,622	\$ 23,852
Sacramento	Capital Public Radio, Inc., CSU Sacramento	\$ 6,316	\$ 8,307	\$ 7,361	\$ 7,642	\$ 10,582	\$ 40,208	\$ 2,029
Sacramento	The University Foundation at Sacramento State	\$ 4,762	\$ 6,263	\$ 5,550	\$ 5,609	\$ 4,951	\$ 27,135	\$ 1,369
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 124,121	\$ 163,238	\$ 143,069	\$ 148,529	\$ 176,623	\$ 755,580	\$ 38,132
Sacramento	University Union Operation of CSUS, Inc.	\$ 20,215	\$ 26,586	\$ 23,563	\$ 24,463	\$ 33,100	\$ 127,927	\$ 6,456
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 8,238	\$ 10,834	\$ 9,603	\$ 9,704	\$ 8,564	\$ 46,943	\$ 2,369
San Bernardino	CSUSB Philanthropic Foundation		\$ 3,000	\$ 2,658	\$ 2,752	\$ 2,896	\$ 11,306	\$ 571
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 11,573	\$ 15,220	\$ 13,490	\$ 14,004	\$ 19,020	\$ 73,307	\$ 3,700
San Bernardino	University Enterprises Corporation at CSUSB	\$ 43,836	\$ 57,651	\$ 51,095	\$ 53,045	\$ 48,529	\$ 254,156	\$ 12,827
San Diego	Associated Students, San Diego State University	\$ 132,497	\$ 184,920	\$ 163,888	\$ 172,850	\$ 163,163	\$ 817,318	\$ 41,248
San Diego	Aztec Shops, Ltd., San Diego State University	\$ 108,412	\$ 139,727	\$ 123,835	\$ 128,561	\$ 122,481	\$ 623,016	\$ 31,442
San Diego	San Diego State University Research Foundation	\$ 144,631	\$ 215,573	\$ 191,056	\$ 191,547	\$ 279,485	\$ 1,022,292	\$ 51,592
San Diego	The Campanile Foundation						\$ -	\$ -
San Francisco	Associated Students, Inc., San Francisco State University	\$ 11,259	\$ 14,807	\$ 13,124	\$ 13,625	\$ 12,632	\$ 65,447	\$ 3,303
San Francisco	San Francisco State University Foundation	\$ 6,747	\$ 3,843	\$ 3,406	\$ 3,606	\$ 3,235	\$ 20,837	\$ 1,052
San Francisco	The University Corporation, San Francisco State	\$ 40,811	\$ 53,673	\$ 29,115	\$ 30,271	\$ 27,528	\$ 181,398	\$ 9,155
San Jose	Associated Student, San Jose State University	\$ 9,250	\$ 12,165	\$ 10,782	\$ 10,896	\$ 14,560	\$ 57,653	\$ 2,910
San Jose	San Jose State University Research Foundation	\$ 23,213	\$ 32,083	\$ 28,434	\$ 30,109	\$ 34,865	\$ 148,704	\$ 7,505
San Jose	Spartan Shops, Inc., San Jose State University	\$ 70,935	\$ 91,425	\$ 81,027	\$ 84,120	\$ 76,459	\$ 403,966	\$ 20,387
San Jose	The Student Union of San Jose State University	\$ 101,709	\$ 131,088	\$ 116,178	\$ 120,612	\$ 111,781	\$ 581,368	\$ 29,340
San Jose	The Tower Foundation, San Jose State University	\$ 1,804	\$ 2,518	\$ 2,231	\$ 2,255	\$ 2,973	\$ 11,781	\$ 595
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 71,785	\$ 99,214	\$ 87,930	\$ 92,683	\$ 84,671	\$ 436,283	\$ 22,018
San Luis Obispo	Cal Poly Corporation	\$ 149,863	\$ 197,093	\$ 163,488	\$ 166,000	\$ 153,557	\$ 830,001	\$ 41,888
San Luis Obispo	California Polytechnic State University Foundation	\$ 1,234	\$ 1,623	\$ 1,438	\$ 1,492	\$ 2,000	\$ 7,787	\$ 393
San Marcos	California State University San Marcos Foundation	\$ 4,418	\$ 5,810	\$ 5,150	\$ 5,346	\$ 4,827	\$ 25,551	\$ 1,290
San Marcos	San Marcos University Corporation	\$ 32,714	\$ 43,024	\$ 9,940	\$ 10,045	\$ 19,824	\$ 115,547	\$ 5,831
San Marcos	The Associated Students of California State University, San Marcos	\$ 8,194	\$ 10,776	\$ 9,550	\$ 9,651	\$ 8,518	\$ 46,689	\$ 2,356
San Marcos	University Auxiliary and Research Services Corporation	\$ 8,528	\$ 11,216	\$ 38,130	\$ 39,058	\$ 30,930	\$ 127,862	\$ 6,453
Sonoma	Associated Students of Sonoma State University	\$ 13,256	\$ 17,434	\$ 15,451	\$ 15,613	\$ 13,780	\$ 75,534	\$ 3,812
Sonoma	Sonoma State Enterprises, Inc.	\$ 29,299	\$ 38,533	\$ 34,150	\$ 35,454	\$ 32,013	\$ 169,449	\$ 8,552
Sonoma	Sonoma State University Academic Foundation, Inc.	\$ 12,462	\$ 16,389	\$ 14,525	\$ 14,677	\$ 13,384	\$ 71,437	\$ 3,605
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 5,403	\$ 7,106	\$ 6,298	\$ 6,537	\$ 5,825	\$ 31,169	\$ 1,573
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	\$ 13,370	\$ 17,584	\$ 15,584	\$ 15,747	\$ 13,897	\$ 76,182	\$ 3,845
Stanislaus	California State University, Stanislaus Foundation	\$ 20,025	\$ 26,336	\$ 23,340	\$ 23,585	\$ 20,815	\$ 114,101	\$ 5,758
Stanislaus	University Student Union of California State University, Stanislaus	\$ 3,083	\$ 4,055	\$ 3,593	\$ 3,631	\$ 3,247	\$ 17,609	\$ 889
86	TOTAL	\$ 2,946,615	\$ 3,884,896	\$ 3,410,627	\$ 3,392,975	\$ 3,634,056	\$ 17,269,169	\$ 871,524

