

3. **Approval of Policy and Procedure Review Schedule** A pg. 50
The Committee will be asked to approve the AORMA Policy and Procedure Review Schedule for 2016
4. **Adoption of CSURMA AORMA 2016 Meeting Calendar** A pg. 55
The Committee will be asked to review and approve the 2016 CSURMA AORMA meeting calendar
- E. **CLOSED SESSION Pursuant to California Government Code Section 11126(e)(1) & 11126(f)(1)** A
Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). Please refer to the below list of claims that may be discussed. The Committee may assess and evaluate pending claims and related issues and take action or provide direction to Staff regarding the litigation described below.
1. **Klein Settlement Committee**
 2. **Calderon settlement**
 3. **Cahuilla Band of Indians v SDSU Research Foundation**
 4. **Arce v CSUN ASI**
 5. **Lyons (lead claimant) v CSU Chico Research Foundation**
 6. **Caroline Calderon v SFSU Student Center, Inc.**
 7. **Albert Torres v CSUN USU, Inc.**
 8. **Trapper v CSULB ASI**
 9. **Robert Brown v San Diego State University Research Foundation**
 10. **Grant Hubbard v CSU San Marcos Auxiliary and Research Services Corporations**
- F. **GENERAL ADMINISTRATION**
1. **Insurance and Reinsurance Renewal Report** I pg. 57
The Committee will receive a report on the completion of insurance renewal negotiations
2. **Target Surplus Funding Report and Dividend Calculation** A pg. 59
The Committee will be asked to review the AORMA Target Surplus Funding Report and to approve a dividend for the Liability and Workers' Compensation programs to be released in July, 2016
3. **Review and Approval of the FY 16/17 – Total Funding** A
The Committee will be asked to approve the total FY 16/17 funding amount for the AORMA Programs:
- a. Liability Program pg. 67
 - b. Workers' Compensation Program pg. 71
 - c. Property Program pg. 76
 - d. Crime Program pg. 79

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|-----------|--|---|---------|
| 4. | Policy and Procedure C-1 – Crime Program Member Allocation Formula
<i>The Committee will be asked to approve the revisions as recommended by the Programs Committee</i> | A | pg. 81 |
| 5. | Policy and Procedure P-1 – Property Program Member Allocation Formula
<i>The Committee will be asked to approve the revisions as recommended by the Programs Committee</i> | A | pg. 87 |
| 6. | Policy and Procedure W-1 – Workers’ Compensation Program Member Allocation Formula
<i>The Committee will be asked to approve the revisions as recommended by the Programs Committee</i> | A | pg. 93 |
| 7. | 2016 AOA Conference Sponsorship Amount and Attendees
<i>The Committee will be asked to discuss and approve the 2016 AOA Sponsorship amount and to approve which AORMA members will utilize the six free conference registrations</i> | A | pg. 106 |
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| G. | INFORMATION ITEMS | | |
| 1. | CSURMA AORMA 2015 Meeting Calendar | I | pg. 107 |
| 2. | CSURMA AORMA Program Administrator’s Contact Lists | I | pg. 110 |
| 3. | AORMA’s Travel Reimbursement Policy | I | pg. 123 |
| 4. | AORMA Committee Members - Effective 7/01/15 | I | pg. 126 |
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| H. | ADJOURNMENT | | |

The next AORMA Committee meeting is scheduled for October 22, 2015 at 10:00 AM in Long Beach. Please contact Mimi Long mlong@alliant.com or Tevea Him thim@alliant.com with questions.

APPROVAL OF THE AGENDA

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

PROGRAMS COMMITTEE REPORT

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Agenda table of contents from Programs Committee meeting on June 25, 2015.



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. Guy Dalpe: Cesar Chavez Student Center, SFSU, 1650 Holloway Avenue Room C-134, San Francisco
2. Gigi Kiama: University Corporation at CSUMB, 100 Campus Center, Bldg. 201, Seaside
3. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento
4. Jason Porth: The University Corporation, San Francisco State, 1600 Holloway Avenue, ADM 361, San Francisco

Meeting Date: June 25, 2015
Time: 1:00 p.m. (Teleconference)

Location: Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

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

A. CALL TO ORDER

B. PUBLIC COMMENTS

C. GENERAL ADMINISTRATION

1. **Approval of the Agenda Order** **A** p. 3
The committee will be asked to approve today’s meeting agenda order
2. **Approval of Meeting Minutes – February 26, 2015** **A** p. 4
The committee will be asked to review and approve the minutes from the last Programs Committee meeting on February 26, 2015
3. **Policy and Procedure C-1 – Crime Program Member Allocation Formula** **A** p. 11
The committee will be asked to review the revisions to Policy and Procedure C-1 and to recommend approval to the AORMA Committee, with modifications as appropriate
4. **Policy and Procedure P-1 – Property Program Member Allocation Formula** **A** p. 17
The committee will be asked to review the revisions to Policy and Procedure P-1 and to recommend approval to the AORMA Committee, with modifications as appropriate

5. **Policy and Procedure W-1 – Workers’ Compensation Member Allocation Formula**
The committee will be asked to review the revisions to Policy and Procedure WC-1 and to recommend approval to the AORMA Committee, with modifications as appropriate **A** p. 23
6. **FY 15/16 AORMA Liability Program Member Allocation**
The committee will be asked to approve a change to the FY 15/16 Liability Program Member Allocation **A** p. 36
7. **FY 15/16 AORMA Crime Program Member Allocation**
The committee will be asked to approve a change to the FY 15/16 Crime Program Member Allocation **A** p. 37
8. **CSU Dominguez Hills Philanthropic Foundation - New Liability Program Member**
The committee will be asked to approve the addition of a new member to the AORMA Liability Program effective July 1, 2015 **A** p. 38
9. **Capital Public Radio – New Workers’ Compensation Member**
The committee will be asked to approve the addition of a new member to the AORMA Workers’ Compensation Program effective July 1, 2015 **A** p. 45
10. **Discussion and Recommendation for New Programs Committee Chair for FY 2014/2015**
The committee will be asked to discuss the Programs Committee Chair position and make recommendation to the AORMA Committee Chair. **A** p. 60

D. INFORMATION ITEMS

1. **2015 CSURMA AORMA Meeting Calendar** **I** p. 69
2. **FY 14/15 Long Range Action Plan** **I** p. 72
3. **CSURMA AORMA Committee and Standing Committee Roster** **I** p. 76

E. ADJOURNMENT

The next Programs Committee meeting is scheduled for October 1, 2015 at 1:00pm via teleconference

**MEMBER SERVICES, LOSS CONTROL AND TRAINING
COMMITTEE REPORT**

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATIONS: None.

ATTACHMENT(S):

- a. Agenda table of contents from Member Services, Loss Control and Training Committee meeting on June 29, 2015.



MEMBER SERVICES, LOSS CONTROL AND 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. Debbie Adishian-Astone, CSU Fresno Association, 2271 East Shaw Avenue, Fresno
2. Arnecia Bryant: Loker University Student Union, 1000 East Victoria St., Carson
3. Melinda Coil, SDSU Research Foundation, 5250 Campanile Drive, San Diego
4. Kristin Kelly: Student Union of San Jose State University, 290 South 7th Street, San Jose
5. Dennis Miller, Cal Poly Pomona Foundation, 3801 West Temple Ave., #55, Pomona
6. Raven Tyson, Associated Students of San Diego State University, 5500 Campanile Drive, San Diego
7. Leslie Davis, University Union Operation of CSUS, Inc., 6000 J Street, Sacramento

Meeting Date: Monday, June 29, 2015
Time: 11:00 a.m. (Teleconference)

Location: Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

A. CALL TO ORDER

B. PUBLIC COMMENTS

C. GENERAL ADMINISTRATION

1. **Approval of the Agenda Order** **A p. 3**
The committee will be asked to approve today's meeting agenda order
2. **Approval of Meeting Minutes – April 20, 2015** **A p. 4**
The Committee will be asked to approve the minutes from its last meeting
3. **Risk Reduction Innovation Matching Grant Incentive Program – Grant Criteria** **A p. 12**
The Committee will be asked to review and approve the projects listed for bulletin posting.
4. **Keeping Minors Safe While on Campus Manual** **A p. 14**
The Committee approve the first two topics for the manual and discuss the progress and timeline for completion

- 5. Real Property Acquisitions Checklist** **I** p. 25
The Committee will review the Real Property Acquisitions checklist prepared by Alliant Risk Control Consulting

D. INFORMATION ITEMS

- 1. Employers Group – Utilization Report** p. 35
- 2. Alliant Loss Control Services – Utilization Report** p. 37
- 3. FY 14/15 AORMA Long Range Action Plan** p. 39
- 4. CSURMA AORMA 2015 Meeting Calendar** p. 43
- 5. CSURMA AORMA Committee Contact List** p. 46

E. ADJOURNMENT

The next MSLCTC meeting is scheduled for October 05, 2015 at 11:00am via teleconference. Please contact Mimi Long mlong@alliant.com or Tevea Him thim@alliant.com with questions.

AOA EXECUTIVE COMMITTEE REPORT

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES – MAY 7, 2015

ISSUE: The Committee will be asked to review and approve the draft minutes from its May 7, 2015 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes from its May 7, 2015 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – May 7, 2015

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING
MAY 7, 2015
CSU CHANCELLOR'S OFFICE, MUNITZ ROOM
401 Golden Shore • Long Beach, CA**

10:00 AM

MEMBERS PRESENT

Kurt Borsting, Associated Students, Inc., CSU Fullerton
Melinda Coil, San Diego State University Research Foundation
Guy Dalpe, Cesar Chaves Student Center, San Francisco State University
Leslie Davis, University Union Operation of CSUS, Inc., Sacramento State University
Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Frank Mumford, CSU Fullerton Auxiliary Services Corporation, CSU Fullerton
Keith Kompasi, Fresno Association, Inc., CSU Fresno
Gigi Kiama, University Corporation, CSU Monterey Bay (*via Teleconference*)
Brian Nowlin, CSULB Foundation, CSU Long Beach

MEMBERS ABSENT

Haleh Minakary, The Cal Poly Pomona Foundation, Inc., Cal Poly Pomona
Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo

STAFF, GUESTS AND CONSULTANTS

Melissa Diaz, Alliant Insurance Services, Inc.
Brent Escoubas, Alliant Insurance Services, Inc.
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management
Jacki Graf, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSU Office of the Chancellor – Office of General Counsel
Mimi Long, Alliant Insurance Services, Inc.
Mauri McGuire, Carl Warren & Company

A. CALL TO ORDER

The meeting was called to order by the AORMA Chair, Robert de Wit at 10:00 AM.

A1. Approval of the Agenda

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

MOTION: Brian Nowlin

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

B. PUBLIC COMMENTS

There were no public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – March 19, 2015

The Committee reviewed the minutes from their last meeting.

A motion was made to approve the minutes from the March 19, 2014 meeting.

MOTION: Frank Mumford

SECOND: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			

Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting – Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

D. CLOSED SESSION

A motion was made to enter closed session at 10:03 AM.

MOTION: Frank Mumford

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting – Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

1. Marsh v. Associated Students of CSU, Chico
2. Moore v. Associated Students, Inc., Cal Poly Pomona
3. CSURMA / CSU Fullerton Auxiliary Services Corporation vs. CNA Insurance Company
4. Hubbard v. University Auxiliary and Research Services Corporation, San Marcos
5. Brown v. San Diego State University Research Foundation
6. Trapper v. Associated Students, California State University, Long Beach
7. Torres v. University Student Union of California State University, Northridge
8. Calderon v. Cesar Chavez Student Center, San Francisco State University
9. Lyons v. The CSU Chico Research Foundation

10. Arce v. Associated Students, California State University, Northridge, Inc.
11. Cahuilla Band of Indians v. San Diego State University Research Foundation

The AORMA Chair reported that action had been taken during closed session.

E. STANDING COMMITTEE REPORTS

E1. Programs Committee Report

Guy Dalpe the Chair of the Programs Committee let the AORMA Committee know that the Programs Committee had not meet since the last AORMA Committee meeting and therefore no report of recent activities was provided.

E2. Member Services, Loss Control and Training Committee Report

Melinda Coil the Chair of the Member Services, Loss Control and Training Committee noted that the MSLCTC met on April 20, 2015. The MSLCTC reviewed the loss control budget items. The Committee reviewed the FY 15/16 Alliant Risk Control Consulting proposal and will be recommending approval at today's meeting. David Krevella from the Chancellor's Office updated the MSLCTC on the progress of uploading the Auxiliary members into the AORMA hub. The Committee reviewed the proposal from Target Solutions for a one-year contract extension and will be recommending approval at today's meeting. The MSLCTC reviewed a risk reduction grant application for the purchase of slip resistant shoes. The Committee did not approve the contract. The Committee agreed to send out an AORMA bulletin which explains the grant program and gives examples of the types of grant programs that will not be approved as well as the types of projects that will be approved. Coil noted that the MSLCTC is working on putting together a Keeping Minors Safe While on Campus Manual. Due to the size and scope of the project, the MSLCTC decided to break the project down into segments. The first two sections of the manual that Brent Escoubas will provide are – (1) Traveling with Minors and (2) Overnight Trips with Minors. Coil noted that Brent Escoubas completed the Real Property Acquisitions Checklist. The AORMA Committee will be asked to approve the checklist at today's meeting.

E3. AOA Executive Committee Report

Robert de Wit noted that he was unable to attend the last AOA EC meeting because it coincided with the AORMA Committee meeting. De Wit did provide an update of the recent AOA EC activities. Kim Clark was appointed as the Past Chair to replace Taren Mulhause who retired this year. Wells Fargo Insurance Services provided an update at the last AOA EC meeting. The AOA EC is in the process of issuing a set of model procedures or guidelines for auxiliaries to adopt in their implementation of the Seymour Act. The AOA EC signed a three-year contract with Richard Bromley for labor counsel. Bromley offered the same \$20,000 annual retainer price. The AOA Salary Survey is almost complete.

F. GENERAL ADMINISTRATION

F1. Update of Excess Insurance Renewals

Daniel Howell provided an update to the AORMA Committee.

1. *Liability - Reinsurance Agreement w/ Genesis (\$4,650,000 excess of \$350,000).* Genesis provided a renewal proposal with a 5% increase in premium due to claims activity within the reinsurance layer. In addition, Howell anticipates that their SIR will likely increase in FY 16/17. The reinsurance premium for FY 15/16 will be \$1,071,000; the FY 14/15 premium was \$1,020,000. This increase is within the budgeted AORMA reinsurance premium for FY 15/16.
2. *Excess Liability (\$15,000,000 excess of \$5,000,000).* Ironshore, the lead excess insurer confirmed its ability to maintain the expiring self-insured retention and has indicated terms with an increase of 5% over expiring. Alliant is now negotiating the terms for the excess liability tower and believes it will be able to replace CV Starr's participation which is necessitated by Starr's exit from the California municipal liability insurance market. Howell expects to obtain terms for the entire renewal within a 3% to 4% increase over expiring. The liability program is being marketed extensively.
3. *Crime.* The campus and auxiliary crime programs have had losses; however, Howell still is expecting a flat rate renewal overall for the programs. We will discuss in detail with the underwriters the first week of June, 2015.
4. *Excess Workers' Compensation.* Effective January 1, 2015, CSURMA joined CSAC EIA for the reinsurance of its workers' compensation program. This locked-in the pricing for 18-months.
5. *Property.* CSU and the auxiliary organizations have had excellent property loss results in recent years; however, CSU Los Angeles has just had a significant loss (\$8MM) which will impact future renewals. The property market remains soft. Howell expects the renewal rates to remain stable following last year's sizeable decrease.

F2. Review of CSURMA Operational Review Report

Daniel Howell summarized this item. At its September 2014 meeting, the CSURMA Executive Committee determined that it would have a consultant perform an operational review along the lines of a California Association of Joint Powers Authorities (CAJPA) accreditation review. It has been three years since the last review, and the Executive Committee's practice has been to perform the review every three years, as if CSURMA were seeking CAJPA accreditation. The Executive Committee determined that the scope of this year's review would be limited to an operational review of the Program Administration and would not include CSURMA accounting services since those services are already audited on an annual basis. Robin Johnson was retained

to perform the review and presented a report to the Executive Committee at their March 20, 2015 meeting. The CSURMA Board reviewed the Operational Review Report and the recommendations within the report. The CSURMA Board took action to amend the Joint Exercise of Powers Agreement and Bylaws at its meeting on April 20, 2015 as recommended within the report.

The Operational Review Report recommended changes to a few of AORMA's contracts. The Committee will be asked to review and approve those revisions at today's meeting.

F3. Alliant Risk Control Consulting Renewal Contract Proposal for FY 15/16

Mimi Long noted that the current contract with Alliant Risk Control Consulting is due to expire on June 30, 2015. ARCC has proposed a one-year contract effective July 1, 2015 to June 30, 2016 with an annual fee of \$87,000. The renewal contract will include 60 annual safety days. The safety days may be used for any risk management or safety related topic.

The following section has been added to the contract in compliance with Policy and Procedure W-3.

ARCC will review the workers' compensation losses for those AORMA members with an experience modification factor of between 1.10 and 1.25 and provide recommendations as how to best reduce future losses. For those AORMA members with an experience modification in excess of 1.25, ARCC will meet with the AORMA member and assist in creating an experience modification reduction plan.

The sections within the contract regarding the Risk Reduction Matching Grant Program have been deleted as the grant program guidelines have been revised and no longer include ARCC's mandatory project recommendation or oversight.

The Operational Review of CSURMA's contracts resulted in the following findings regarding this contract:

The contract with Alliant for loss control services seems to be more of a proposal rather than a contract. Perhaps the administration agreement could be amended to include the loss control services or a separate contract should be drafted.

Long noted that Staff will work with Alliant Risk Control Consulting as well as the CSURMA Secretary-Auditor and CSURMA Legal Counsel to finalize the contract wording.

The Member Services, Loss Control and Training Committee has reviewed the renewal proposal at its meeting on April 20, 2015, and is recommending approval of the FY 15/16 contract.

A motion was made to approve the FY 15/16 ARCC contract and to delegate authority to the CSURMA Secretary-Auditor and CSURMA Legal Counsel to finalize the contract wording.

MOTION: Keith Kompsi

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

F4. TargetSolutions Contract Extension for FY 15/16 and Discussion of Future Utilization of SkillSoft / LawRoom

Mimi Long noted that the current contract with TargetSolutions for on-line safety training is due to expire on June 30, 2015. TargetSolutions offered a one-year extension of the existing contract. In order for the auxiliary organizations to begin using the campus online training provided by SkillSoft and LawRoom, all of the auxiliary staff need to be loaded into the PeopleSoft AORMA hub. Campus IT staff has begun the process, but the majority of campuses have not completed the upload. Because of this, it does not appear that the auxiliary's use of SkillPort / LawRoom effective July 1, 2015, is a realistic goal. Therefore, the MSLCTC is recommending that the AORMA Committee approve the renewal of the TargetSolutions contract for one additional year. Long also noted that custom activities can be uploaded onto the PeopleSoft platform. Raven Tyson volunteered to have ASI's custom training reviewed by Chancellor's Office IT to verify that it can be uploaded onto the PeopleSoft platform.

A motion was made to approve the renewal extension of the TargetSolutions contract for the term July 1, 2015 to June 30, 2016.

MOTION: Frank Mumford

SECOND: Leslie Davis

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

F5. Praesidium Contract for Prevention of Sexual Abuse of Minors

Melissa Diaz summarized this item. The current contract with Praesidium for prevention of sexual abuse of minors will expire on June 30, 2015. Praesidium has proposed two renewal options. The first option includes the same services as the expiring contract. The second option includes expanded services such as On-Site Training and Presentations to Senior Leadership. The AORMA Committee reviewed the utilization report provided by Praesidium as well as the renewal proposal options. A decision was made to defer to the CSURMA Executive Committee with regard to utilization of this contract. The Committee members felt that for the contract to be successful, campus support is necessary.

F6. CSURMA AORMA Committee Election Results

Robert de Wit let the Committee know that the Brian Nowlin, Gigi Kiama and Melinda Coil have all been elected for an additional two-year term. Jim Reinhart and Cheree Suarez Aguilar have been elected for the first two-year term.

F7. Policy and Procedure L-2 – Liability Claims Administration & Litigation Management

Mimi Long reviewed the proposed changes to Policy and Procedure L-2. The amendments gives the Liability Claims Administrator claims settlement authority of up to \$25,000 per occurrence, or per claimant, if more than one claimant is involved in the occurrence. The definition of Occurrence was added and the definition of Memorandum of Coverage was modified to be consistent with AORMA’s other Policies and Procedures.

A motion was made to approve the changes to Policy and Procedure L-2 as presented.

MOTION: Frank Mumford

SECOND: Keith Kompsi

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

F8. Carl Warren & Company, Third Party Liability Claims Administration Contract Revisions

Mimi Long summarized the proposed amendments to the Carl Warren & Company third party liability administration contract. In response to the recommendations within Operational Review of CSURMA’s contracts, Staff has proposed amendments to the contract as suggested in the Operational Review. The mutual indemnification wording was deleted and replaced with a one-way hold harmless agreement which requires Carl Warren & Company to indemnify CSURMA for all losses except when caused by CSURMA’s sole negligence or willful misconduct. Standard insurance requirements were added to the contract. The Conflict of Interest was amended and the definition of the Program was amended to tie back to the AORMA Liability Program Memorandum of Coverage. Staff recommends that the Committee delegate authority to the CSURMA Secretary-Auditor and CSURMA JPA Legal Counsel to negotiate and finalize the terms of the contract amendments.

A motion was made to delegate authority to the CSURMA Secretary-Auditor and CSURMA JPA Legal Counsel to negotiate and finalize the terms of the Carl Warren & Company contract amendments.

MOTION: Guy Dalpe

SECOND: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

F9. Real Property Acquisitions Checklist

Brent Escoubas provided a summary of the Real Property Acquisitions checklist prepared by Alliant Risk Control Consulting. It was noted that the CSU Seismic Requirements should be included in the checklist. Escoubas also noted that the checklist is a resource and not a requirement therefore he will revise the checklist introduction.

A motion was made to accept the Real Property Acquisitions Checklist with the modifications as discussed.

MOTION: Frank Mumford

SECOND: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe		X		
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			

Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

G. INFORMATION ITEMS

The Committee Members reviewed the following information items:

- G1. CSURMA AORMA 2015 Meeting Calendar**
- G2. AORMA Long Range Action Plan**
- G3. AORMA Service Calendar**
- G4. CSURMA AORMA Program Administrator’s Contact Lists**
- G5. AORMA Committee Members - Effective 7/1/14**
- G6. Policy & Procedure A-7 – CSURMA Travel Reimbursement Policy**

F. ADJOURNMENT

The meeting was adjourned at 12:54 PM.

**REVIEW OF FY 16/17 AORMA LIABILITY AND WORKERS'
COMPENSATION PROGRAM ACTUARIAL REPORTS**

ISSUE: CSURMA's retains the services of an independent actuary to evaluate the liabilities of its major self-insured programs. The complete draft reports for the AORMA Liability and Workers' Compensation Programs are included separately with the agenda packet. Staff has highlighted here and in attachments to this item key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and as the starting point in consideration of rates and funding for FY 16/17 as well as evaluating potential dividends.

The Actuary's findings and recommendations include:

AORMA Liability

1. Projected Ultimate Limited Losses decreased slightly by 4.17% for FY 16/17.
2. Loss funding at a 70% actuarial confidence (present value - \$350,000 pooled layer) decreased from \$1,627,250 (FY 15/16) to \$1,559,400 (FY 16/17).
3. Loss funding at a 70% actuarial confidence (present value - \$500,000 pooled layer) decreased from \$1,774,778 (FY 15/16) to \$1,700,777 (FY 16/17).
4. Loss funding at an 80% actuarial confidence (present value - \$500,000 pooled layer) decreased from \$2,158,653 (FY 15/16) to \$2,080,362 (FY 16/17).

AORMA Workers' Compensation

1. Projected Ultimate Limited Losses increased by 14% for FY 16/17.
2. Loss funding at an 80% actuarial confidence (present value) increased from \$3,208,750 (FY 15/16) to \$3,658,000 (FY 16/17).
3. Loss funding at a 70% actuarial confidence (present value) increased from \$2,952,050 (FY 15/16) to \$3,236,000 (FY 16/17).

RECOMMENDATION: The Committee will be asked to accept the Actuarial Reports.

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

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

PUBLICATION: None

ATTACHMENT(S):

- a. Charts and exhibits from the Liability and Workers' Compensation draft actuarial reports valued at June 30, 2015.
- b. Complete copies of the draft studies dated August 3, 2015 are included separately with the agenda packet.



III. Conclusions

1. Estimate Outstanding Losses

We estimate net outstanding losses (including ALAE) as of June 30, 2015 and June 30, 2016 as shown in Tables III-1A and III-1B.

**Table III-1A
Estimated Net Outstanding Losses
June 30, 2015**

Confidence Level (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Expected	\$2,088,759	\$2,033,559
(B) 60%	2,172,309	2,114,901
(C) 70%	2,339,410	2,277,586
(D) 80%	2,715,387	2,643,627

Note: (A) is from Exhibit LI-15.
(B) to (D) are based on (A) and actuarial judgment.

**Table III-1B
Estimated Net Outstanding Losses
June 30, 2016**

Confidence Level (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Expected	\$2,296,376	\$2,233,792
(B) 60%	2,388,231	2,323,144
(C) 70%	2,571,941	2,501,847
(D) 80%	2,985,289	2,903,930

Note: (A) is from Exhibit LI-16.
(B) to (D) are based on (A) and actuarial judgment.



The amounts in Tables III-1 are limited to the self-insured retentions and net of member deductibles.

The estimated outstanding losses decreased by \$777,197, from \$2,865,956 as of June 30, 2014 to \$2,088,759 as of June 30, 2015. This is mainly due to a decrease in case reserves of about \$720,000 (net of deductible).

The present value of the estimated net outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant Insurance Services.

Outstanding unallocated loss adjustment expenses (ULAE) are primarily composed of future claims administration for open claims. The outstanding ULAE are typically estimated as 5% to 10% of the estimated outstanding losses (based on similar programs).

We estimate outstanding ULAE on June 30, 2015 and June 30, 2016 as shown in Table III-1C.

**Table III-1C
Estimated Outstanding ULAE**

As of Date (1)	Estimated Outstanding ULAE (2)	Present Value of Estimated Outstanding ULAE (2)
(A) June 30, 2015	\$156,657	\$152,517
(B) June 30, 2016	172,228	167,534

Note: (A) is 7.5% of the corresponding figures at the expected level in Table III-1A.
(B) is 7.5% of the corresponding figures at the expected level in Table III-1B.

Governmental Accounting Standards Board (GASB) Statement No. 10 details the financial disclosure requirements for self-insured public entities. It necessitates AORMA to disclose estimated outstanding losses (that are calculated based on actuarial methods) in its financial statements.



2. Project Ultimate Limited Losses

We project ultimate net limited losses (including ALAE) for 2015/16, 2016/17, and 2017/18 at a \$350,000 retention level for all claims to be as shown in Tables III-2A, III-2B, III-2C and III-2D. We assume the 2015/16 member deductibles apply for 2016/17 and 2017/18.

Table III-2A
Projected Ultimate Net Limited Losses
Expected
(at \$350,000 SIR)

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.32	\$1,365,000	\$0.31	\$1,304,000
(B) 2016/17	432,049	0.33	1,421,000	0.31	1,356,000
(C) 2017/18	440,690	0.34	1,478,000	0.32	1,411,000

Note: (A), (B) and (C) are from Exhibit LI-14.



Table III-2B
Projected Ultimate Net Limited Losses
at a 60% Confidence Level
(at \$350,000 SIR)

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.34	\$1,419,600	\$0.32	\$1,356,160
(B) 2016/17	432,049	0.34	1,477,840	0.33	1,410,240
(C) 2017/18	440,690	0.35	1,537,120	0.33	1,467,440

Note: (A), (B) and (C) are based on Table III-2A and actuarial judgment.

Table III-2C
Projected Ultimate Net Limited Losses
at a 70% Confidence Level
(at \$350,000 SIR)

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.37	\$1,569,750	\$0.35	\$1,499,600
(B) 2016/17	432,049	0.38	1,634,150	0.36	1,559,400
(C) 2017/18	440,690	0.39	1,699,700	0.37	1,622,650

Note: (A), (B) and (C) are based on Table III-2A and actuarial judgment.



**Table III-2D
Projected Ultimate Net Limited Losses
at a 80% Confidence Level
(at \$350,000 SIR)**

Claim Period (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Projected Ultimate Net Limited Losses (4)	Loss Rate per \$100 of Payroll (5)	Projected Ultimate Net Limited Losses (6)
(A) 2015/16	\$423,578	\$0.45	\$1,911,000	\$0.43	\$1,825,600
(B) 2016/17	432,049	0.46	1,989,400	0.44	1,898,400
(C) 2017/18	440,690	0.47	2,069,200	0.45	1,975,400

Note: (A), (B) and (C) are based on Table III-2A and actuarial judgment.

We estimate ULAE for 2015/16 through 2017/18 as shown in Table III-2E.

**Table III-2E
Estimated ULAE**

Claim Period (1)	Estimated ULAE (2)	Present Value of Estimated ULAE (3)
(A) 2015/16	\$102,375	\$97,800
(B) 2016/17	106,575	101,700
(C) 2017/18	110,850	105,825

Note: (2) and (3) are 7.5% of the corresponding figures at the expected level in Table III-2A.



We project ultimate net limited losses (including ALAE) for 2015/16, 2016/17, and 2017/18 at various retention levels to be as shown in Tables III-2F, III-2G, III-2H, III-2I, III-2J and III-2K.

Table III-2F
Projected Ultimate Net Limited Losses
Full Value
2015/16

Self-Insured Retention (1)	Expected (2)	60% Confidence Level (3)	70% Confidence Level (4)	80% Confidence Level (5)
(A) \$350,000	\$1,365,000	\$1,419,600	\$1,569,750	\$1,911,000
(B) \$500,000	1,481,025	1,547,671	1,712,065	2,094,169
(C) \$750,000	1,590,225	1,661,785	1,838,300	2,248,578

Note: See Exhibit LI-19.

Table III-2G
Projected Ultimate Net Limited Losses
Present Value
2015/16

Self-Insured Retention (1)	Expected (2)	60% Confidence Level (3)	70% Confidence Level (4)	80% Confidence Level (5)
(A) \$350,000	\$1,304,000	\$1,356,160	\$1,499,600	\$1,825,600
(B) \$500,000	1,414,840	1,478,508	1,635,555	2,000,584
(C) \$750,000	1,519,160	1,587,522	1,756,149	2,148,092

Note: See Exhibit LI-19.



Table III-2H
Projected Ultimate Net Limited Losses
Full Value
2016/17

Self-Insured Retention (1)	Expected (2)	60% Confidence Level (3)	70% Confidence Level (4)	80% Confidence Level (5)
(A) \$350,000	\$1,421,000	\$1,477,840	\$1,634,150	\$1,989,400
(B) \$500,000	1,541,785	1,611,165	1,782,303	2,180,084
(C) \$750,000	1,655,465	1,729,961	1,913,718	2,340,828

Note: See Exhibit LI-19.