AORMA Workers' Compensation Program
July 1, 2016 Dividend Allocation

Campus	Auxiliary Organization Member	7/1/10 - 6/30/11 Premium Contribution	7/1/11 - 6/30/12 Premium Contribution	7/1/12 - 6/30/13 Premium Contribution	7/1/13 - 6/30/14 Premium Contribution	7/1/14 - 6/30/15 Premium Contribution	Premium Contributions for Five Years	Dividend Allocation
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	\$ 9,158	\$ 12,184	\$ 14,619	\$ 17,151	\$ 20,580	\$ 73,692	\$ 1,094
Bakersfield	California State University, Bakersfield Foundation	\$ 29,464	\$ 25,164	\$ 16,535	\$ 12,866	\$ 5,884	\$ 120,500	\$ 1,789
Channel Islands	University Glen Corporation	\$ 34,526	\$ 37,275	\$ 36,719	\$ 48,083	\$ 57,723	\$ 171,501	\$ 2,547
Chico	Associated Students of California State University, Chico	\$ 203,170	\$ 197,042	\$ 163,524	\$ 135,349	\$ 157,830	\$ 934,374	\$ 13,875
Chico	The CSU, Chico Research Foundation	\$ 114,346	\$ 146,943	\$ 137,421	\$ 128,610	\$ 126,004	\$ 615,796	\$ 9,144
Dominguez Hills	Associated Students, California State University, Dominguez Hills	\$ 2,505	\$ 2,147	\$ 2,799	\$ 3,542	\$ 1,923	\$ 13,342	\$ 198
Dominguez Hills	California State University, Dominguez Hills Foundation	\$ 74,675	\$ 83,656	\$ 64,377	\$ 83,479	\$ 51,509	\$ 377,117	\$ 5,600
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	\$ 6,368	\$ 6,370	\$ 6,617	\$ 7,132	\$ 20,162	\$ 34,174	\$ 507
East Bay	Associated Students, California State University, East Bay	\$ 40,641	\$ 59,326	\$ 10,407	\$ 25,321	\$ 3,046	\$ 172,407	\$ 2,560
East Bay	California State University, East Bay Foundation, Inc.	\$ 47,140	\$ 26,617	\$ 38,345	\$ 42,665		\$ 198,362	\$ 2,946
Fresno	California State University, Fresno Association, Inc.	\$ 142,964	\$ 133,902	\$ 108,308	\$ 108,920	\$ 91,339	\$ 649,049	\$ 9,638
Fresno	The California State University, Fresno Athletic Corporation	\$ 70,770	\$ 66,148	\$ 82,849	\$ 108,988	\$ 72,927	\$ 390,323	\$ 5,796
Fullerton	Associated Students, California State University, Fullerton, Inc.	\$ 59,476	\$ 70,094	\$ 76,605	\$ 80,663	\$ 107,586	\$ 358,914	\$ 5,330
Fullerton	CSU Fullerton Auxiliary Services Corporation	\$ 205,708	\$ 164,636	\$ 177,438	\$ 188,953	\$ 137,591	\$ 991,037	\$ 14,717
Humboldt	Associated Students, Humboldt State University			\$ 2,282	\$ 1,889	\$ 1,964	\$ 4,171	\$ 62
Humboldt	Humboldt State University Center Board of Directors	\$ 83,515	\$ 75,106	\$ 73,235	\$ 85,332	\$ 88,407	\$ 408,937	\$ 6,073
Humboldt	Humboldt State University Sponsored Programs Foundation	\$ 86,720	\$ 75,654	\$ 110,957	\$ 172,733	\$ 128,150	\$ 518,925	\$ 7,706
Long Beach	Associated Students, California State University, Long Beach	\$ 94,631	\$ 111,022	\$ 79,024	\$ 86,789	\$ 114,432	\$ 455,762	\$ 6,768
Long Beach	California State University, Long Beach Research Foundation	\$ 108,973	\$ 99,936	\$ 127,262	\$ 97,124	\$ 90,727	\$ 543,317	\$ 8,068
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	\$ 122,451	\$ 100,794	\$ 109,969	\$ 143,347	\$ 245,105	\$ 604,942	\$ 8,983
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	\$ 157,264	\$ 126,416	\$ 148,737	\$ 143,131	\$ 120,595	\$ 711,519	\$ 10,566
Los Angeles	University-Student Union Board, California State University, Los Angeles	\$ 22,792	\$ 25,413	\$ 36,253	\$ 41,569	\$ 54,637	\$ 159,124	\$ 2,363
Monterey Bay	The University Corporation at Monterey Bay	\$ 80,277	\$ 91,577	\$ 114,164	\$ 107,880	\$ 106,923	\$ 511,830	\$ 7,601
Northridge	Associated Students, California State University, Northridge, Inc.	\$ 51,824	\$ 40,867	\$ 50,074	\$ 54,590	\$ 52,955	\$ 246,329	\$ 3,658
Northridge	The University Corporation, CSU Northridge	\$ 328,929	\$ 317,237	\$ 256,789	\$ 330,140	\$ 237,903	\$ 1,480,500	\$ 21,985
Northridge	University Student Union of California State University, Northridge	\$ 61,699	\$ 95,805	\$ 72,852	\$ 81,842	\$ 112,114	\$ 374,334	\$ 5,559
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	\$ 44,039	\$ 45,945	\$ 44,403	\$ 52,064	\$ 82,249	\$ 239,203	\$ 3,552
Pomona	The Cal Poly Pomona Foundation, Inc.	\$ 198,531	\$ 212,240	\$ 200,972	\$ 245,176	\$ 326,760	\$ 1,073,571	\$ 15,942
Sacramento	Associated Students of California State University, Sacramento	\$ 68,904	\$ 67,967	\$ 61,591	\$ 74,345	\$ 67,435	\$ 339,962	\$ 5,048
Sacramento	University Enterprises, Inc., CSU Sacramento	\$ 121,598	\$ 202,676	\$ 197,996	\$ 206,632	\$ 281,040	\$ 865,146	\$ 12,847
San Bernardino	Associated Students Inc., California State University, San Bernardino	\$ 2,432	\$ 2,020	\$ 2,721	\$ 2,564	\$ 1,530	\$ 11,737	\$ 174
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	\$ 18,205	\$ 25,670	\$ 28,523	\$ 27,130	\$ 43,688	\$ 125,324	\$ 1,861
San Bernardino	University Enterprises Corporation at CSUSB	\$ 85,688	\$ 69,535	\$ 77,535	\$ 94,555	\$ 68,283	\$ 403,525	\$ 5,992
San Diego	Associated Students, San Diego State University	\$ 149,218	\$ 160,218	\$ 172,442	\$ 183,380	\$ 177,530	\$ 816,784	\$ 12,129
San Francisco	Associated Students, Inc., San Francisco State University	\$ 15,765	\$ 23,716	\$ 11,131	\$ 27,636	\$ 61,746	\$ 93,085	\$ 1,382
San Francisco	The University Corporation, San Francisco State	\$ 23,321	\$ 18,287	\$ 33,923	\$ 33,526	\$ 25,960	\$ 122,503	\$ 1,819
San Jose	Associated Student, San Jose State University	\$ 35,621	\$ 33,767	\$ 41,410	\$ 52,921	\$ 44,555	\$ 197,856	\$ 2,938
San Jose	San Jose State University Research Foundation	\$ 187,088	\$ 215,498	\$ 285,278	\$ 270,838	\$ 190,400	\$ 1,136,719	\$ 16,880
San Jose	Spartan Shops, Inc., San Jose State University	\$ 82,234	\$ 102,782	\$ 118,758	\$ 156,891	\$ 194,027	\$ 576,764	\$ 8,565
San Jose	The Student Union of San Jose State University	\$ 19,477	\$ 23,529	\$ 32,025	\$ 41,716	\$ 37,455	\$ 148,412	\$ 2,204

**AORMA Workers' Compensation Program
July 1, 2016 Dividend Allocation**

Campus	Auxiliary Organization Member	7/1/10 - 6/30/11 Premium Contribution	7/1/11 - 6/30/12 Premium Contribution	7/1/12 - 6/30/13 Premium Contribution	7/1/13 - 6/30/14 Premium Contribution	7/1/14 - 6/30/15 Premium Contribution	Premium Contributions for Five Years	Dividend Allocation
San Jose	The Tower Foundation, San Jose State University	\$ 14,825	\$ 24,261	\$ 27,189	\$ 32,930	\$ 5,834	\$ 108,794	\$ 1,616
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	\$ 68,738	\$ 65,799	\$ 85,423	\$ 88,561	\$ 130,377	\$ 384,548	\$ 5,710
San Luis Obispo	Cal Poly Corporation	\$ 466,866	\$ 478,596	\$ 322,904	\$ 304,769	\$ 446,303	\$ 2,102,116	\$ 31,216
San Marcos	University Auxiliary and Research Services Corporation	\$ 52,417	\$ 48,284	\$ 56,873	\$ 61,919	\$ 53,266	\$ 266,919	\$ 3,964
Sonoma	Associated Students of Sonoma State University	\$ 3,360	\$ 4,234	\$ 7,082	\$ 10,337	\$ 9,756	\$ 27,168	\$ 403
Stanislaus	Associated Students, Inc., California State University, Stanislaus	\$ 3,825	\$ 3,645	\$ 4,206	\$ 4,868	\$ 2,036	\$ 22,697	\$ 337
Stanislaus	University Student Union of California State University, Stanislaus	\$ 1,248	\$ 4,096	\$ 4,691	\$ 4,969	\$ 7,063	\$ 19,186	\$ 285