Table III-2I
Projected Ultimate Net Limited Losses
Present Value
2016/17

Self-Insured Retention (1)	Expected (2)	60% Confidence Level (3)	70% Confidence Level (4)	80% Confidence Level (5)
(A) \$350,000	\$1,356,000	\$1,410,240	\$1,559,400	\$1,898,400
(B) \$500,000	1,471,260	1,537,467	1,700,777	2,080,362
(C) \$750,000	1,579,740	1,650,828	1,826,179	2,233,752

Note: See Exhibit LI-19.



Table III-2J
Projected Ultimate Net Limited Losses
Full Value
2017/18

Self-Insured Retention (1)	Expected (2)	60% Confidence Level (3)	70% Confidence Level (4)	80% Confidence Level (5)
(A) \$350,000	\$1,478,000	\$1,537,120	\$1,699,700	\$2,069,200
(B) \$500,000	1,603,630	1,675,793	1,853,796	2,267,533
(C) \$750,000	1,721,870	1,799,354	1,990,482	2,434,724

Note: See Exhibit LI-19.

Table III-2K
Projected Ultimate Net Limited Losses
Present Value
2017/18

Self-Insured Retention (1)	Expected (2)	60% Confidence Level (3)	70% Confidence Level (4)	80% Confidence Level (5)
(A) \$350,000	\$1,411,000	\$1,467,440	\$1,622,650	\$1,975,400
(B) \$500,000	1,530,935	1,599,827	1,769,761	2,164,742
(C) \$750,000	1,643,815	1,717,787	1,900,250	2,324,354

Note: See Exhibit LI-19.

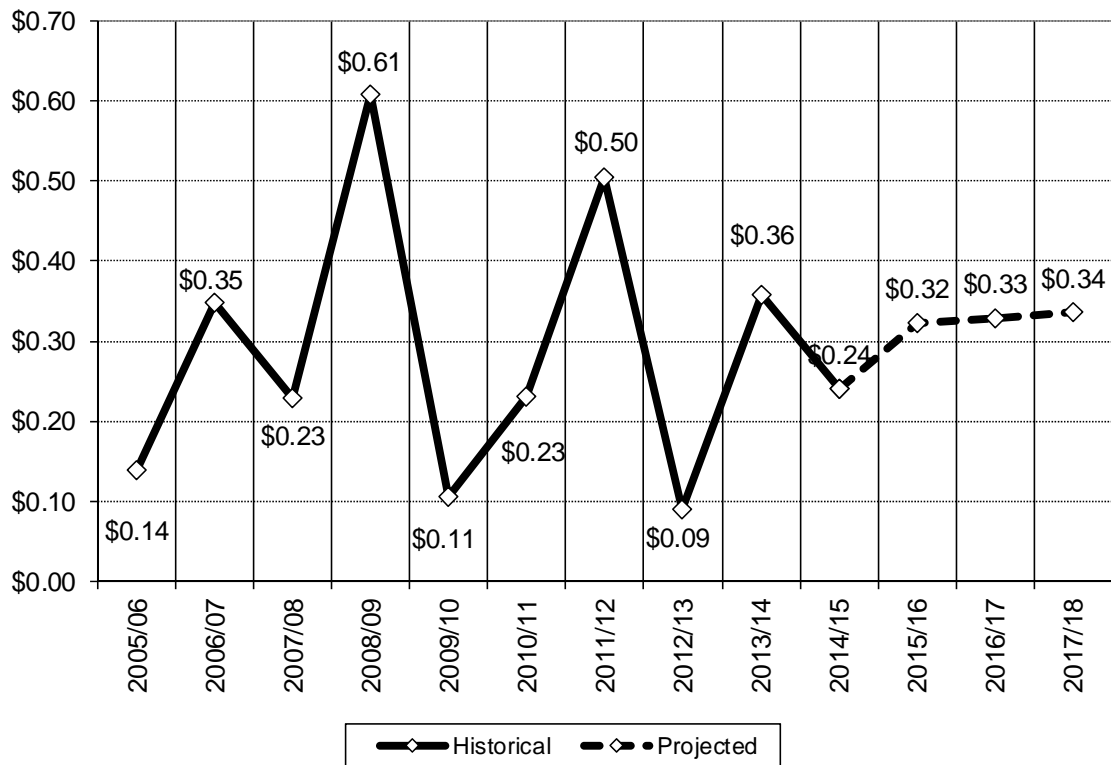
The projected ultimate net limited losses do not include ULAE.

CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

Loss Experience Trends

Graphs III-1 and III-2 show loss experience trends for liability as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

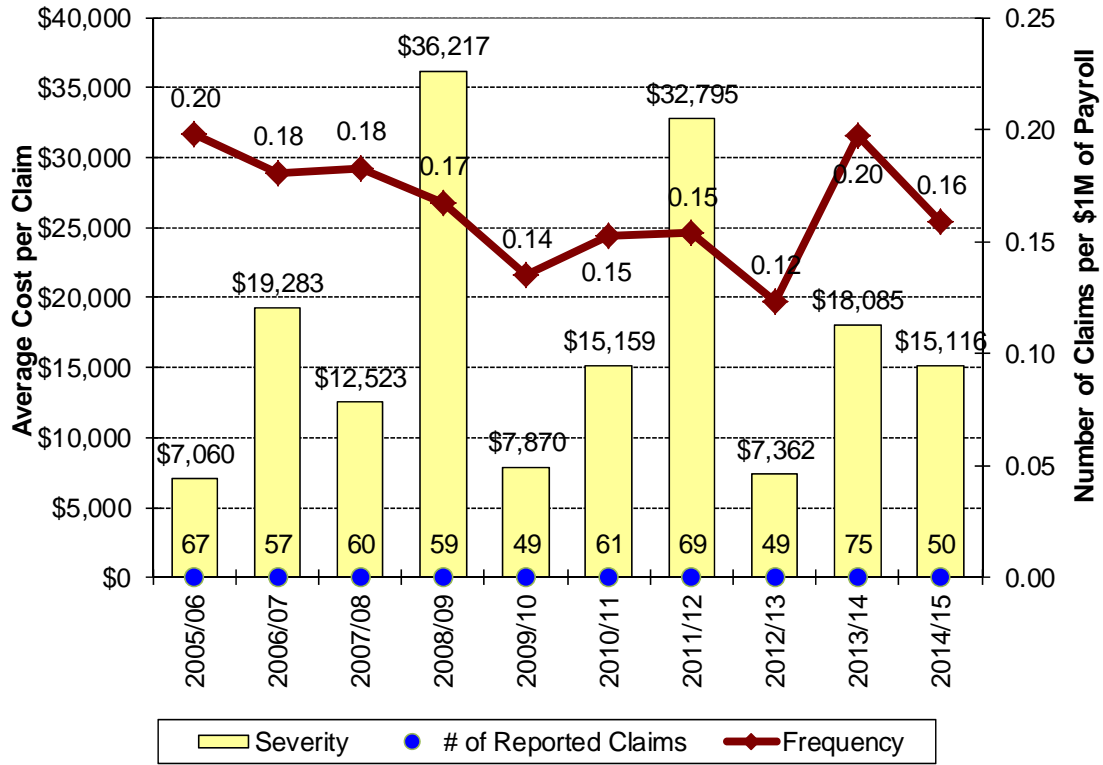
**Graph III-1
Loss Rate per \$100 of Payroll**



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

CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

**Graph III-2
Frequency and Severity**

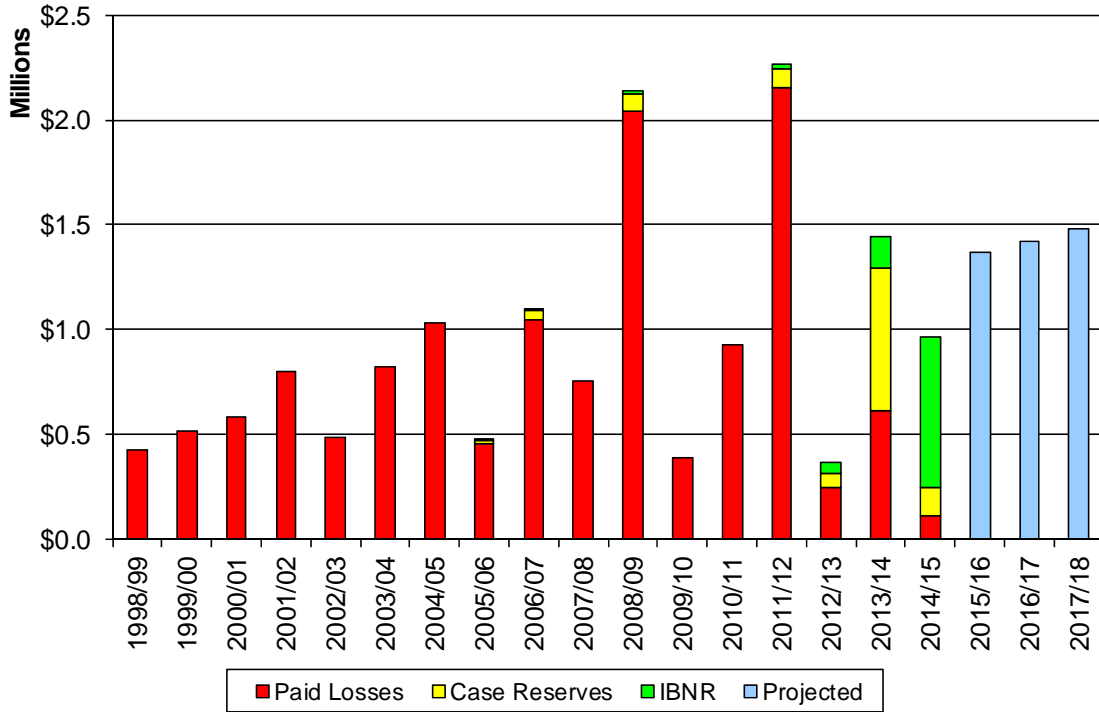


Note: Frequency amounts are from Exhibit LI-8, Section I, column (7).
Severity amounts are based on the projected claim counts in Exhibit LI-8 and the projected ultimate losses in Exhibit LI-13.

CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

Graph III-3 shows the composition of the projected ultimate limited losses for liability.

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



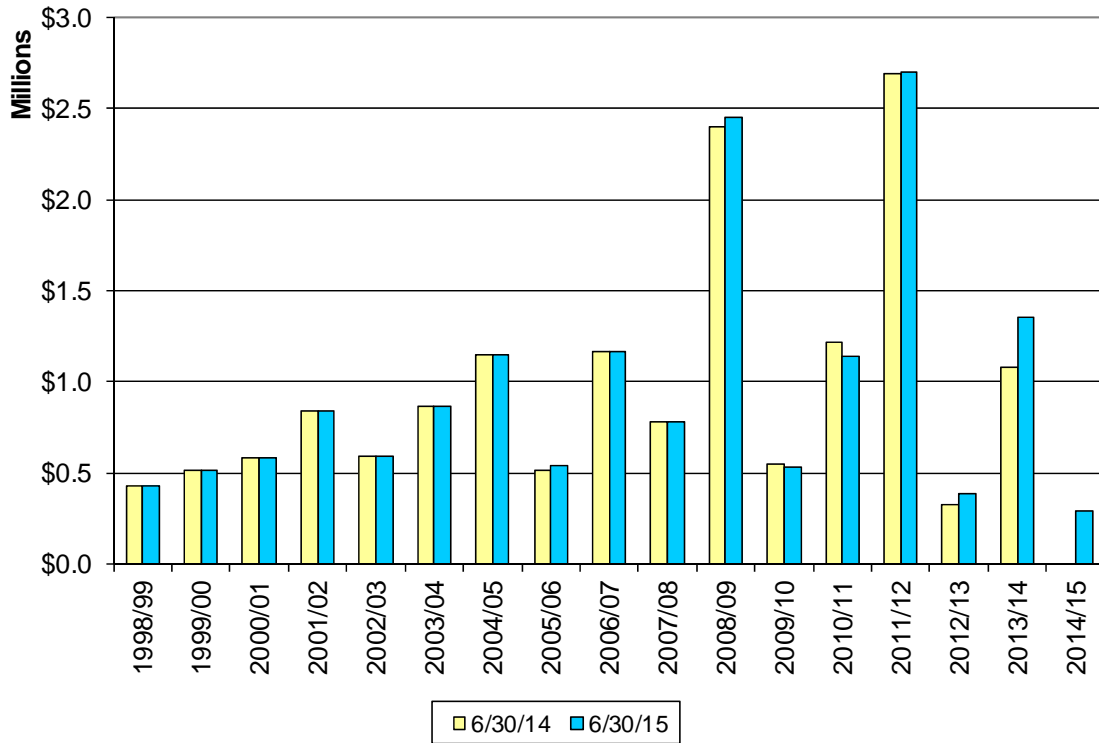
Note: Amounts through 2014/15 are from Exhibit LI-15.
Amounts for 2015/16 through 2017/18 are from Exhibit LI-14.

CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

Comparison to Previous Actuarial Study

Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year from the previous study (report dated September 15, 2014) to the current study.

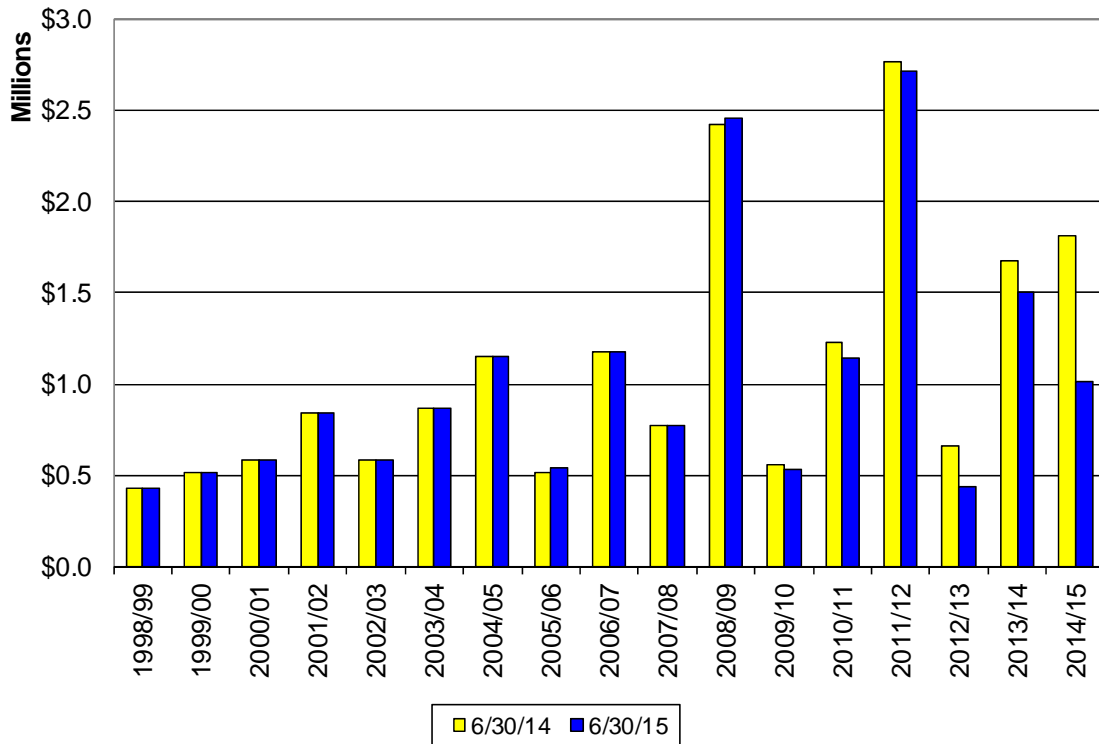
Graph III-4
Comparison of Limited Reported Incurred Losses
as of June 30, 2014 and June 30, 2015



Note: Amounts as of June 30, 2014 are from the previous actuarial study.
Amounts as of June 30, 2015 are from Exhibit LI-12.

CSURMA AORMA Actuarial Study of Liability Program as of June 30, 2015

Graph III-5
Comparison of Projected Ultimate Limited Losses
as of June 30, 2014 and June 30, 2015



Note: Amounts as of June 30, 2014 are from the previous actuarial study.
Amounts as of June 30, 2015 are from Exhibit LI-13.

For all claims through 2013/14, the change in the projected ultimate limited losses from June 30, 2014 to June 30, 2015 was -2.9%.



III. Conclusions

1. Estimate Outstanding Losses

We estimate outstanding losses (including ALAE) as of June 30, 2015 and June 30, 2016 at various confidence levels to be as shown in Tables III-1A and III-1B.

Table III-1A
Estimated Outstanding Losses
at Various Confidence Levels
June 30, 2015

Confidence Level (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Expected	\$8,525,407	\$7,938,212
(B) 70%	9,548,456	8,890,797
(C) 80%	10,230,488	9,525,854
(D) 90%	11,509,299	10,716,586

Note: (A) is from Exhibit WC-11.
(B) to (D) are based on (A) and actuarial judgment.

Table III-1B
Estimated Outstanding Losses
at Various Confidence Levels
June 30, 2016

Confidence Level (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Expected	\$6,592,046	\$6,144,143
(B) 70%	7,383,092	6,881,440
(C) 80%	7,910,455	7,372,972
(D) 90%	8,899,262	8,294,593

Note: (A) is from Exhibit WC-12.
(B) to (D) are based on (A) and actuarial judgment.



Effective January 1, 2015, CSURMA AORMA COMP enrolled in CSAC-EIA's workers' compensation reinsurance program; it is fully-insured from first-dollar to \$500,000 subsequent to January 1, 2015.

The present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant Insurance Services.

Governmental Accounting Standards Board (GASB) Statement No. 10 details the financial disclosure requirements for self-insured public entities. It necessitates CSURMA to disclose estimated outstanding losses (that are calculated based on actuarial methods) in its financial statements.

2. Estimate Outstanding Unallocated Loss Adjustment Expenses

We estimate outstanding ULAE on June 30, 2015 and June 30, 2016 to be as shown in Table III-2.

Table III-2
Estimated Outstanding ULAE
June 30, 2015 and June 30, 2016

As of Date (1)	Estimated Outstanding ULAE (2)	Present Value of Estimated Outstanding ULAE (3)
(A) June 30, 2015	\$468,897	\$436,602
(B) June 30, 2016	362,563	337,928

Note: (A) is 5.5% of the corresponding figures at the expected level in Table III-1A.
(B) is 5.5% of the corresponding figures at the expected level in Table III-1B.



3. Project Ultimate Limited Losses

We project ultimate limited losses (including ALAE) for 2015/16 and 2016/17 at various confidence levels to be as shown in Tables III-3A and III-3C. These tables are for information only since CSURMA AORMA-COMP program is fully-insured for 2015/16 and 2016/17.

**Table III-3A
Projected Ultimate Limited Losses
at Various Confidence Levels
2015/16
(\$500,000 Retention)**

Confidence Level (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Amount (4)	Loss Rate per \$100 of Payroll (5)	Amount (6)
(A) Expected	\$300,466	\$0.99	\$2,982,000	\$0.92	\$2,759,000
(B) 70%	300,466	1.14	3,429,000	1.06	3,173,000
(C) 80%	300,466	1.29	3,877,000	1.19	3,587,000
(D) 90%	300,466	1.49	4,473,000	1.38	4,139,000

Note: (A) is from Exhibit WC-10.
(B) to (D) are based on (A) and actuarial judgment.

We estimate ULAE for 2015/16 to be as shown in Table III-3B.

**Table III-3B
Estimated ULAE
2015/16**

Period (1)	Estimated Outstanding ULAE (2)	Present Value of Estimated Outstanding ULAE (3)
2015/16	\$164,010	\$151,745

Note: (2) and (3) are 5.5% of the corresponding figures at the expected level in Table III-3A.



**Table III-3C
Projected Ultimate Limited Losses
at Various Confidence Levels
2016/17
(\$500,000 Retention)**

Confidence Level (1)	Projected Payroll (000) (2)	Full Value		Present Value	
		Loss Rate per \$100 of Payroll (3)	Amount (4)	Loss Rate per \$100 of Payroll (5)	Amount (6)
(A) Expected	\$300,466	\$1.01	\$3,042,000	\$0.94	\$2,814,000
(B) 70%	300,466	1.16	3,498,000	1.08	3,236,000
(C) 80%	300,466	1.32	3,955,000	1.22	3,658,000
(D) 90%	300,466	1.52	4,563,000	1.40	4,221,000

Note: (A) is from Exhibit WC-10.
(B) to (D) are based on (A) and actuarial judgment.

We estimate ULAE for 2015/16 to be as shown in Table III-3D.

**Table III-3D
Estimated ULAE
2016/17**

Period (1)	Estimated Outstanding ULAE (2)	Present Value of Estimated Outstanding ULAE (3)
2016/17	\$167,310	\$154,770

Note: (2) and (3) are 5.5% of the corresponding figures at the expected level in Table III-3C.

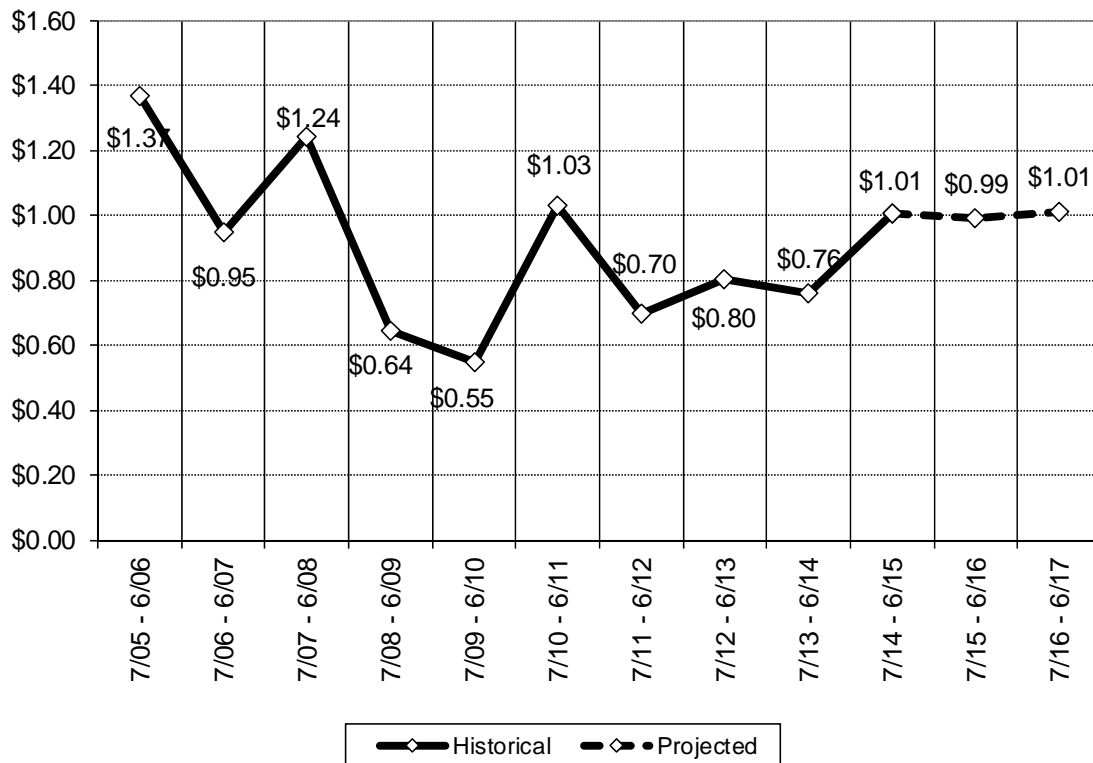
The present value of the projected ultimate limited losses is the amount of money, discounted for investment income, required to meet claims. It is calculated based on a 2.0% yield on investments, as provided by Alliant Insurance Services.

AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Loss Experience Trends

Graphs III-1 and III-2 show loss experience trends for workers compensation as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

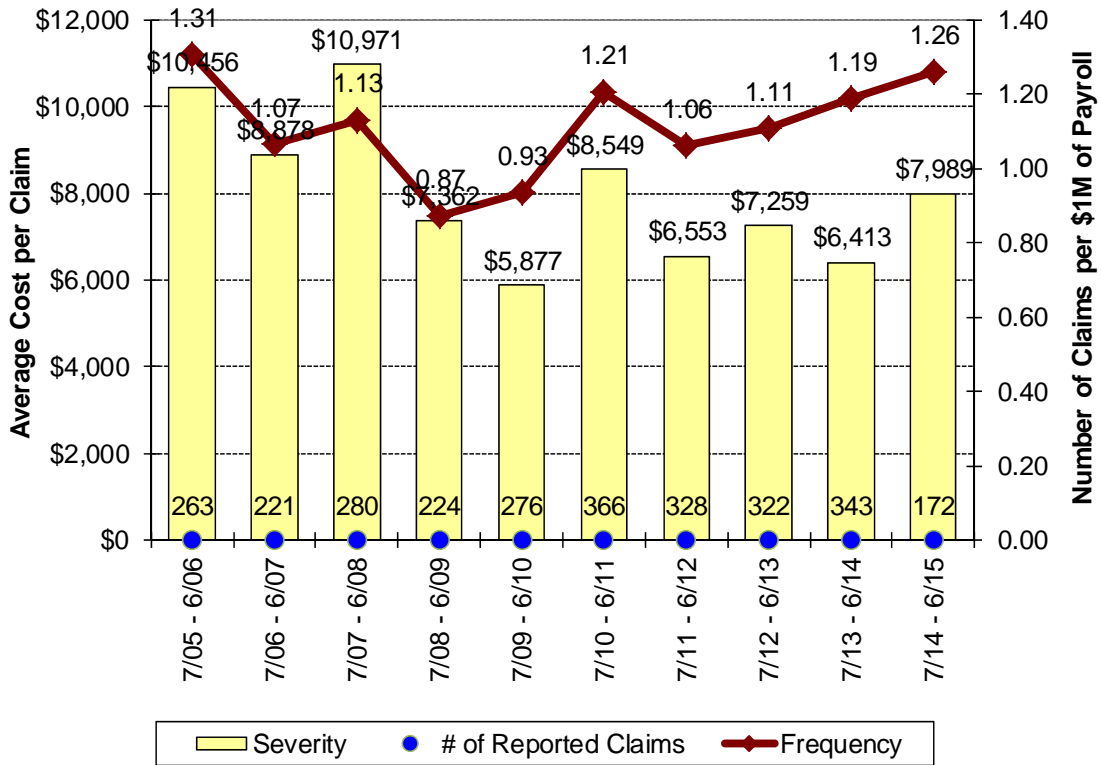
**Graph III-1
Loss Rate per \$100 of Payroll**



Note: Loss rates are from Exhibit WC-10, columns (4) and (7).

AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

**Graph III-2
Frequency and Severity**

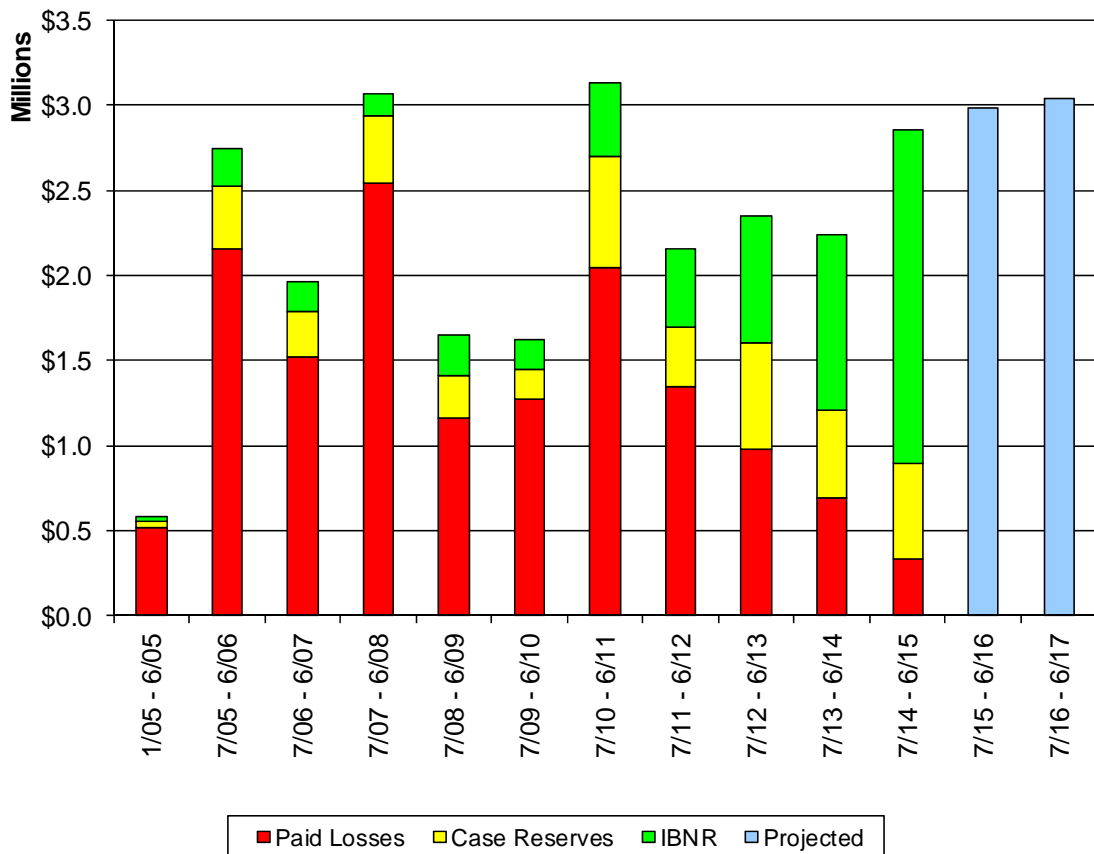


Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).
Severity amounts are based on the projected claim counts in Exhibit WC-8 and the projected ultimate losses in Exhibit WC-9.

AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Graph III-3 shows the composition of the projected ultimate limited losses for workers compensation.