Total: \$ 3,903,387 \$ 4,024,096 \$ 3,935,237 \$ 4,315,819 \$ 4,465,309 \$ 20,202,298 \$ 300,000

AORMA Liability Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000
@ September 30, 2016

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 16/17 (at 80% CL) #1	3,068,777	Down From	3,336,715
Maximum Retention Per Occurrence	500,000	Up From	350,000
Outstanding Reserves at 6/30/15 #2	1,546,200	Down From	1,745,718
Unencumbered Funds (Expected Confidence Level) #3	5,986,096	Up From	4,356,346
Unencumbered Funds (above a 70% Confidence Level) #4	5,801,409	Up From	4,101,214
Unencumbered Funds (above an 80% Confidence Level) #4	5,435,368	Up From	3,733,109

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

#2 - Reserves on open claims - three claims were capped at the current pooled layer of 500,000

#3 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. The plan assets have been increased by the reinsurance recoverables of \$3,586,043 and reduced by the accounts payable of \$18,637 and unearned revenue of \$2,066,470. Outstanding Losses are undiscounted for investment income and include unallocated loss adjustment expense.

#4 - Unencumbered Funds means the Plan Assets minus the Outstanding Losses. The plan assets have been increased by the reinsurance recoverables of \$3,586,043 and reduced by the accounts payable of \$18,637 and unearned revenue of \$2,066,470. Outstanding Losses are discounted for investment income and include unallocated loss adjustment expense.

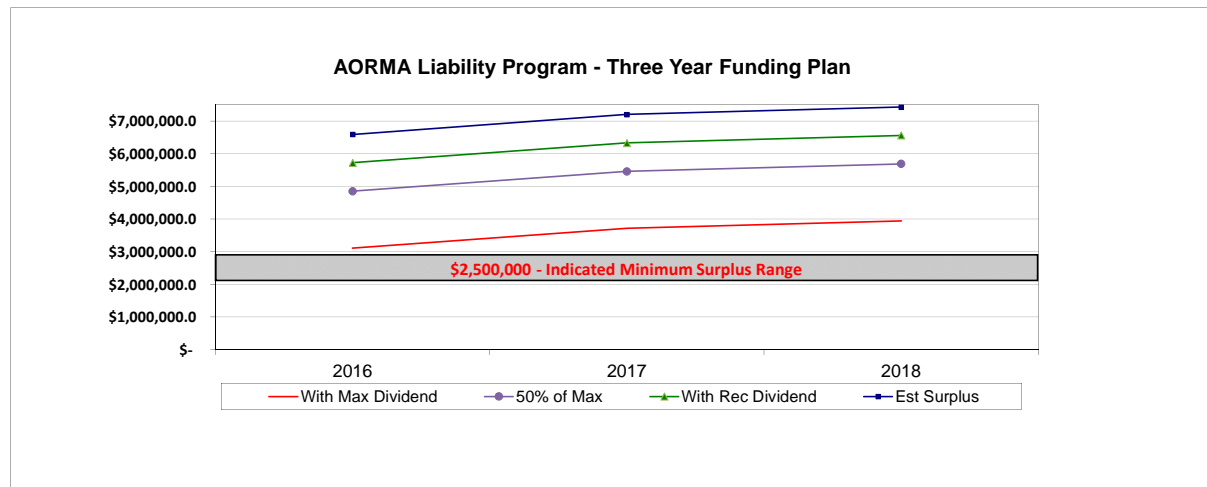
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	2,045,851	0.51
Surplus : Retention	>5:1	2,500,000	11.97
Outstanding Reserves : Surplus	≤1.5:1	1,030,800	0.26

Dividend	
Unencumbered Funds (Expected Confidence Level) #3	5,986,096
Indicated Minimum Surplus (largest ratio amount)	2,500,000
Maximum Dividend Available	3,486,096
Dividend 50%	1,743,048
Dividend 33%	1,150,412
Dividend 25%	871,524 <i>Approved on October 22, 2015</i>

Confidence levels	Risk Factor	Pooled Layer Funding #5	Surplus
Expected	1.000	1,471,260	-
60%	1.045	1,537,467	66,207
70%	1.156	1,700,777	229,517
80%	1.414	2,080,362	609,102

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

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/15	N/A	5,986,096	N/A	N/A
2016/17 - Collection @ 80% Confidence Level	609,102	6,595,198	3,109,102	5,723,674
2017/18 - Collection @ 80% Confidence Level	609,102	7,204,300	3,718,204	6,332,776
2018/19 - Collection @ 70% Confidence Level	229,517	7,433,817	3,947,721	6,562,293



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

	This Year's Analysis	Change	Last Year
Gross Premium 2016/17 (at 80% CL)	\$3,926,000	Down From	\$3,946,750
Maximum Retention per loss:	\$500,000	Flat	\$500,000
O/S Reserves at 6/30/15:	\$4,169,368	Up From	\$3,803,264
*Surplus at 6/30/15:	\$3,966,235	Down From	\$4,800,263
Funding above 70% Conf Level:	\$3,633,140	Down From	\$4,489,379
Funding above 80% Conf Level:	\$2,998,083	Down From	\$3,861,899

* Surplus at 6/30/15 reflects the Fund Balance from the 6/30/15 Balance sheet including the \$715,802 payable in July, 2015.

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,617,333	0.99
Surplus:Retention	>5:1	\$2,500,000	7.93
O/S Reserve:Surplus	≤1.5:1	\$2,779,579	1.05

Maximum Dividend Available:	\$1,186,656	
Dividend 50%:	\$593,328	
Dividend 33%:	\$391,597	
Recommended Dividend 25%:	\$296,664	\$300,000 Approved on September 10, 2015

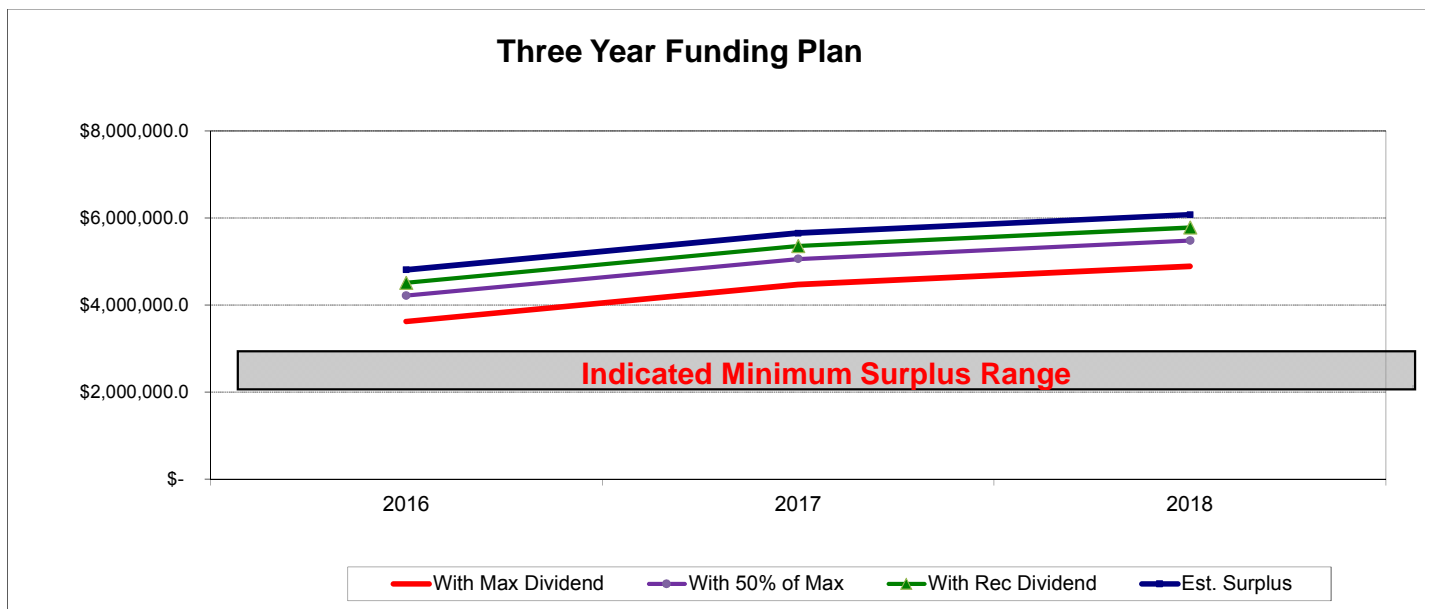
Note: The dividend declared in September, 2014 Dividend of \$715,802 was based on 33% of the maximum dividend available