Graph III-3
Composition of Projected Ultimate Limited Losses



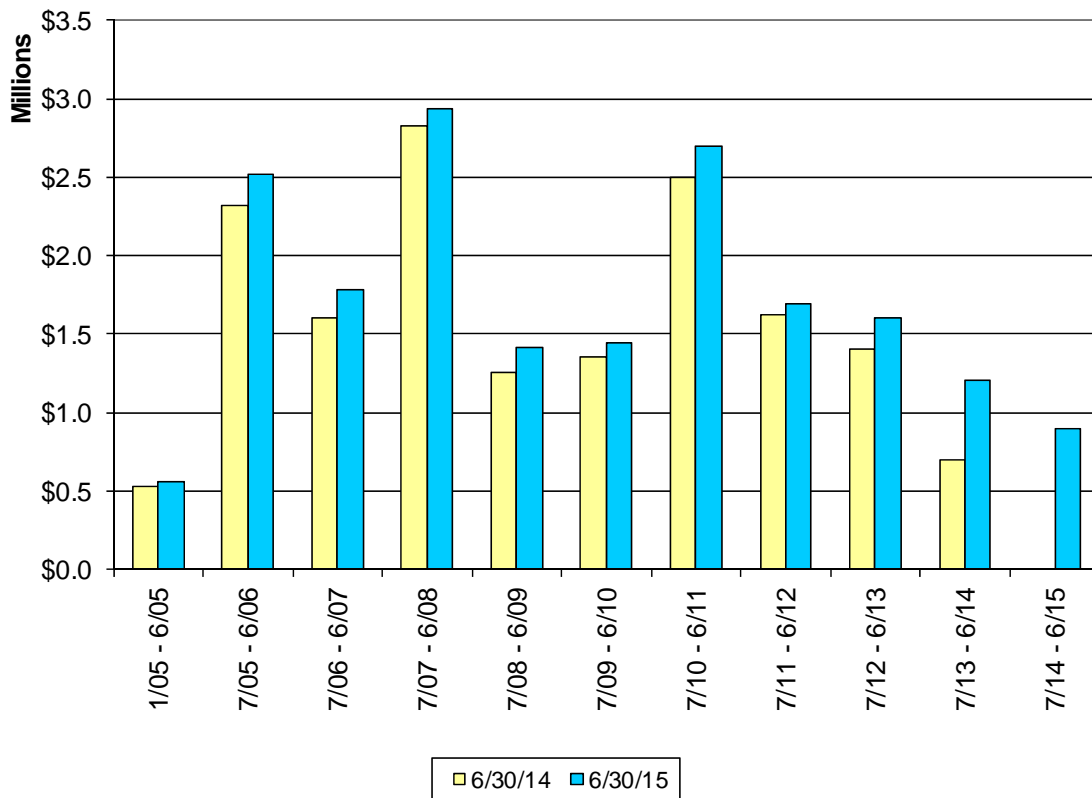
Note: Amounts through 7/14 - 6/15 are from Exhibit WC-11.
Amounts for 7/15 - 6/16 and 7/16 - 6/17 are from Exhibit WC-10.

AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Comparison to Previous Actuarial Study

Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year of occurrence of the workers compensation program from the previous study (report dated September 15, 2014) to the current study.

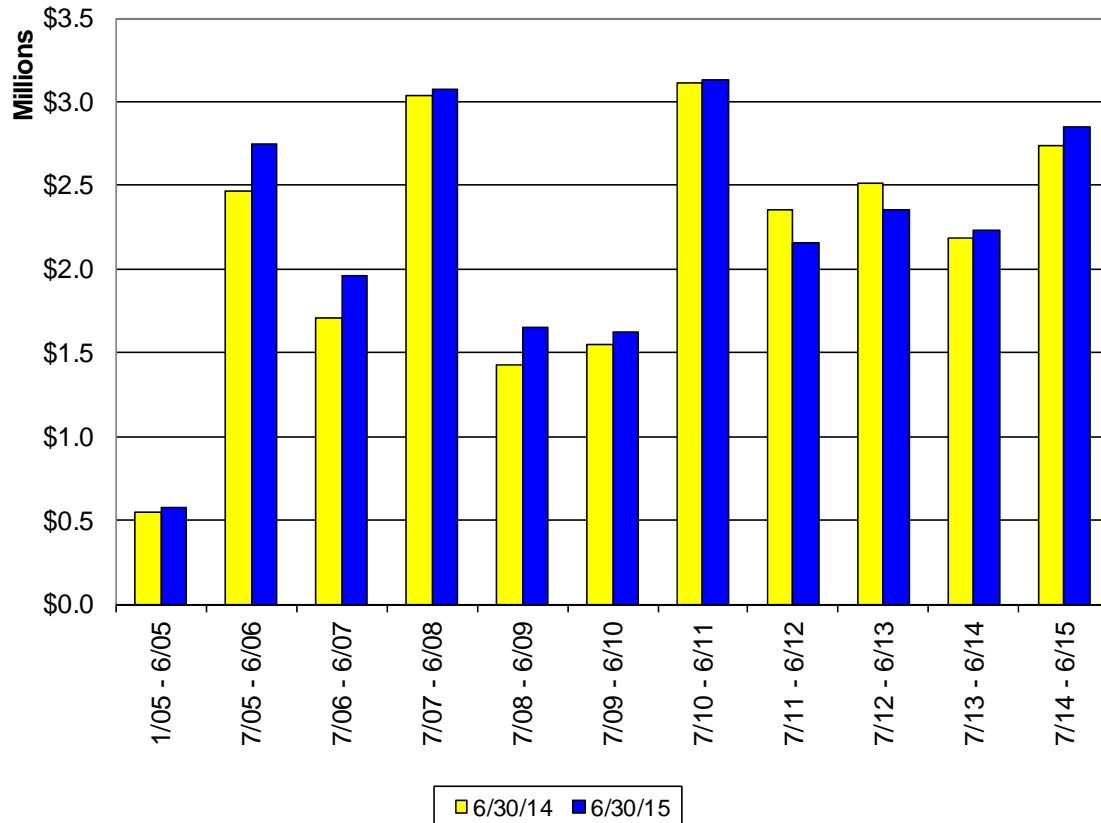
Graph III-4
Comparison of Limited Reported Incurred Losses
as of June 30, 2014 and June 30, 2015



Note: Amounts as of June 30, 2014 are from the previous actuarial study.
Amounts as of June 30, 2015 are from Exhibit WC-1.

AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Graph III-5
Comparison of Projected Ultimate Limited Losses
as of June 30, 2014 and June 30, 2015



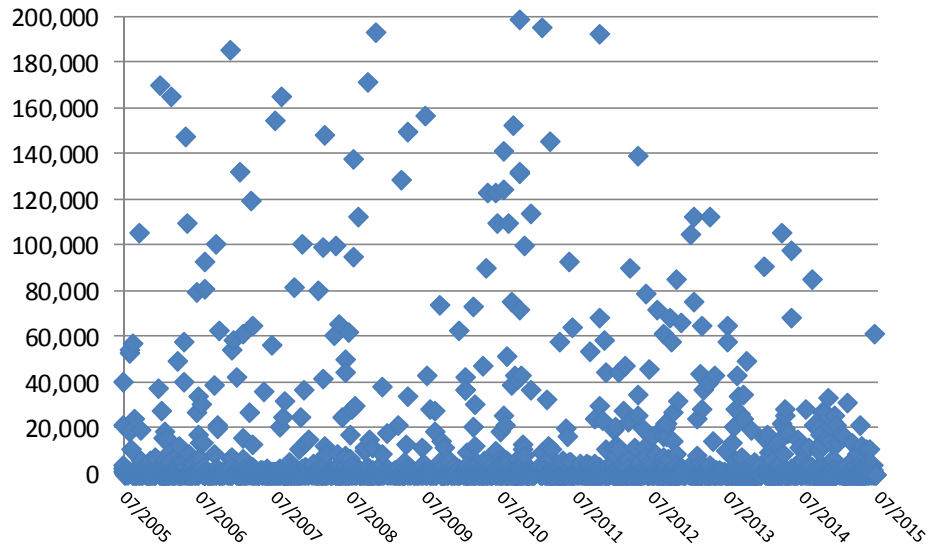
Note: Amounts as of June 30, 2014 are from the previous actuarial study.
Amounts as of June 30, 2015 are from Exhibit WC-9.

For all claims through 7/13 - 6/14, the change in the projected ultimate limited losses from June 30, 2014 to June 30, 2015 was 2.8%.

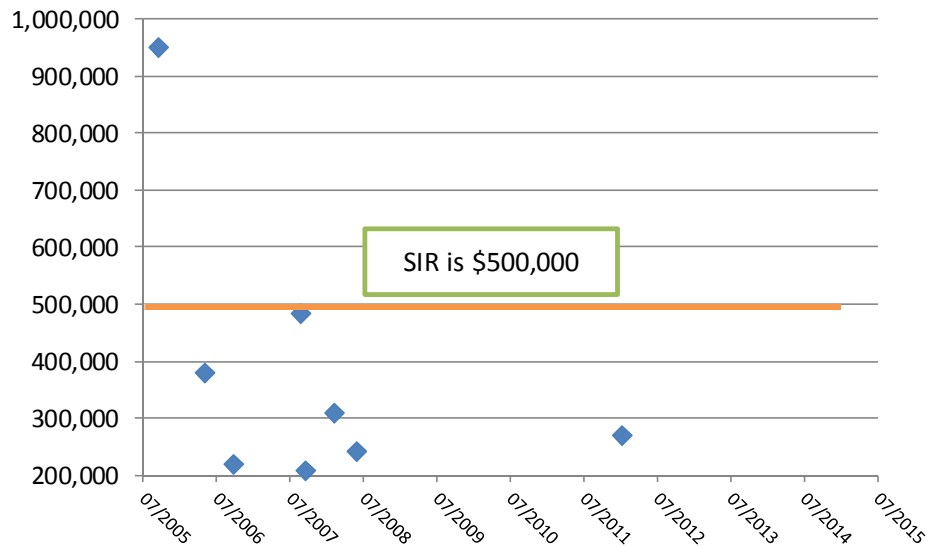
AORMA Actuarial Study of Workers' Compensation Program as of June 30, 2015

Graphs III-6A and III-6B are claim size distributions for CSURMA AORMA-COMP.

Graph III-6A
Claim Size Distribution
Claims with Incurred Amount below \$200,000



Graph III-6B
Claim Size Distribution
Claims with Incurred Amount above \$200,000



APPROVAL OF POLICY AND PROCEDURE REVIEW SCHEDULE

ISSUE: Policy and Procedure A-5 – Annual Calendar of Reports, Audits and Filings – stipulates that;

- 1) During the AORMA Committee long range planning meeting, the AORMA policy and procedure review schedule will be approved for the upcoming fiscal year
- 2) All policies and procedures will be reviewed at least every two years

As noted on the attached review schedule, the following policies and procedures are due for review in 2016:

A-1	AORMA Committee Composition, Elections and Terms Limits	2016
A-2	AORMA Committee and Standing Committee Roles and Responsibilities	2016
A-3	Target Surplus Funding Policy	2016
A-4	Dividends and Assessments	2016
A-5	Annual Calendar of Reports, Audits and Filings	2016
A-6	Risk Reduction Matching Grant Program	2016
A-8	Closed Session	2016
L-1	Claims Reporting	2016
L-2	Liability Claims Administration and Litigation Management	2016
L-3	Legal Counsel Selection	2016
Attachment	Approved Legal Counsel List (Review at least every three years)	2016
L-4	Employee Driving Standards	2016
L-6	Requirement to Purchase PAI for all Activities Involving Minors	2016
UI-1	Formula for Determining Unemployment Insurance Program Annual Contributions	2016
W-2	Contribution Payments	2016
W-3	Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less	2016
W-4	Claims Handling Procedures and Guidelines	2016
W-5	Workers' Compensation Coverage Claims Settlement Authority	2016
W-6	Volunteer Coverage	2016
W-8	Workers' Compensation Program Payroll Reporting Responsibilities	2016

RECOMMENDATION: Staff recommends that the committee review the policy and procedure review schedule and approved the schedule as presented.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Policy and Procedure Review Schedule
- b. Policy and Procedure A-5 – Annual Calendar of Reports, Audits and Filings

AORMA Policies and Procedures

Review Schedule

Policy and Procedure		Adopted	Amended / Reviewed	Scheduled for Review
A-1	AORMA Committee Composition, Elections and Terms Limits	4/18/2003	3/20/2014	2016
A-2	AORMA Committee and Standing Committee Roles and Responsibilities	8/19/2003	5/8/2014	2016
A-3	Target Surplus Funding Policy	1/10/2007	10/23/2014	2016
A-4	Dividends and Assessments	3/8/2007	10/23/2014	2016
A-5	Annual Calendar of Reports, Audits and Filings	10/29/2009	10/23/2014	2016
A-6	Risk Reduction Matching Grant Program	5/9/2013	12/4/2014	2016
A-7	Travel Reimbursement Policy	5/21/2013	3/19/2015	2017
A-8	Closed Session	10/23/2014		2016
C-1	Crime Program Member Allocation Formula	11/6/2013	9/10/2015	2017
L-1	Claims Reporting	12/7/2006	12/4/2014	2016
L-2	Liability Claims Administration and Litigation Management	12/7/2006	5/7/2014	2016
L-3	Legal Counsel Selection	12/7/2006	10/23/2014	2016
Attachment	Approved Legal Counsel List (Review at least every three years)	N/A	9/12/2013	2016
L-4	Employee Driving Standards	7/1/2002	10/23/2014	2016
L-5	Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations	8/19/2003	3/19/2015	2017
L-6	Requirement to Purchase PAI for all Activities Involving Minors	6/17/2010	10/23/2014	2016
L-7	Employment Practices Deductible Options	5/12/2011	3/19/2015	2017
P-1	Property Program Member Allocation Formula	11/6/2013	9/10/2015	2017
UI-1	Formula for Determining Unemployment Insurance Program Annual Contributions	5/12/2010	5/8/2014	2016
W-1	Workers' Compensation Deposit Development Plan	5/15/2008	9/10/2015	2017
W-2	Contribution Payments	12/9/2004	3/20/2014	2016
W-3	Requirement of Members to Maintain Experience Modification Factor of 1.25 or Less	9/9/2003	3/20/2014	2016
W-4	Claims Handling Procedures and Guidelines	12/8/2009	3/20/2014	2016
W-5	Workers' Compensation Coverage Claims Settlement Authority	9/16/2010	3/20/2014	2016
W-6	Volunteer Coverage	1/12/2005	3/20/2014	2016
W-7	Workers' Compensation Safety Program Award - Safety Superstar	10/27/2005	3/20/2014	Deleted
W-8	Workers' Compensation Program Payroll Reporting	12/8/2009	3/20/2014	2016

Must be approved by the AORMA Committee



CSURMA AORMA

POLICY AND PROCEDURE NO. A-5

SUBJECT: CALENDAR OF REPORTS, AUDITS, FILINGS AND REVIEWS

ADOPTED: OCTOBER 29, 2009

EFFECTIVE: OCTOBER 29, 2009

AMENDED: SEPTEMBER 12, 2013
NOVEMBER 6, 2013
MARCH 20, 2014
OCTOBER 23, 2014

PURPOSE:

This policy and procedure outlines the various audits, reports and filings compiled by CSURMA AORMA on an annual basis.

POLICY:

It shall be the policy of the CSURMA AORMA to take the following action on an annual or semi-annual basis:

Reports and Audits:

1. Actuarial Study. Annually, an actuarial study will be performed on both the workers' compensation and liability programs to ascertain (1) the necessary funding for the upcoming fiscal year and (2) the outstanding liabilities for the prior fiscal years as detailed in CSURMA Policy & Procedure #4.
2. Claims Administration Audits for both the Liability and Workers' Compensation Program. These audits will be performed by an independent outside auditor in accordance with CSURMA Policy and Procedure #5. The AORMA Liability Program shall be audited in every odd numbered calendar year. The AORMA Workers' Compensation Program shall be audited in every even number calendar year.
3. Financial Audit. This audit will be performed annually by an independent outside auditor.

State of California Regulatory Required Filings:

1. Form 700 - Statement of Economic Interests. All designated and alternate AORMA Committee members will annually file with the FPPC the Form 700 - Statement of Economic Interests by April 1. All designated and alternate AORMA Committee members will also file with the FPPC the Form 700 upon becoming or retiring as a Committee designated or alternate member.

Policy and Procedure Review Schedule:

1. Every year during the annual AORMA Committee Long Range Planning meeting, the AORMA Policy and Procedure Review Schedule will be evaluated and approved.
2. In the absence of other reasons to review a policy and procedure more frequently, all policies and procedures will be reviewed at least every two years.

Member Allocation Formula Review

1. The Member Allocation Formula for each AORMA program with a pooled layer will be reviewed by the AORMA Programs Committee at least every three years in order to verify that the allocation formulas are still fair and equitable. The AORMA Programs Committee will provide to the AORMA Committee a thorough report of its review, findings and recommendations.
 2. The AORMA Committee will approve any and all revisions to the member allocation formulas before being utilized.
-

ADOPTION OF CSURMA AORMA 2016 MEETING CALENDAR

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

March 10, 2016 at 10:00 AM.....AORMA Committee
May 5, 2016 at 10:00 AM.....AORMA Committee
September 7, 2016 at 9:00 AM.....AORMA Committee new member orientation
September 7, 2016 at 10:00 AM.....AORMA Committee long range planning session
September 8, 2016 at 9:00 AM.....AORMA Committee
October 20, 2016 at 10:00 AM.....AORMA Committee
December 1, 2016 at 10:00 AM.....AORMA Committee

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

FISCAL IMPACT: None.

BACKGROUND: All of the AORMA Committee meetings are currently scheduled to be held in Long Beach at the Chancellor’s Office; however, if reasonably priced accommodations become available, the AORMA Committee meetings will move to San Francisco.

The Board meeting currently scheduled for October 21st, will most likely move to November to coincide with the Fitting the Pieces Together Conference in Northern California. The calendar will be updated as soon as that information becomes available.

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

ATTACHMENT(S):

- a. Draft 2016 CSURMA 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	Long Beach
10	3:00 PM	EC	Sacramento					10	2:00 PM	EC	Long Beach
10 - 13		AOA Annual Conference	Sacramento					11	8:30 AM	EC LRP	Long Beach
								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
				6	9:00 AM	EC	Long Beach				
				6	10:30 AM	BOD	Long Beach				
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
								9	8:30 AM	EC	Long Beach
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
20	10:00 AM	AORMA	TBD	18		AOA EC	TBD	1	10:00 AM	AORMA	Long Beach
21	9:00 AM	EC	TBD					2	8:30 AM	EC	Long Beach
21	10:30 AM	BOD	TBD								
<p><i>The EC and BOD may moved to November to coincide with the Fitting the Pieces Together Conference.</i></p>											

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

INSURANCE AND REINSURANCE RENEWAL REPORT

ISSUE: CSURMA's insurance and reinsurance programs renewed on July 1. The CSURMA Program Administrator marketed the programs to ensure competitive rates and terms. The AORMA Committee delegated authority to the CSURMA Secretary – Auditor to negotiate and renew the insurance and reinsurance programs as appropriate and within the budgeted amounts of the FY 15/16 Budget adopted by the CSURMA Board of Directors in at their April 27, 2015 meeting. Leadership from the CSU participated in underwriter meetings in London to negotiate final terms and offerings.

RECOMMENDATION: No action is requested on this item.

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

BACKGROUND: The insurance market for CSU's risks is a global one that passes through soft and hard markets. The market remains relatively soft for property risks, but casualty risks, especially in California are seeing some firming.

- **Liability** – CSURMA received favorable terms from the AORMA lead reinsurer, Genesis, with a renewal cost increase less than 5% over expiring. Ironshore, the lead excess insurer maintained the expiring self-insured retention and terms with an increase of less than 5% over expiring. The renewal faced two significant obstacles: 1) the withdrawal of CV Starr underwriting from the California marketplace which removed \$20 million of capacity from CSURMA's program and 2) the requirement of some underwriters for an exclusion of liability arising from concussive injuries. In the end, CV Starr's capacity was replaced on favorable terms on the \$10 million xs \$35 million layer by Alteris. For the \$50 million xs \$50 million layer, CSU leadership selected an option led by our former market, Lexington (AIG) that did not include concussive injury exclusion but includes an aggregate limit of \$100 million for all claims in this catastrophic layer. The \$50 million xs \$50 million layer is filled by a quota share of Lexington (50%) Arch (30%) and Great American (20%) who is new to the program. The medical malpractice coverage for student health centers (\$5 million xs \$5 million layer) was renewed as expiring.

- **Property** – CSU and the auxiliary organizations have had excellent property loss results in recent years, but a recent major loss will impact future renewals. The property market remains soft. Despite pending losses, the renewal was achieved at rates close to expiring.
- **Workers' Compensation** – The Executive Committee took action in December to bind an 18 month reinsurance program via the CSAC Excess Insurance Authority that will guarantee most of the program costs at the July 1 renewal. EIA obtained terms as expiring from Safety National Casualty Corp., our incumbent excess insurer, which solidifies the 18 month program for the term.
- **Cyber** – Beazley continues as the lead provider. We negotiated an increase in sublimits to \$2.5 million for legal and forensic costs and also removed the exclusion of claims where a mobile device (phone, tablet or laptop) was not encrypted. CSU leadership selected a renewal option that increases total limits to \$10 million by adding a \$5 million xs \$5 million layer, and also adds an additional \$2.5 million xs of \$2.5 million limit for coverage of legal and forensic costs. CSU and the auxiliary organizations continue to share a notification limit of 2 million affected individuals.
- **Fidelity** – Both the AORMA and campus programs have reported losses, but we obtained a flat rate renewal overall for the programs.
- **Foreign Travel** – The systemwide FTIP policy had a significant loss during FY 13/14 and a large rate increase last year. The CSU International Programs also had increased loss activity. The Executive Committee approved a rate increase plan for IP last year that will resolve funding differences. We replaced the claims intake provider to reduce claims cost this year. Rates increased at renewal and we will be implementing a new rating plan for January 1, 2016 to allocate the costs. Also, the Executive Committee will need to consider a new plan relative to the cost of the CSU IP travelers as the current plan is not meeting expectations due to increased rates.

PUBLICATION: None.

ATTACHMENT(S): None.

TARGET SURPLUS FUNDING REPORT AND DIVIDEND CALCULATION

ISSUE: Staff will present an analysis of the financial position of the Liability and Workers' Compensation programs based on the surplus funding and dividend calculation formula set forth in Policy & Procedure A-3 Target Surplus Funding Policy. The analysis will show the current surplus fund amounts (at 6/30/15) as well as the estimated amounts available for dividend distribution.

RECOMMENDATION: The Committee will be asked to review the Target Surplus Funding report and approve a dividend amount for the Liability and Workers' Compensation programs to be distributed in July, 2015. Staff is recommending that no dividend be released from the Liability Program and that 25% of the maximum dividend available (or \$296,664) be released from the Workers' Compensation Program.

FISCAL IMPACT: The Committee will recommend the overall funding and dividend distribution amounts for each pooled program.

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

- Gross Premium to Surplus Ratio – at least 1.5 to 1: (Surplus should be at least 67% of the premium for the upcoming FY 15/16.) Should there be any inaccuracies in the pricing, it is desirable to have adequate surplus to borrow against.
- Surplus to Pool Retention Ratio > 5-10 to 1: Should AORMA have multiple significant losses in the same year, it is desirable to have between five and ten times the retention.
- Outstanding Reserves to Surplus Ratio - at least 1.5 to 1: (Surplus should be at least 67% of the reserve amounts for all open claims.) Should there be any inaccuracies in the reserve amounts for open claims, it is desirable to have adequate surplus to borrow against.

PUBLICATION: All AORMA members will receive an update in September, 2015 which summarizes the decisions made at this meeting regarding surplus funds at June 30, 2015 and approved dividends to be released in July, 2016.

ATTACHMENT(S):

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

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

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

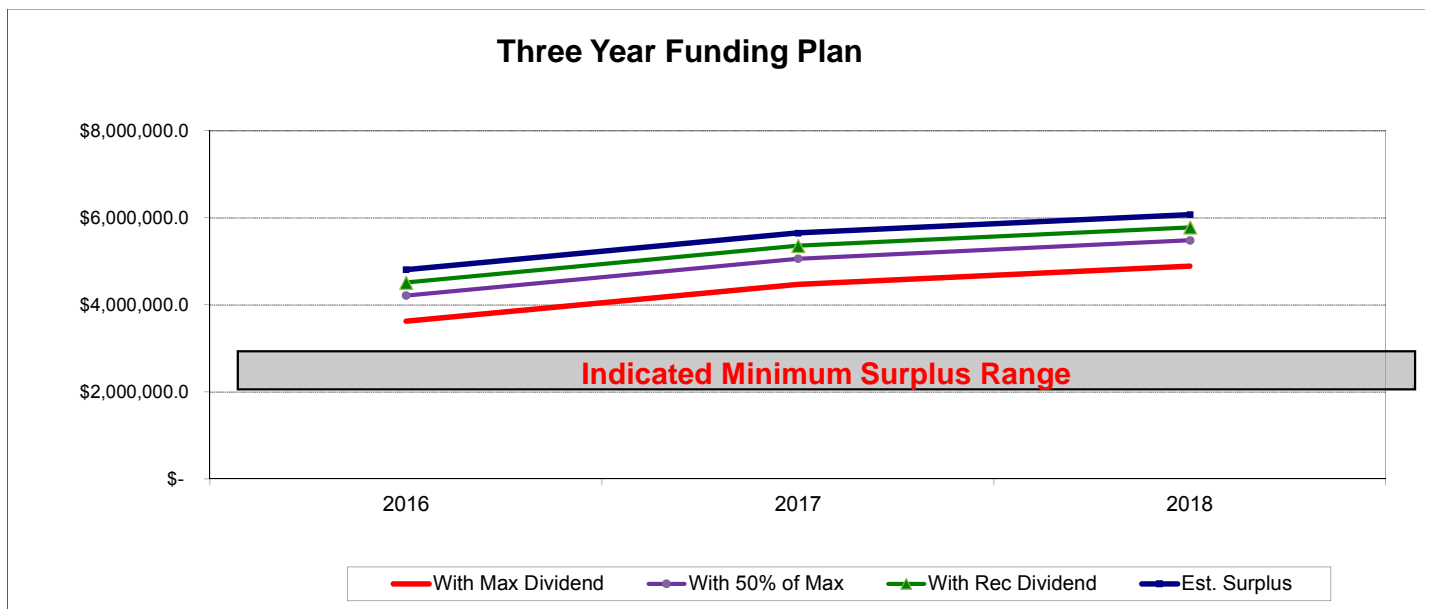
2016/17 Pool Funding Options - Does Not Include ULAE

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

Three Year Funding Plan



AORMA SIR Liability Fund Program Target Surplus Funding Analysis at \$500,000 SIR

	This Year's Analysis		Last Year
Gross Premium 2016/17 (at 80% CL)	\$3,462,115	Up From	\$3,336,715
Maximum Retention per loss:	\$500,000	Up From	\$350,000
O/S Reserves at 6/30/15:	\$1,871,801	Up From	\$1,745,718
*Surplus at 6/30/15:	\$2,523,912	Down From	\$4,356,346
Funding above 70% Conf Level:	\$2,339,225	Down From	\$4,101,214
Funding above 80% Conf Level:	\$1,712,881	Down From	\$3,733,109

* Surplus at 6/30/15 reflects the Fund Balance from the 6/30/15 Balance sheet including the \$464,087 14/15 dividend

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium:Surplus	<1.5:1	\$2,308,077	1.37
Surplus:Retention	>5:1	\$2,500,000	5.05
O/S Reserve:Surplus	≤1.5:1	\$1,247,867	0.74

Maximum Dividend Available:	\$23,912	Dividend not recommended
Dividend 50%	\$11,956	
Dividend 33%:	\$7,891	
Dividend 25%	\$5,978	

Note: 2014 Dividend of \$464,087 was based on 25% of the Maximum Dividend Available

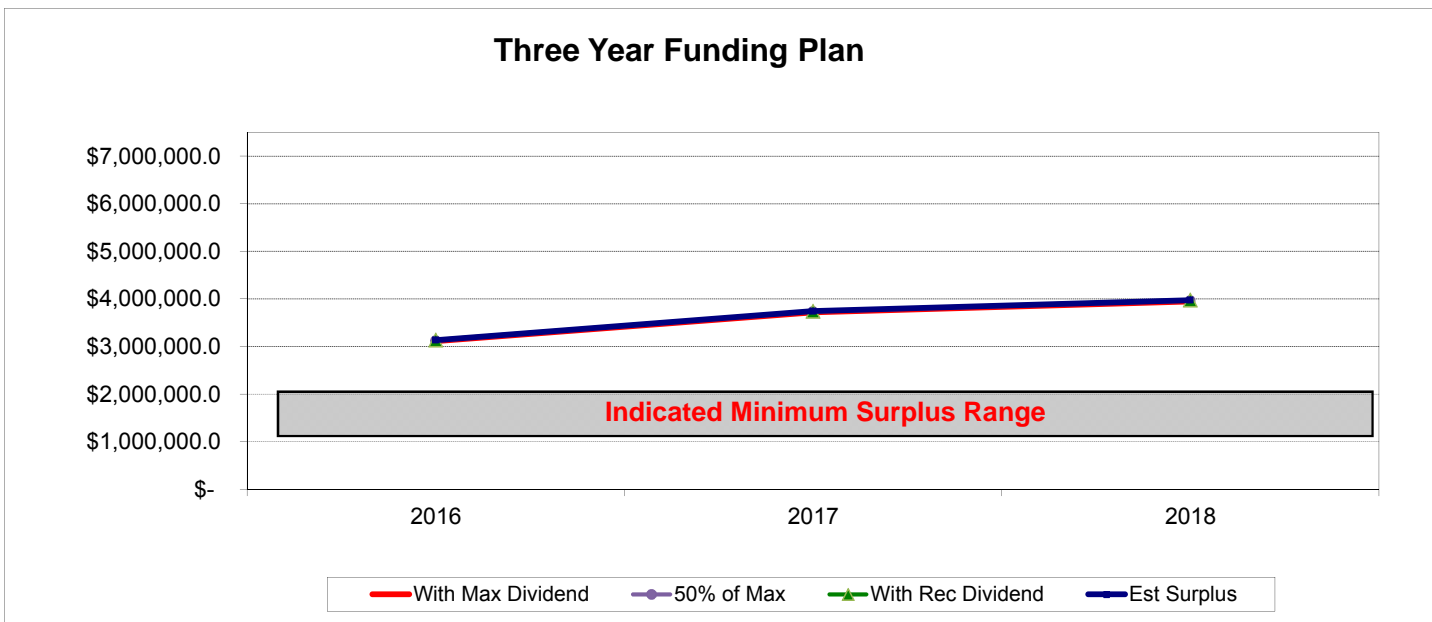
2016/17 Pool Funding Options - Does Not Include ULAE

Confidence levels	Factor	Pool Premium	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

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	2,523,912	N/A	N/A
2016/17 - Collection @ 80% CL	609,102	3,133,014	3,109,102	3,133,014
2017/18 - Collection @ 80% CL	609,102	3,742,116	3,718,204	3,742,116
2018/19 - Collection @ 70% CL	229,517	3,971,633	3,947,721	3,971,633

Three Year Funding Plan





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.

FY 16/17 LIABILITY PROGRAM - TOTAL FUNDING

ISSUE: Based on the information within the FY 16/17 actuarial study, staff has prepared the attached exhibits which show the pooled layer funding requirements at both a 70% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance.

RECOMMENDATION: Staff recommends approving the FY 16/17 liability program total costs with the \$500,000 pooled layer at an 80% confidence level. This would result in an 11% increase over the FY 15/16 program costs.

FISCAL IMPACT: Two funding options are being presented. See the charts below for a comparison. The recommended funding option (80% confidence level and a \$500,000 pooled layer) will result in an 11% increase.