2016/17 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	2,814,000	-
70%	1.150	3,236,000	422,000
80%	1.300	3,658,000	844,000
90%	1.500	4,221,000	1,407,000

Three Year Funding Plan

	Amount to Add To Surplus	Est. Surplus Balance	With Max Dividend	With Rec Dividend
Estimated Balance at 7/1/15	N/A	3,966,235	N/A	N/A
2016/17 - Collection @ 80% CL	844,000	4,810,235	3,623,579	4,513,571
2017/18 - Collection @ 80% CL	844,000	5,654,235	4,467,579	5,357,571
2018/19 - Collection @ 70% CL	422,000	6,076,235	4,889,579	5,779,571





CSURMA AORMA

POLICY AND PROCEDURE NO. A-3

SUBJECT: TARGET SURPLUS FUNDING POLICY

ADOPTED: JANUARY 10, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014**

EFFECTIVE: JANUARY 1, 2007

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

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

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

POLICY

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

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

PROCEDURE

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

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

Gross Premium to Surplus Ratio: Target <1.5:1

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

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

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

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

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

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

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

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

4. **Dividends** – Dividends may be available from the amount of surplus exceeding the Target Surplus amount established by the AORMA COMMITTEE. The allocation of any dividend shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.
5. **Assessments** – Assessments may be required when the AORMA COMMITTEE determines that the amount of surplus is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the Dividends and Assessments Policy and Procedure detailed in Policy and Procedure No. A-4.



CSURMA AORMA

POLICY AND PROCEDURE NO. A-3

MEMBER APPEAL PROCESS

If a MEMBER wishes to appeal any decision regarding the application of the Target Surplus Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary-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 - Auxiliary Organizations Risk Management Alliance Committee, a committee of the CSURMA providing management and oversight to the Auxiliary Organizations Risk Management Alliance. The AORMA COMMITTEE is comprised of the Chair, the Vice Chair, eight “At Large” members, and two non-voting members.

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

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

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

IBNR – Incurred but Not Reported losses

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

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

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

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

SUBJECT: DIVIDENDS & ASSESSMENTS

ADOPTED: MARCH 8, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014**

EFFECTIVE: JULY 1, 2007

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

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

POLICY

It is the policy of AORMA Committee that:

- Evaluation of the funding for each Self-Insured PROGRAM shall be made based on all coverage periods combined for that particular PROGRAM rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the PROGRAM's overall funding relative to the Target Surplus Funding Goal detailed in the separate Policy and Procedure No. A-3.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in "open" policy periods only.
- Unless the AORMA Committee takes specific action to the contrary, a coverage period shall be considered "closed" for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/03 for FY 07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the PROGRAM at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

PROCEDURE

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

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

MEMBER APPEAL PROCESS

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

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

AORMA COMMITTEE – The governing body of AORMA.

MEMBER – Any auxiliary organization participating in AORMA.

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

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

2015 WORKERS' COMPENSATION PAYROLL DESK AUDITS

ISSUE: Annually, staff performs “desk” payroll audits of ten (10) Workers’ Compensation program members. As directed by the Program Committee, Staff will audit any member who has an experience modification factor in excess of 1.00 (unless they were audited the previous year), any members with an experience modification factor in excess of 1.25 (even if they were audited the previous year) and a random selection of members.

Staff reviewed the following member information:

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

Based on the review of loss information and payroll information, Staff did not find any anomalies in the payroll reported by those members being audited.

RECOMMENDATION: Staff recommends that the Programs Committee discuss the 2015 workers’ compensation payroll desk audit and direct staff to take action as appropriate.

FISCAL IMPACT: None

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. 2015 Desk Audit
- b. AORMA Workers’ Compensation – Explanation of Classification Codes
- c. AORMA Workers’ Compensation – Payroll Rules to Follow
- d. Policy and Procedure W-3 – Requirement of Members to Maintain Experience Modification of 1.25 or Less

2015 Worker's Compensation Payroll Desk Audits

Payroll for FY 15/16							
Loc #	Exp Mod	Clerical 1001	Professional/ Student Acitivity 1002	Retail Ops 1004	Sports and Day Care 1005	Food Service 1006	Manual Labor 1007
1	1.09	\$ 12,597,585	\$ 749,665		\$ 288,344		\$ 620,675
2	0.89	\$ 3,481,750					
3	1.11	\$ 5,359,303	\$ 2,755,542		\$ 698,379		
4	1.26	\$ 1,355,117			\$ 389,905		\$ 290,883
5	0.81	\$ 1,179,049	\$ 1,816,462		\$ 1,097,379		
6	0.87	\$ 1,810,000	\$ 23,000		\$ 800,000	\$ 22,000	\$ 175,000
7	1.32	\$ 3,000,000			\$ 1,300,000	\$ 90,000	\$ 1,200,000
8	1.03	\$ 6,560,000	\$ 4,000,000	\$ 1,680,000	\$ 300,000	\$ 5,885,000	\$ 4,100,000
9	0.90	\$ 1,851,542	\$ 3,466,265		\$ 172,592		\$ 237,412
10	0.98	\$ 191,188	\$ 127,161	\$ 153,371			\$ 51,645

Total Incurred Claims @ 06/30/15								Number of Claims @ 06/30/15					
Loc #	Exp Mod	Clerical 1001	Professional/ Student Acitivity 1002	Retail Ops 1004	Sports and Day Care 1005	Food Service 1006	Manual Labor 1007	Clerical 1001	Professional/ Student Acitivity 1002	Retail Ops 1004	Sports and Day Care 1005	Food Service 1006	Manual Labor 1007
1	1.09	\$ 129,346.73	\$ 1,920.80		\$ 236.89		\$ 83,792.32	14	5		1		11
2	0.89												
3	1.11	\$ 42,806.01	15442.2		\$ 55,935.83	6198.19		11	10		63	2	
4	1.26	\$ 1,079.78			\$ 8,848.55		\$ 29,608.22	3			10		10
5	0.81	\$ 6,652.09	\$ 226.84		\$ 281,451.46		\$ 94,356.94	13	2		7		11
6	0.87	\$ 1,241.68	\$ 1,877.56		\$ 36,564.22		\$ -	5	2		21		1
7	1.32	\$ 1,982.20			\$ 173,442.97		\$ 155,033.64	3			25		13
8	1.03	\$ 15,825.66	\$ 3,292.32	\$ 41,798.75	\$ 1,996.49	\$ 537,329.78	\$ 289,153.46	16	5	12	2	114	71
9	0.90	\$ 67,618.46	\$ 2,463.32		\$ 924.18	\$ 3,400.57	\$ 871.02	6	1		1	4	4
10	0.98	\$ 498.73	\$ 719.86	\$ 276.15				3	3	1			

AORMA Workers' Compensation Explanation of Classification Codes

1001	Formerly	
	8810 Parts of 8742	<p><u>Primarily Clerical, Administrative and Non-manual, Non-instructional</u></p> <ul style="list-style-type: none"> ▪ Office employees (responsibility in an office or confined setting) including clerical, accounting, computer technicians, analysts and operators, newspaper production (using computers – not printing press). ▪ Office machine, computer and telephone - installation and repair ▪ Graphic design, radio, TV or commercial broadcasting stations (those who work in the station, not engineers who climb towers – #1007). ▪ Research that is primarily in an office or confined setting such as statistical analysis (not involving the use of machinery, chemicals or manual/physical labor).
1002	Formerly	
	8868 9151 Parts of: 8742 9101 9156	<p><u>Primarily Professional/Student Activity Functions, Consulting, Certain Aspects of Performing Arts and Off-Site work not physical in nature</u></p> <ul style="list-style-type: none"> ▪ Non-instructional, non-clerical and non-manual positions that require employees to leave campus or worksites on a routine basis such as public relations, outside sales, home site visits, etc. ▪ Offsite work that is not manual labor, such as public relations, lobbying, speakers, counseling, etc. ▪ Consulting – mechanical engineering, electrical engineering, electronic engineering, mining and architects. ▪ Professors, teachers, student teachers, counselors, tutors, advisors; classroom or instructional camps; classroom-related activities, speakers. ▪ Performers, musicians, directors, conductors, etc. ▪ Motion picture or video production.
1004	Formerly	
	8008 8071 Parts of: 9101	<p><u>Retail</u></p> <ul style="list-style-type: none"> ▪ All retail operations including books, groceries, delicatessen (already prepared foods), wearing apparel, bicycles and accessories. Includes Vending or coin operated machines. <i>(Those involved in clerical/administrative support functions for retail operations where not called upon to stock or prepare merchandise and where separated from floor operations may be classified as clerical/administrative – #1001.)</i>

1005	Formerly	
	9053 9059 9092 Parts of: 9182 9156	<u>Sports/Activity/Day Care Centers</u> <ul style="list-style-type: none"> ▪ Exercise or health institutes, swimming pools; swimming, tennis, or racquetball clubs; bowling centers, billiard halls, skating centers. ▪ Day care center workers unless otherwise classified (<i>e.g., day care center cook would be classified as food service; clerical separated and uninvolved in floor activities could be clerical</i>). ▪ Camps ▪ Athletic teams and those associated with the teams: ticket sales and collection, trainers, coaches (not athletic field maintenance – #1007). ▪ Security/patrol functions.
1006	Formerly	
	9079 Parts of: 9101 9053	<u>Food Service</u> <ul style="list-style-type: none"> ▪ Employees involved in the stocking, preparation, delivery, and clean up of food products whether retail, residence hall, restaurant, concession, etc. (<i>Does not include the stocking and sale of pre-packaged foods sold in bookstores or other retail establishments such as convenience stores – unless preparation is involved.</i>)
1007	Formerly	
	0040 9011 Parts of: 8742 9101 9182	<u>Primarily Involves Manual Labor and/or Use of Machinery or Chemicals, or Work is Largely of a Physical Nature</u> <ul style="list-style-type: none"> ▪ Agriculture-related production, care and maintenance: nurseries, orchards, livestock, poultry, crops, landscape, riparian restoration and reforestation activities involving mainly hand tools. ▪ Creameries and dairy production, meat labs, winery operations. ▪ Stables, riding clubs, horse shows, dog shows, animal exhibitions. ▪ Research field work primarily involving physical or manual activity, such as archeology digs, sample gathering of plants, animals, fish, etc., and Lab work primarily involving testing and analysis using chemicals, machinery. Includes testing air, water, soil, metal, concrete and other building materials; quality control of electronic components or machinery. ▪ Maintenance, janitorial, room set-ups, athletic park maintenance (both structure and grounds) and painting. Involves the use of tools, equipment, solvents, cleaning supplies. ▪ Printing (offset) newspapers and other presses (as opposed to copy machine operation). ▪ Radio engineers who work on outside towers and equipment. ▪ Museum curators (if responsible for hanging and displaying artifacts); stagehands and lighting technicians. ▪ Beverage container & paper recycling collection.



Other		If you have activities that you feel do not fit within the categories above, please call or e-mail Mimi Long (415) 403-1423 mlong@alliantinsurance.com to discuss the category to which they should be assigned.
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AORMA Workers' Compensation Payroll Rules to Follow

Revision Date: March 21, 2013

Payroll is defined as gross wages; salaries; commissions; bonuses; vacation; holiday and sick pay; overtime payments; and all substitutes for money earned during the policy period by employees and officers of the employer.

1. The value of meals or lodging is not included as payroll.
2. Overtime is included at the regular hourly wage. If someone working overtime is compensated at 1.5 times regular salary, those hours for Workers' Compensation payroll purposes are at the regular hourly rate.
3. Tips, voluntary or prepaid, received from other than the employer or one acting on behalf of the employer, are not to be included in the payroll. With respect to an employer who operates a club, payments to club employees of funds accumulated from voluntary contributions of club members for services afforded to such members shall be considered tips and not included in the payroll.
4. Except as noted herein, payments to which an employee is entitled only upon the termination of the employment relationship are not to be included in the payroll. Sums, such as accrued vacation and sick pay, commissions and bonuses, paid to an employee at the time the employment relationship is terminated are to be included in the payroll, provided such sums would have been payable to the employee at some future date if the employment relationship had not been terminated.
5. Contributory payments made by the employer in connection with group insurance, stock purchase plans or qualified retirement plans, the exercise of stock options and deferred compensation plans are not to be included in the payroll. Payments by an employer of amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act, are to be included in the payroll.
6. The value of an automobile furnished to an employee is not to be included in the payroll, provided the automobile is used in the conduct of the employer's business. A reimbursement to an employee for the business use of a personal automobile using a stipulated amount shall not be reported as payroll, provided

the payments do not exceed the approved Internal Revenue Service (IRS) standard mileage rate for business use of a personal vehicle. An automobile allowance paid to an employee shall be included in the payroll; however, that portion of the allowance, which the employer can show is reimbursement for actual expenses incurred by the employee in the conduct of the employer's business, shall be excluded from the payroll.

7. Payroll for Executive Officers of the Corporation who are paid, and who are otherwise not employees, is limited to a minimum of \$33,800 and a maximum of \$89,700. Executive Officers are those officers commonly known and styled as President, Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer, and also includes any other Executive Officers enumerated in and empowered by the charter of the Non Profit Corporation.

Division of Single Employee's Payroll:

8. Because most auxiliaries provide a number of services to a number of different operations, they already have a method of allocating hours of employees between these differing operations.
9. AORMA will accept an allocation of hours of employees between the different departments they are assigned to work with provided the auxiliary has maintained complete and accurate records of those employees with multiple tasks.
10. If the auxiliary does not have such a method and cannot easily split hours, then wherever more time is spent should become the prevailing allocation, if neither task is considered hazardous. An accurate description of job duties for personnel whose time is allocated in this fashion should be kept to allow outside verification of the justification for the allocation.

What about personnel who do hazardous and non-hazardous tasks for the same operation?