Expense Item	Recommended		
	FY 15/16 70% Confidence Level Discounted \$350,000 SIR	FY 16/17 80% Confidence Level Discounted \$500,000 SIR	FY 16/17 70% Confidence Level Discounted \$500,000 SIR
Actuarial Recommended Estimated Pooled Layer Funding	1,774,778	2,080,362	1,700,777
Claims Administration	15,000	15,000	15,000
General Administration	812,179	812,179	812,179
Excess Insurance	1,230,000	1,353,000	1,353,000
Total Costs:	3,831,957	4,260,541	3,880,956

BACKGROUND: The liability program has historically been funded at an 80% confidence level. However, for the FY 14/15 and FY 15/16 coverage terms, the liability program was funded at a 70% confidence level. This decision was made by the AORMA Committee due to (a) the high level of surplus in the liability program and (b) the choice that the program did not need to grow its surplus. The actual claim payments within FY 14/15 were \$4,696,489 vs. \$1,607,531 in FY 13/14. This has resulted in a significant reduction of the surplus within the liability program. AORMA will be reimbursed for payments in excess of the \$350,000 pooled layer from Genesis; however, reimbursement does not occur until the claim is closed.

Since inception of the reinsurance agreement (\$4,650,000 excess of \$350,000) with Genesis effective July 1, 2010, the liability program has maintained a \$350,000 pooled layer. Due to claims activity within the reinsurance layer, Genesis will most likely insist that the pooled layer be increased to \$500,000 effective July 1, 2016; therefore, the funding recommendations for FY 16/17 are based on a \$500,000 pooled layer.

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

ATTACHMENT(S):

- a. FY 16/17 Liability Program – Total Funding 80% Confidence Level
- b. FY 16/17 Liability Program – Total Funding 70% Confidence Level

DRAFT

80% 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	2,080,362
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	4,260,541
Difference from prior year:	-12.40%	-2.29%	4.84%	4.46%	11.18%

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.

DRAFT

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

FY 16/17 WORKERS’ COMPENSATION PROGRAM – TOTAL FUNDING

ISSUE: Based on the information within the FY 16/17 actuarial study, staff has prepared the attached exhibits which show the pooled layer funding requirements at a 70% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance.

RECOMMENDATION: Staff recommends approving the FY 16/17 workers’ compensation program total costs with the \$500,000 pooled layer option, discounted at a 70% confidence level. This would result in a .59% increase over the FY 15/16 program costs. Staff believes that the CSAC EIA reinsurance pricing for FY 16/17 will be close to the CSURMA actuary’s recommended funding at “discounted expected.” Therefore, the pool will continue to increase surplus while funding at a 70% confidence level.

FISCAL IMPACT: Three pool layer funding options are being presented. See the chart below for a comparison of the FY 15/16 and FY 16/17 funding options.

		Recommended		
Expense Item	FY 15/16	FY 16/17	FY 16/17	FY 16/17
	80% CL	70% CL	80% CL	70% CL
	Discounted	Discounted	Discounted	Undiscounted
	\$500,000 SIR	\$500,000 SIR	\$500,000 SIR	\$500,000 SIR
Actuarial Recommended Estimated Pooled Layer - Funding	3,208,750	3,236,000	3,658,000	3,498,000
Claims Administration	205,000	205,000	205,000	205,000
JPA Program Administration Fee	597,135	597,000	597,000	597,000
Excess Insurance	485,365	485,000	485,000	485,000
Total Expenses:	4,496,250	4,523,000	4,945,000	4,785,000

BACKGROUND: The workers’ compensation program has historically been funded at an 80% confidence level. Beginning January 1, 2015, CSURMA and AORMA entered into an 18 month reinsurance agreement with CSAC EIA. The cost for the reinsurance is lower by over \$1,000,000 from AORMA’s recommended “discounted expected” funding. The reinsurance contract should allow surplus within workers’ compensation program to increase even with funding at a 70% confidence level.

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

ATTACHMENT(S):

- a. FY 16/17 WC Program – Total Funding 80% Confidence Level - Discounted
- b. FY 16/17 WC Program – Total Funding 70% Confidence Level - Undiscounted
- c. FY 16/17 WC Program – Total Funding 70% Confidence Level - Discounted

Draft

80% 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 \$3,658,000	
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	\$4,945,000	
Difference from prior year:	12.40%	5.13%	-0.72%	3.76%	9.98%	
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.95	\$1.03	\$1.04	\$1.08	\$1.22	

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 an 80% confidence level

Draft

70% Confidence Level (Undiscounted)

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 \$3,498,000	
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	\$4,785,000	
Difference from prior year:	12.40%	5.13%	-0.72%	3.76%	6.42%	
Actuarial Recommended Estimated Pooled Layer - Rate	\$0.95	\$1.03	\$1.04	\$1.08	\$1.16	

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 "undiscounted" at a 70% confidence level

Draft

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

FY 16/17 PROPERTY PROGRAM - TOTAL FUNDING

ISSUE: Staff has prepared the attached exhibit which shows the proposed costs for the FY 16/17 Property Program.

RECOMMENDATION: Staff recommends that the Committee approve the FY 16/17 Total Property Program costs of \$2,368,714 which is a 7% increase over the FY 15/16 program costs.

FISCAL IMPACT: The total property program funding of \$2,157,000 includes the following items:

Pooled Layer Funding:.....	\$250,000
Administrative Costs:.....	\$306,000
Excess Insurance Premium:	\$1,812,714
Total Proposed Costs:	\$2,368,714

BACKGROUND: The AORMA Property Program pooled layer has an aggregate limit of \$250,000. Which means the majority of AORMA’s property losses will be capped at the aggregate pooled layer of \$250,000. Staff will ask the Programs Committee to review the Property Program Memorandum of Coverage with regard to the Member deductible. Currently, the Property Program limits the Member’s deductible as follows:

If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

This statement currently does not apply to the Cyber Liability, Pollution Conditions, Flood or Earthquake (fine arts and vehicle coverage only). Staff will ask the Programs Committee to evaluate if the deductible statement above should apply to all property coverages. By changing the deductible statement, the property pool may then be responsible for deductible amounts in excess of the aggregate pool limit of \$250,000.

The Property Program has a fund balance of \$1,695,429. At its meeting in October, the Programs Committee will be asked to (1) review the fund balance against probable additional liabilities to the pool, (2) review recommended changes to the Property Program Memorandum of Coverage, and (3) consider recommending a release of funds back to the Members.

PUBLICATION: The funding option approved by the AORMA Committee will be included in the “September Update Letter” which will be sent to all of the AORMA members. The Budgeting Letter, sent in January, 2016, will include the member’s final property rate.

ATTACHMENT(S):

- a. FY 16/17 Property Program – Total Funding

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)

FY 16/17 CRIME PROGRAM – TOTAL FUNDING

ISSUE: Staff has prepared the attached exhibit which shows the proposed costs for the FY 16/17 Crime Program.

RECOMMENDATION: Staff recommends that the Committee review and approve the FY 16/17 Crime Program costs of \$310,552 which is a 4% increase over the FY 15/16 program costs.

FISCAL IMPACT: The total crime program funding of \$310,552 includes the following items:

Pooled Layer Funding:.....	\$50,000
Administrative Costs:.....	\$31,000
Excess Insurance Premium:	\$229,552
 Total Crime Program Expenses:	 \$310,552

BACKGROUND: The AORMA Crime Program pooled layer has a \$25,000 per claim limit and an aggregate limit of \$100,000. Because of this, AORMA’s crime losses, within the pooled layer, in any one year cannot exceed \$100,000; therefore, an actuarial study is not necessary. Currently, the Crime Program has a fund balance of \$329,070, with one open claim which will reduce the fund balance by a maximum of \$25,000. Therefore, \$50,000 is being proposed for the pooled layer funding in order to maintain a surplus in the program as well as maintaining stable pricing.

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

ATTACHMENT(S):

- a. FY 16/17 Crime Program – Total Funding

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)

POLICY AND PROCEDURE C-1
CRIME PROGRAM MEMBER ALLOCATION FORMULA

ISSUE: Policy and Procedure C-1 – Crime Program Member Allocation Formula has been revised to remove the rate collars.

RECOMMENDATION: The Programs Committee recommends approval of the revisions to Policy and Procedure C-1.

FISCAL IMPACT: None.

BACKGROUND: 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.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy and Procedure C-1 – Crime Program Member Allocation Formula – with recommended revisions



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 collared rate percentage~~
- ~~5. Maximum collared rate percentage~~
- 6.4. Minimum premium schedule
- 7.5. 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 ****

CSURMA AORMA

POLICY & PROCEDURE NO. C-1

1.	\$10,000,000 Payroll	*	.0400 Basic Rate <i>(per \$100 in payroll)</i>	=	\$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

Collared Rates:

- ~~1. Prior year's final rate is multiplied by the **Minimum Collared Rate Percentage**. *Result – minimum collared rate.*~~
- ~~2. Prior year's final rate from the prior year is multiplied by the **Maximum Collared Rate Percentage**. *Result – maximum collared rate.*~~
- ~~3. The basic rate w/ size credit is used if it is greater than the minimum collared rate and less than the maximum collared rate.~~

**** Example ****

1.	.0350 Prior year's final rate	*	85% Minimum Collared Rate Percentage	=	.0298 Minimum Collared Rate
2.	.0350 Prior year's final rate	*	145% Maximum Collared Rate Percentage	=	.0508 Maximum Collared Rate

3.	.0352 > .0298 and .0352 < .0508	=	.0352
	<i>The Basic Rate w/ Size Credit is used if it is greater than the Minimum Collared Rate and less than the Maximum Collared Rate</i>		<i>Basic Rate w/ Size Credit and Collar</i>

Loss Rating:

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

**** Example ****

1.	\$20,000	/	\$17,500	=	114%
	Five Years Paid Claims		Total Premium for Five Prior Years		Loss Ratio
2.	114%			=	20%
	114% Loss Ratio is reviewed against Loss Rating Surcharge Schedule and Surcharge is assigned.				Loss Ratio Surcharge
3.	20%	+	.0352	=	.0422
	Loss Ratio Surcharge		Basic Rate w/ Size Credit and Collar		Final Rate
4.	.0422	*	\$10,000,000	=	\$4,220
	Final Rate		Total FW Payroll		Basic Premium w/ Size Credit, Collars 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, Collars , 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:

- The crime program administrative costs will be divided evenly between all of the crime program members. *Result – member's crime program administrative costs.*
- 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, Collars , 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*.
- ~~4. **Minimum Collared Rate Percentage** – The Minimum Collared Rate Percentage will be approved annually by the Programs Committee. The Minimum Collared Rate Percentage is the maximum rate decrease percentage (compared to the member’s final crime rate for the prior year) that any member can receive.~~
- ~~5. **Maximum Collared Rate Percentage** – The Maximum Collared Rate Percentage will be approved annually by the Programs Committee. The Maximum Collared Rate Percentage is the maximum rate increase percentage (compared to the member’s final crime rate for the prior year) that any member can receive.~~

POLICY AND PROCEDURE P-1
PROPERTY PROGRAM MEMBER ALLOCATION FORMULA

ISSUE: Policy and Procedure P-1 – Property Program Member Allocation Formula has been revised to remove the rate collars.

RECOMMENDATION: The Programs Committee recommends approving the revisions to Policy and Procedure P-1 as presented.

FISCAL IMPACT: None.

BACKGROUND: 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.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy and Procedure P-1 – Property Program Member Allocation Formula – with recommended revisions



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 collared rate percentage~~
- ~~5. Maximum collared rate percentage~~
- 6.4. Minimum premium
- 7.5. Loss ratio surcharge schedule

PROPERTY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

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

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

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

**** Example ****

1.	\$50,000,000 RP/BI TIV	*	.2000 RP/BI Rate <i>(per \$100 in TIV)</i>	=	\$100,000 RP/BI Basic Premium
2.	\$25,000,000 BPP TIV	*	.2400 BPP Rate <i>(per \$100 in TIV)</i>	=	\$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 <i>(per \$100 in TIV)</i>

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	=	.19620 Basic Rate w/ Size Credit

Collared Rates:

1. ~~Prior year's final rate is multiplied by the **Minimum Collared Rate Percentage**. *Result – minimum collared rate.*~~
2. ~~Prior year's final rate from the prior year is multiplied by the **Maximum Collared Rate Percentage**. *Result – maximum collared rate.*~~
3. ~~The basic rate w/ size credit is used if it is greater than the minimum collared rate and less than the maximum collared rate.~~

**** Example ****

1.	.2172 Prior year's final rate	*	90% Minimum Collared Rate Percentage	=	.1955 Minimum Collared Rate
2.	.2172 Prior year's final rate	*	120% Maximum Collared Rate Percentage	=	.2606 Maximum Collared Rate
3.	.1962 > .1955 and .1962 < .2606 The Basic Rate w/ Size Credit is used if it is greater than the Minimum Collared Rate and less than the Maximum Collared Rate			=	.1962 Basic Rate w/ Size Credit and Collar

Loss Rating:

1. Five years paid claims (minus deductible) is divided by total premium for five prior years. *Result – loss ratio.*
2. Member's five-year loss ratio is reviewed against loss ratio surcharge schedule. *Result – loss ratio surcharge is assigned.*
3. Basic rate w/ size credit ~~and collar~~ 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	+	.19603 Basic Rate w/ Size Credit and Collar	=	.205860 Final Rate
4.	.205860 Final Rate <u>(per \$100 in TIV)</u>	*	\$75,000,000 Total TIV	=	\$154,500350 Final Premium



<u>Loss Ratio Surcharge Schedule</u>		
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	>	\$600	=	\$154,500
	If the Final Premium is greater than the minimum premium, use the Final Premium				Final Premium

DEFINITIONS:

1. **RP/BI - Real Property, Business Interruption and Rental Value Basic Rate** – This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year.
2. **BPP – Business Personal Property Basic Rate** - This rate will be approved annually by the Programs Committee. It may increase or decrease depending the total property program funding required for the upcoming fiscal year. This rate will be 20% higher than the Real Property, Business Interruption and Rental Value Basic Rate.
3. **Maximum Premium for Calculating Size Credit** – The Maximum Premium for Calculating the Size Credit dollar amount will be approved annually by the Programs Committee. The Maximum Premium for Calculating Size Credit is used to calculate each member’s size credit. The member’s basic premium is divided by the Maximum Premium for Calculating Size Credit, as an example - $\$300,000$ (member’s basic premium) / $\$600,000$ (Maximum Premium for Calculating Size Credit) = 50% (member’s percentage of size credit). This member would be subject to 50% of the total **Size Credit Percentage**.
4. **Size Credit Percentage** – The Size Credit Percentage will be approved annually by the Programs Committee. The Size Credit Percentage represents the maximum size credit available to any one member. As an example – 50% (member’s percentage of size credit) * 30% (Size Credit Percentage) = 15% member’s size credit.



~~5. **Minimum Collared Rate Percentage**—The Minimum Collared Rate Percentage will be approved annually by the Programs Committee. The Minimum Collared Rate Percentage is the maximum rate decrease percentage (compared to the member’s final property rate for the prior year) that any member can receive.~~

~~**Maximum Collared Rate Percentage**—The Maximum Collared Rate Percentage will be approved annually by the Programs Committee. The Maximum Collared Rate Percentage is the maximum rate increase percentage (compared to the member’s final property rate for the prior year) that any member can receive.~~

POLICY AND PROCEDURE W-1
WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA

ISSUE: Policy and Procedure W-1 – Workers' Compensation Member Allocation Formula has been revised to accurately describe the current member allocation formula.

RECOMMENDATION: The Programs Committee recommends approval of the revisions to Policy and Procedure W-1.