11. The most prevalent example is a clerical person who also handles a delicatessen or kitchen duties, when needed. If the more hazardous task hours are potentially 20% or more of the person's hours of service, then that person's hours should be allocated to the more hazardous operation. Twenty percent is not an incidental exposure. If less than 20% then those persons' hours can be allocated to the clerical operation.
12. Payroll for any employee vacation time shall be allocated on the same proportional basis as their actual hours have been allocated.



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 3

modification factor. The experience modification reduction plan will be presented to the AORMA Programs Committee for review and approval.

WORKERS' COMPENSATION PROGRAM VOLUNTEER CLAIMS

ISSUE: Policy and Procedure W-6, confirms that a workers' compensation program member may elect to extend 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 \$192,117.

RECOMMENDATION: Staff recommends that the Committee review the volunteer claims and direct staff as appropriate.

FISCAL IMPACT: None at this time.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Workers' Compensation volunteer claims
- b. Policy and Procedure W-6 – Workers' Compensation Volunteer Coverage

**AORMA Workers' Compensation Program
Volunteer Claims
FY 05/06 - FY 14/15**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
3/21/2006	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	EE hit her nose on wall mounted soap dish while picking up soap in the shower.	Nose Fractured	\$1,004
2/26/2006	Student Union	AO CSU Chico ASI	While trying to close a window that was sticking, the window unexpectedly came down on her thumbs.	bruised thumbs	\$186
5/20/2006	ALL	AO CSU Long Beach ASI	2 Ball players were going after ball and ran into volunteer staff from both sides	Left hip	\$8,809
6/26/2006	Dining Services	AO SJSU Spartan Shops, Inc.	Tripped and fell on metal sidewalk grate cover.	Tripped and fell on metal sidewalk grate cover and twisted left ankle.	\$6,209

FY 05/06 Total \$16,208

1/14/2007	Activity Fee	AO CSU Chico ASI	Employee was sliding across frozen puddle, slipped and fell.	cut on right cheek & chin	\$217
10/14/2006	Activity Fee	AO CSU Chico ASI	walking up an incline, felt pain in ankle, ankle popped.	Partial tear to left achilles tendon.	\$513
2/17/2007	Activity Fee	AO CSU Chico ASI	Kayak flipped, he put his hand out to catch himself.	Left hand Fracture	\$1,188
5/10/2007	Aztec Center	AO San Diego State University ASI	EE was leaving work, and slipped on water that had dripped down from ceiling, near sw exit.	sprained right wrist	\$82
4/14/2007	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	ee was trying to sit on flat railroad car fell to ground.	broken, crushed, fractured hand	\$827

FY 06/07 Total \$2,827

4/3/2008	ASI Recreation Center	AO Cal Poly University San Luis Obispo	While being lowered to the ground following climbing to the top of the climbing wall, the rope ran through the rigri resulting to a 5 ft. fall to a soft landing.	Possible fracture - back	\$396
9/27/2007	Student Union	AO CSU Chico ASI	While moving couch	sustained trauma/force to left big toe	\$229
9/11/2007	Dining Services	AO SJSU Spartan Shops, Inc.	Trying to move bread rack with locked wheel.	head and neck	\$1,206

FY 07/08 Total \$1,831

**AORMA Workers' Compensation Program
Volunteer Claims
FY 05/06 - FY 14/15**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
3/19/2009	Performing Arts Center	AO Cal Poly Corporation	EE was wlaing on uneven sidewalk and he tripped and a peice of the set fell on his foot	Left foot injury	\$164
10/5/2008	Activity Fee	AO CSU Chico ASI	Car braked in front of her and she was following too closely	19 year old female volunteer driver for a CAVE program field trip at Bunker Road in Marin county with strain to back and neck after car braked in front of her as she was following too closely and hit the car in front of her	\$269

FY 08/09 Total \$434

7/28/2009	Administration/Business Office	AO Cal Poly Corporation	insect bite	sting or bite lower back	\$278
7/28/2009	Administration/Business Office	AO Cal Poly Corporation	exposure to poison oak	poison oak or pollen reaction - multiple NOC	\$149
7/30/2009	Administration/Business Office	AO Cal Poly Corporation	exposure to poison oak	poison oak or pollen reaction multiple noc	\$249
8/25/2009	Mission Bay Aquatic Center	AO San Diego State University ASI	Jessica turned her boat causing it to jibe. The boom swung and hit her.	Head Injury	\$108
11/30/2009	Dining Services	AO SJSU Spartan Shops, Inc.	As EE was walking, customer stuck foot out and EE tripped	contusions: right hand, right wrist, right shoulder & arm; right hip	\$298

FY 09/10 Total \$1,083

10/21/2010	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	slipped and fell just after walking into the building	broken ankle	\$13,185
1/17/2011	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo	At the end of the decent on Mt.Morrison, volunteer was glissading (boot skiing) and hit an ice patch, lost control, gained speed and flipped 4x head over heels.	ljuries include swelling and scrapes to the face, brusing behind right ear, scrapes on lower back	\$654
10/2/2010	Student Union	AO CSU Chico ASI	she made a jump to block the ball and in the air she hyperextend her knee and fell to the ground	right knee strained	\$363

**AORMA Workers' Compensation Program
Volunteer Claims
FY 05/06 - FY 14/15**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
3/16/2011	Student Union	AO CSU Chico ASI	A child fell in front of her on the mountain. She swevered in order to avoid hitting the child, caught an edge on her board, and fell. Believes she hyper-extended her back.	Hyper-extended back and strained muscles	\$0
9/14/2010	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	Co workers walked past a hornets nest in the ground. EE was the last to pass by and could not avoid the hornets. One stung the EE on the back	Hornets Stung the EE on back	\$216
1/22/2011	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo	While deconstructing the Cal Poly Rose Float, the volunteer brushed his right forearm against a sharp piece of pencil steel which resulted in a 1.5" laceration.	Injuries include a 1.5" laceration to the right forearm	\$668

FY 10/11 Total \$15,085

5/3/2012	Corporate Overhead	AO CSU Chico ASI	while sitting in a desk chair, he leaned the whole chair back and his let hand which was resting on a metal component of the chair behind his head, was pinched between the chair and the metal, causing a deep cut to his left index finger requiring stitches	laceration to left index finger	\$0
10/12/2011	Activity Fee	AO CSU Chico ASI	kicked by a child while playing soccer, level 2 injury to right ankle	level 2 fracture to right ankle	\$412
10/14/2011	Activity Fee	AO CSU Chico ASI	Danielle felt light headed as she was meeting with her group prior to leaving for a group trip	gathering in parking lot preparing to leave for group trip	\$0
6/28/2012	Sponsored Projects	AO Cal Poly Corporation	mixing chemicals. had a reaction, sore throat, hard to breathe, left thumb and index finger chem burn.	chemical burn, stress and anxiety from injury	\$819
2/11/2012	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo	When bumped by another student volunteer, fell backward and caught fall on sharp edge of Rose Float steel	laceration on left hand	\$625

FY 11/12 Total \$1,856

**AORMA Workers' Compensation Program
Volunteer Claims
FY 05/06 - FY 14/15**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
2/9/2013	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo	WHILE ICE CLIMBING AND TYING IN, ANOTHER CLIMBER FROM A DIFFERENT GROUP DROPPED A LARGE CHUNK OF ICE OFF OF HIS ICE PICK AND FAILED TO WARN OTHER CLIMBERS BELOW	NASAL CONTUSION, ABRASIONS OF THE FACE, FACIAL LACERATION (NASAL), CHIPPED TEETH, CONCUSSION	\$8,517
8/20/2012	Administrative	AO San Diego State University ASI	lifted trailer w boat on trailer off of truck and placed to ground	lower back	\$271
9/5/2012	Grants and Contracts	AO University Auxiliary and Research	office to an out door shed and strained his left shoulder/neck area and upper left arm. carrying heavy camping equipment from office area to outdoor shed	sprain/strain of unspecified site of left shoulder and upper left arm	\$924
1/29/2013	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	flat car derailed and rolled, volunteer fell off and fracturing leg	fractured right leg - tib/fib	\$112,880

FY 12/13 Total \$122,593

9/23/2013	3801 W Temple Ave., Bldg 35	AO Cal Poly Pomona, ASI	During a team retreat for the Campus Recreation Dept, the employee was kicked in the hand while trying to tag another co-worker	Fourth finger contusion on left hand	\$201
10/26/2013	Activity Fee	AO CSU Chico ASI	Disturb a hornet nest while removing vegetation with a broom and stung on left hand	Hornet sting to left hand between thumb and finger	\$0
10/26/2013	Activity Fee	AO CSU Chico ASI	Struck by tossed branch	Forehead	\$0
10/26/2013	Activity Fee	AO CSU Chico ASI	Stung by hornets on torso and upper back while removing invasive ivy	Hornet stings to torso and upper back	\$0
11/6/2013	Activity Fee	AO CSU Chico ASI	Let go of blade handle while using paper cutter and blade came down on her right hand which was under the blade, cutting the top of her right hand	Laceration to top of hand	\$0
7/17/2013	TUC Grants & Contracts	AO The University Corp./CSU Northridge	Playing soccer during a break while the museum opened for the day. I was supervising approximately 20 middle school students on a field trip. I rolled my ankle when I fell awkwardly.	Ankle sprain	\$289

**AORMA Workers' Compensation Program
Volunteer Claims
FY 05/06 - FY 14/15**

Date of Injury	Org 1	Insured	Incident Type Desc	Injury Illness Desc	Total Incurred
9/17/2013	Student Union	AO CSU Chico ASI	Moving tables in a meeting room and struck a table on his toe	Left toe (digit unknown)	\$70
7/25/2013	Mission Bay Aquatic Center	AO San Diego State University ASI	Was assisting kids in the water with snorkeling equipment and kicked a rock	Cut on toes of left foot	\$796
FY 13/14 Total					\$1,356
3/26/2015	ASI Recreation Center	AO Cal Poly University San Luis Obispo	While leading a back packing trip in a remote area, ee woke up with extreme eye pain in his right eye. EE removed his contacts, however pain did not subside.	Possible infection in employee's right eye	\$452
4/22/2015	Julian A. McPhee University Union	AO Cal Poly University San Luis Obispo	While unloading mail off of the flatbed truck, employee was holding the dolly handles when they suddenly extended, crushing his big toe resulting in a crush injury to his right second toe.	Crushed second toe on right foot	\$271
10/9/2014	Maintenance Department	AO Forty Niner Shops, CSULB	Unknown	Back, upper & lower ext., psyche, neck, neuro, sleep disorder, hands, elbows, head.	\$27,500
1/29/2015	Sponsored Projects	AO Cal Poly Corporation	She slipped and cut herself accidentally with the razor blade	Laceration to finger	\$0
10/12/2014	ASI Recreation Center	AO Cal Poly University San Luis Obispo	Mckenzie was belaying a participant when she lost her balance. She swung into the wall and broke her big toe on her right foot	broken big right toe	\$489
2/5/2015	Agriculture/Swanton/Dairy	AO Cal Poly Corporation	Contact with poison oak	Poison oak rash	\$132
FY 14/15 Total					\$28,845
All Volunteer Claims					\$192,117
Average Cost Per Year					\$19,212



CSURMA AORMA

POLICY AND PROCEDURE NO. W-6

SUBJECT:	VOLUNTEER COVERAGE
ADOPTED:	JANUARY 12, 2005
EFFECTIVE:	JANUARY 1, 2005
AMENDED:	DECEMBER 8, 2009
	MARCH 20, 2014

PURPOSE:

The CSURMA AORMA Committee agreed that coverage would be extended to volunteers per California Labor Code Section 3363.6. This Policy and Procedure describes the process by which an evaluation may take place to determine possible CSURMA AORMA exposures to those Members wishing to insure worker's compensation claims involving volunteers.

POLICY:

It is the policy of AORMA to adopt the procedures outlined in this document for purposes of determining AORMA's exposure to Workers' Compensation claims of volunteers from each Member wishing to provide worker's compensation coverage to its volunteers.

BACKGROUND:

California Labor Code Section 3363.6 provides that a person who performs voluntary service without pay for a private, nonprofit organization, as designated and authorized by the board of directors of the organization, shall, when the board of directors of the organization, in its sole discretion, so declares in writing and prior to the injury, be deemed an employee of the organization for the purposes of Workers' Compensation while performing such service.

Labor Code Section 3363.6 incorporates the following definition: "voluntary service without pay" shall include:

1. The performance of service by a parent, without remuneration in cash, when rendered to a cooperative parent participation nursery school if such service is required as a condition of participation in the organization.
2. The performance of services by a person who receives no remuneration other than meals, transportation, lodging or reimbursement for incidental expenses.

PROCEDURES:

The following steps will be taken by AORMA members to affect the policy:

1. Each member organization electing to cover volunteers for workers' compensation claims shall provide the Program Administrator a copy of the member organization's board resolution declaring that its volunteers shall be deemed employees for the purposes of Workers' Compensation.



2. Members choosing not to cover volunteers shall file a written statement with AORMA stating that workers' compensation coverage shall not be provided to volunteers. This written statement shall also acknowledge that AORMA will not cover the Member's volunteers for worker's compensation claims.
3. Beginning in January 2010, the Program Administrator may evaluate the actual losses from volunteers for each Member for the prior Program Year and provide a report of AORMA's volunteer exposure to the AORMA Programs Committee at its next schedule meeting for further information and direction as may be needed to ensure the rating integrity of the plan.

**2016 MEETING DATES FOR THE CSURMA AORMA
PROGRAMS COMMITTEE**

ISSUE: Noted below are the proposed 2016 AORMA Programs Committee meeting dates:

Description	Date	Day	Time	Location
Programs Committee	February 25	Thursday	1:00 pm	Teleconference
Programs Committee	June 23	Thursday	1:00 pm	Teleconference
Programs Committee	September 29	Thursday	1:00 pm	Teleconference
Programs Committee	December 8	Thursday	1:00 pm	San Francisco

RECOMMENDATION: Staff recommends approving the proposed 2016 meeting dates for the CSURMA AORMA Programs Committee, with changes as appropriate.

FISCAL IMPACT: None.

BACKGROUND: Historically, the Programs Committee has met four times per year via teleconference. Staff has scheduled one in-person meeting in December when the committee will approve all of the program cost allocations.

PUBLICATION: The CSURMA meeting calendar will be updated with the approved dates and posted on the CSURMA website.

ATTACHMENT(S): None.

2016 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 – 2016 Meeting Calendar



California State University Risk Management Authority

2016 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
9		AOA EC	Sacramento					10	10:00 AM	AORMA	San Francisco
10	3:00 PM	EC (AOA Conference)	Sacramento					10	2:00 PM	EC	San Francisco
10 - 13		AOA Annual Conference	Sacramento					11	8:30 AM	EC LRP	San Francisco
11		AIME	San Jose					18		AOA EC	
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
				5	10:00 AM	AORMA	Long Beach	17		AOA EC	TBD
				5	2:00 PM	BOD Orientation	Teleconference				
				6	9:00 AM	EC	Long Beach				
				6	10:30 AM	BOD	Long Beach				
				TBD		AIME	TBD				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
12 - 13	11:00 AM	AORMA Officers Retreat	TBD	19		AOA EC	TBD	7	9:00 AM	AORMA New Member	Long Beach
								7	10:00 AM	AORMA LRP	Long Beach
								8	9:00 AM	AORMA	Long Beach
								8	4:00 PM	EC Orientation	Long Beach
								9	8:30 AM	EC	Long Beach
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
17		AIME	San Francisco	18		AOA EC	TBD	1	10:00 AM	AORMA	Long Beach
20	10:00 AM	AORMA	TBD	TBD		TBD EC (FTPT Conference)	Northern CA	2	8:30 AM	EC	Long Beach
				TBD		TBD BOD (FTPT Conference)	Northern CA				

AORMA = Auxiliary Organizations Risk Management Alliance Committee
 AIME = Athletic Injury Medical Expense Committee
 MSLCTC = AORMA Member Services, Loss Control & Training Committee

PC = AORMA Programs Committee
 AORMA LRP = AORMA Long Range Planning Meeting
 AOA = CSU Auxiliary Organizations Association

EC = CSURMA Executive Committee
 EC LRP = EC Long Range Planning Meeting
 BOD = CSURMA Board of Directors

FY 15/16 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 15/16 AORMA Long Range Action Plan

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-1 Risk Reduction Innovation Matching Grant Incentive Program					
Promote the Matching Grant Program	1	Create a bulletin that describes the types of projects that may be approved as an innovation grant	PA	Oct., 2015	Completed
	2	Review grant applications	PA, AORMA	Dec., 2015	In Process
	3	Evaluate Policy & Policy A-6 and recommend changes as appropriate	PA, AORMA	Dec., 2015	
LRP-2 Monthly AORMA Update Newsletter					
Create a AORMA Newsletter to be sent out monthly	1	Create template for the newsletter	PA	Oct., 2015	Completed
	2	Finalize topics for the October newsletter	PA	Oct., 2015	In Process
	3	Send out newsletter and post on CSURMA website	PA	Oct., 2015	In Process
LRP-3 Workers' Compensation Claims Closure Initiative					
Development of a plan for closure of very old claims	1	Identify AORMA claims for action, adopt strategy	PA, SRM, Sedgwick, Consultant	TBD	
	2	Status report to AORMA Committee	PA, SRM	Dec., 2015	
LRP-4 Campus Visit Member Presentation					
Update Campus Visit Member Presentation	1	Update Campus Visit Presentation	PA	Oct., 2015	Completed
	2	Present to Auxiliary Organizations throughout the year		Continuous	
LRP-5 CSURMA Website					
Complete upgrades to the CSURMA website	1	Update Website - make nomenclature consistent and add definitions	PA	Oct., 2015	In Process
	2	Resolve password issue by allowing members to change their passwords	PA	Jan., 2016	
LRP-6 Cyber Risk Control Services					
Raise awareness of CSURMA's Cyber Risk Control Services	1	Create a Cyber Liability informational bulletin explaining the services currently available	PA	Dec., 2015	
	2	Include Cyber Liability tip in each of the monthly AORMA updates	PA	Continuous	
LRP -7 Benchmarking Initiative					
Develop a workers' compensation statistical industry benchmarking operation	1	Initial report to AORMA Committee	PA, SRM	Oct., 2015	Completed
	2	Report to AORMA Membership at AOA Conference	PA, SRM	Jan., 2016	
	3	Presentation of sustainable long term benchmarking program	PA, SRM	Mar., 2016	
	4	Approval of long term benchmarking project scope and costs	AORMA, EC	Mar., 2016	

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
LRP-8 Evaluation of Campus Threat Assessment					
Integration of Auxiliary Organizations into the Campus Continuity of Operations (COOP) and Emergency Operations Plan (EOP)	1	Review Campus EOP and COOP for integration of the Auxiliary Organizations	Witt O'Briens	Oct. - Dec., 2015	In Process
	2	Develop a list of Auxiliary Organization resource contacts to collaborate on threat assessment	PA	Jan., 2016	
	3	Begin outlining how best to integrate or address Auxiliary Organizations within in the Campus EOP and COOP	PA, SRM, Witt O'Briens	Jan., 2016	
	4	Develop and provide Campuses and Auxiliaries Organizations with good practices in addressing the issue at hand while providing a plan addendum template	PA, SRM, Witt O'Briens	June, 2016	
	5	Develop some training sessions/webinars etc.	PA, SRM, Witt O'Briens	June, 2016	
LRP-9 Watercraft Program / Insurance Tracking Program					
Create schedule of all owned watercraft as well as stand-alone watercraft policies purchased	1	Survey Campus Risk Managers for list of owned watercraft as well as separate watercraft policies purchased	PA	Oct., 2015	Completed
	2	Survey Auxiliary Organization for list of watercraft owned or used in navigatable water and/or over 50 feet	PA	Oct., 2015	Completed
	3	Create list of watercraft owned or used by campuses and auxiliaries, as well as separate insurance purchased	PA	Dec., 2015	
LRP-10 Creation of Executive Overview CSURMA AORMA Presentation					
Create an Executive Overview of the CSURMA AORMA Programs	1	Create presentation for the AORMA Big Picture AOA Conference	PA	Jan., 2016	
	2	Post on CSURMA website	PA	Jan., 2016	
	3	Disseminate information to the AORMA members	PA	Jan., 2016	
LRP-11 Smart Phone Application for CSURMA AORMA Contact Information					
Purchase a smart phone application for all CSURMA and AORMA Contacts	1	Review options available	PA	Oct., 2015	Completed
	2	Present options and costs to the AORMA Committee	PA	Dec., 2015	In Progress
	3	Report to AORMA Membership at AOA Conference	PA	Jan., 2016	
BOD: CSURMA Board of Directors		EC: CSURMA Executive Committee			

FY 2015/16 CSURMA AORMA LONG RANGE ACTION PLAN

GOAL		ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
PC: AORMA Programs Committee			OGC: CSU Office of General Counsel		
CABO: CSU Chief Administrators and Business Officers			PA: CSURMA Program Administrator		
CO: Chancellor's Office			SRM: CSU Systemwide Risk Management		
AORMA: AORMA Committee					

AORMA COMMITTEE AND STANDING COMMITTEE ROSTER

ISSUE: Attached for the Committee's review is the AORMA Committee and Standing Committee Roster effective July 1, 2015.

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 07/01/15

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2015

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	Vice Chair	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	Past Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549
AORMA	Ex Officio	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	California State University, Long Beach Research Foundation	Brian.Nowlin@csulb.edu	562-985-4690
AORMA	At Large	Cheree Aguilar	Senior Director, Human Resources	San Jose	San Jose State University Research Foundation	cheree.aguilar@sjsu.edu	408-924-1505
AORMA	At Large	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	At Large	Jim Reinhart	Executive Director	Sacramento	University Enterprises, Inc. (UEI)	Jim.Reinhart@csus.edu	916-278-7001
AORMA	At Large	Keith Kompasi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompasi@csufresno.edu	559-278-0838
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslie@saclink.csus.edu	916-278-2904
AORMA	At Large	Dave Nirenberg	Senior Director	Channel Islands	University Glen Corporation	dave.nirenberg@csuci.edu	805-437-2668

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 Manager	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
PC	At Large	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Jun Reina	Chief Operations Officer/ Chief Financial Officer	Sacramento	Capital Public Radio, Inc., CSU Sacramento	jreina@csus.edu	916-278-8925
PC	At Large	Jason Porth	Executive Director	San Francisco	The University Corporation, San Francisco State	jporth@sfsu.edu	415-338-6880
PC	At Large	Bill Olmsted	Associate Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744
PC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760