FISCAL IMPACT: None.

BACKGROUND: Policy and Procedure W-1 has been revised as follows:

1. The PURPOSE section was rephrased. The intent remains the same.
2. A PROCEDURE and ALLOCATION FORMULA sections were 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.
3. The ANNUAL PAYROLL AUDIT section was rephrased. The intent remains the same.
4. A DEFINITIONS section was added.
5. 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.
6. A definition for Experience Modification Factor (EMF) was added. The actuary uses the published WCIRB formula. A definition of EMF states that, "the actuary will determine each member's experience modification factor based on the 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 to include a normalization factor and will balance the EMF's to 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.

7. A definition of Total Program Funding was included.
8. The basic deposit overview was deleted and replaced with the detailed PROCEDURE and ALLOCATION FORMULA sections.
9. 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. A copy of the formula is attached to this item for review.
10. Item 4 – Adjustments to reflect experience modification on funding – was removed because that factor, the “normalization factor” is described in the new definition of Experience Modification Factor.
11. Item 5 – Administrative Costs – was removed because that is now included in the definition of Total Program Funding.
12. Item 6 – Deposit Adjustments – was removed because rate or premium collars are no longer part of the Member Allocation Formula.
13. 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.
14. 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.

PUBLICATION: The Policy and Procedure will be uploaded onto the CSURMA website once it is finalized and approved.

ATTACHMENT(S):

- a. Policy and Procedure W-1 (Revised)
- b. WCIRB Experience Rating Formula

CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT:	WORKERS' COMPENSATION DEPOSIT DEVELOPMENT PLAN <u>MEMBER ALLOCATION</u> <u>FORMULA</u>
ADOPTED:	MAY 15, 2008
EFFECTIVE:	MAY 15, 2008
AMENDED:	DECEMBER 8, 2009 <u>SEPTEMBER 10, 2015</u>

PURPOSE:

It shall be the policy of the CSURMA Auxiliary Organizations Risk Management ~~Authority Alliance (AORMA)~~ to determine each member's allocation of the workers' compensation Total Program Funding ~~workers' compensation Deposit Development as outlined in the method outlined in the following procedure~~ 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:

- The member's **Experience Modification Factor** is applied separately to each of the **AORMA Basic Rates**. *Result – Member's modified rates.*
- 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.*



California State University Risk Management Authority
 Auxiliary Organizations Risk Management Alliance

**** 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:

~~Deposit Audit Adjustment~~—The Member's final payroll separated by AORMA class code classifications will be audited 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. ~~and~~ The Members 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:

1. **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

- 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 ~~off-balance~~normalization factor and capped at a maximum change of +/- 15% from the prior (~~balanced~~normalized) Experience Modification Factor.
- 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.

~~Deposits: — AORMA will collect a deposit from each member each year. The deposits will provide funds to pay claims, if necessary and also to pay excess insurance and administrative expenses. The deposits will be credited with investment income at the rate earned on the Authority's investments.~~

~~Deposits for each member for each year are determined by the Board. New deposits will be based upon the AORMA Classification Code Loss Rates adjusted to meet the overall claims funding determined by an actuarial study plus the cost of excess insurance, and adjusted by the Members’ experience modification factor. Administrative costs will be allocated based on each Members’ % of unmodified premium.~~

~~Each member's experience modification will be determined on the basis of the most recent California Workers’ Compensation Experience Rating Plan.~~

WORKERS' COMPENSATION DEPOSIT DEVELOPMENT PLAN

~~Each member's share of deposit will depend on its payroll per the selected AORMA Classification Codes and its Experience Modification.~~

~~A member's Experience Modification reflects its own loss experience to the extent it is credible. To the extent that the member's own experience is not credible (small size), the Experience Modification reflects the expected experience for the AORMA classification code.~~

~~Elements of the Plan:~~

- ~~1. Reported Workers' Compensation Losses — Member's share of past paid losses and case~~

reserves incurred in the prior five full coverage years.

2. ~~Deposit Basis (Pure Premium)~~ Member's deposit basis is determined using the ~~AORMA Classification Codes~~ payrolls divided by 100 and multiplied by the ~~AORMA Pure Premium rates~~. Those pure premium rates are then modified to meet the actuarially determined funding at the selected confidence level plus excess insurance.
3. ~~Experience Modification~~ Each Member's deposit basis is then modified by the experience modification. ~~AORMA currently uses the WCIRB Experience Rating Plan.~~ The experience modification is determined from the following formula:
 - a. ~~If losses are below \$21,000 then the following formula applies:~~

$$H / I$$
 Where $H = (A + B + F / G + B)$ and $I = (A + B + F / E + B + F)$
 - b. ~~If losses are above \$21,000 then the following formula applies:~~

$$J / K$$
 Where $J = (A + B + (C * D) + ((1 - C) * F) / (G + B)$ and

$$K = (A + B + (C * D) + ((1 - C) * F) / (E + B + (C * F) + ((1 - C) * F))$$

~~A = Actual Losses below \$21,000~~

~~B = The B Stabilizing Number from WCIRB Experience Rating Table III.~~
This number limits the effect of a single severe accident.

~~C = A specified % for each Member from the WCIRB Experience Rating Table III.~~ For losses excess of \$21,000, only a certain % of that loss is counted towards the experience modification. For example, if there is a loss of \$50,000, then only 11% of that loss is counted in the calculation.

~~D = Total actual losses less losses below \$21,000.~~

~~E = Primary expected losses determined from the WCIRB expected loss rate per AORMA classification code and adjusted by the primary adjustment factor per class code from the WCIRB Experience Rating Table II.~~

~~F = Expected losses less the primary expected losses.~~

~~G = Total Expected Losses.~~
4. ~~Adjustments to reflect experience modification on funding.~~ The deposit basis is finally adjusted to reflect the impact of the members' experience modifications so that total funding maintains the necessary approved actuarial funding and cost of excess insurance.
5. ~~Administrative Costs.~~ The Administrative Costs are allocated on the basis of the Members' % share of unmodified premium.

~~6. Deposit Adjustments. The Workers' Compensation Committee reserves the ability to apply a minimum and maximum % change from the prior year deposits.~~

~~**Plan Fund Adjustment** -- In accordance with Policy and Procedure A-4 -- AORMA Dividend/Assessment Policy, the plan fund adjustments are calculated annually and presented to the Board of Directors. Members eligible for a refund can apply the refund to the next year's Workers' Compensation Annual Deposit thereby reducing the amount due.~~



Published on *WCIRB California* (<http://www.wcirb.com>)

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> Experience Rating Form

California's Experience Rating System

- Experience Rating
- Unit Statistical Reports
- Experience Period
- Determining Eligibility
- Experience Modification
- Experience Rating Form
- Heading
- Payroll & Expected Losses
- Claims & Actual Losses
- Rating Procedure

Experience Rating Form

If a business is experience rated, a completed Experience Rating Form (also referred to as an Experience Rating Worksheet) is provided to its insurer when a policy is written. A completed Experience Rating Form provides detailed information about the classification codes assigned to a policy by the WCIRB, the payroll reported for each of those classifications, summaries of claims amounts, and the [experience modification](#) [1]. Typically, copies of this form are available by contacting your insurer or insurance professional. A policyholder may obtain a copy of its experience rating form once per year at no cost. (See [Experience Rating Worksheet Request](#) [2] for details.) Obtaining an Experience Rating Form is the best way for a company to see the data that the WCIRB has on file.

Click on a number in the image below to read more about that section of the Experience Rating Form.

Please note: The sample data in the form below is intended for demonstration purposes only and should not be deemed as accurate.



Workers' Compensation Experience Rating Form

ROBOTECH INC (A CORP), ECRU INDUSTRIES (A CORP),
AUTOPAINT INC (A CORP), CALIFORNIA AUTO BODY (DBA)

123456 PACIFIC COAST HWY, STE 300
NEW TOWN, CA 99999

1 *8393 AUTOMOBILE OR AUTOMOBILE TRUCK BODY
AND FENDER REPAIRING AND PAINTING

2 Bureau Number 3-45-67-89 Page 1 of 1
3 Effective Date **01/01/2012**
 Issue Date 12/01/2011
 Experience Modification **111%**
 Insurer California Workers' Comp Insurance Co.
 Insurer Group Workers' Comp Insurance Group of CA
4 Policy Number AB1234567 8
 Issuing Office Los Angeles
 Experience Period* 04/01/2007 to 04/01/2010

Summary of Payroll and Expected Losses

Class Code	Payroll	Expected Loss Rate per \$100 Payroll	Expected Losses	D-Ratio	Expected Primary Losses	Expected Excess Losses
Insurer: 12345 Policy Period: 01/01/2010 to 12/31/2010						
8393	1,956,852	1.71	33,462	0.17	5,689	27,774
8742	434,366	0.20	869	0.22	191	678
8810	258,384	0.19	491	0.23	113	378
Totals	2,649,602		34,822		5,993	28,829

Summary of Claims and Actual Losses

Claim Number	Injury Type*/# of Claims	Open/Closed	Actual Losses	Actual Primary Losses	Actual Excess Losses
Insurer: 12345 Policy Period: 01/01/2009 to 12/31/2009					
1148593	04	Closed	41,677	7,000	34,677
1213843	05	Open	7,147	7,000	147
1271125	05	Open	6,522	6,522	
Under \$2,001	2	Open	108	108	
Totals	5		55,454	20,630	34,824

Insurer: 12345 Policy Period: 01/01/2009 to 12/31/2009						
8393	2,154,384	1.71	36,840	0.17	6,263	30,577
8742	433,976	0.20	868	0.22	191	677
8810	356,888	0.19	678	0.23	156	522
Totals	2,945,248		38,386		6,610	31,776

Insurer: 12345 Policy Period: 01/01/2008 to 12/31/2008					
1026143	06	Closed	2,092	2,092	
SL185786	01	Open	2,500	2,500	
Totals	2		4,592	4,592	

Insurer: 12345 Policy Period: 01/01/2008 to 12/31/2008						
8393	2,052,365	1.71	35,095	0.17	5,966	29,129
8742	433,052	0.20	866	0.22	191	676
8810	213,717	0.19	406	0.23	93	313
Totals	2,699,639		36,368		6,250	30,117

Insurer: 12345 Policy Period: 01/01/2007 to 04/01/2010					
SA610554	02	Open	3,546	3,546	
SJ608042	05	Closed	29,654	7,000	22,654
SL187209	04	Open	2,000	2,000	
Totals	3		35,200	12,546	22,654

Experience Period Totals	Expected Losses (A)	Expected Primary Losses (B)	Expected Excess Losses (C)	# of Claims	Actual Losses (D)	Actual Primary Losses (E)	Actual Excess Losses (F)
19	109,575	18,852	90,723	10	95,246	37,768	57,478

Credible Primary Loss

$$\left(\frac{\text{Total Actual Primary Losses (D)}}{\text{Credibility Primary}} \right) + \left(\frac{\text{Total Expected Primary Losses (B)} \times (1 - \text{Credibility Primary})}{\text{Credibility Primary}} \right) = \text{Credible Primary Loss (20)}$$

Credible Excess Loss

$$\left(\frac{\text{Total Actual Excess Losses (E)}}{\text{Credibility Excess}} \right) + \left(\frac{\text{Total Expected Excess Losses (C)} \times (1 - \text{Credibility Excess})}{\text{Credibility Excess}} \right) = \text{Credible Excess Loss (21)}$$

Loss-Free Rating: 67% **24**

23 Experience Modification **111%**

* Not physically inspected
(S) Subrogation; (J) Joint Claim; (P) Partially Fraudulent, if any

The worksheet is divided into the following sections:

- [Heading](#)
- [Summary of Payroll and Expected Losses](#)

- [Summary of Claims and Actual Losses](#)
- [Experience Rating Procedure](#)

Heading

This section of the Experience Rating Form contains the information necessary to identify the employer, the insurer and policy, and other information pertinent to the application of the experience modification.

1. Bureau Assigned Classifications

Appearing below the company name and address are the classifications (other than 8810, *Clerical Office Employees*, and 8742, *Salespersons-outside*) that have been assigned to the company by the WCIRB.

2. Effective Date

The effective date of the [experience modification](#) [1] will normally correspond with the effective date of the policy. If, however, the employer's policies have not incepted on the same day every year or if a correction to an experience modification has been issued, or the operations are covered by more than one policy with different coverage dates, the effective date may differ from the policy inception date.

3. Issue Date

This is the date that the worksheet was originally released by the WCIRB to the insurance company.

4. Insurer and Policy Information

The worksheet shows the insurer, insurer group, policy number and issuing office.

Summary of Payroll and Expected Losses

5. Policy Information

Payroll and loss information on the worksheet is grouped by policy. The insurer code for the insurer who wrote the policy and the policy year is shown above the payroll and claims information for that policy. For information about the insurer codes used by the WCIRB, see [WCIRB Insurer Codes](#) [3].

6. Classification Code(s)

The classifications listed on the Experience Rating Form represent the operations of the business during the experience period.

7. Payroll

The worksheet shows the payroll by classification code, reported for policies beginning within the experience period. Payroll is associated with the year in which your policy began, not necessarily the year in which it was paid. For example, for a policy that is in effect from December 31, 2011 to December 31, 2012, the payroll is reported for 2011, even though most of the payroll is earned in 2012.

8. Expected Loss Rate

The Expected Loss Rate reflects the anticipated average cost of benefits, per \$100 of payroll, for a classification during the experience period. Expected Loss Rates are subject to change yearly. For example, the 2011 Expected Loss Rate for Classification 3632, *Machine Shops*, is \$1.52. In other words, for every \$100 of payroll, the average cost of benefits resulting from workplace injuries assigned to Classification 3632 during the experience period was \$1.52. The Expected Loss Rates can be found in the [Publications and Filings](#) [4] section of the WCIRB website.

9. Expected Losses

Expected Losses are determined by multiplying total payroll (per \$100) for each classification by the Expected Loss Rate. This amount reflects an estimate of the cost of losses expected to arise during the experience period for your company based on the payroll reported for each classification.

10. D-Ratio

The Discount Ratio (D-Ratio) is the mechanism used to divide Expected Losses into Primary and Excess amounts. See "Expected Primary Losses" below. The difference between the D-Ratio for each classification reflects differences in the severity of claims by classification. In other words, the severity of the average claim for some classifications is significantly higher (indicating a more severe injury) than that of the average claim found in other classifications. The D-Ratios is subject to change yearly. D-Ratios can be found in the [Publications and Filings](#) [4] section of the WCIRB website.

11. Expected Primary Losses

Expected Primary Losses are determined by multiplying the Expected Losses for a classification by the D-Ratio for the classification. Primary Expected Losses are totaled for all classifications and the difference between the Total Expected Losses and the Primary Expected Losses is the Expected Excess amount.

12. Expected Excess

The Expected Excess is the difference between the total Expected Losses and the total Primary Expected Losses. This number represents average excess losses expected for similar-sized employers within your classification.

Summary of Claims and Actual Losses

13. Claim Number

This column shows the claim number(s) reported by the insurer. Claims under \$2,001 are usually grouped together to save space on the form. If claims are grouped, the number in the Injury Type/# of Claims column will show the number of claims that have been grouped.

14. Injury Type/# of Claims

This column shows the injury type codes assigned and reported by the insurer. This detail does not affect the experience modification calculation; it is for informational purposes only. Injury type codes are found in Part 4, Section V, B. *Loss Data Elements*, Rule 3 of the [California Workers' Compensation Uniform Statistical Reporting Plan - 1995](#) [5].

1. Death
2. Permanent Total Disability
3. Permanent Partial Disability (Permanent Disability Greater than 25%)
4. Permanent Partial Disability (Permanent Disability Less than 25%)
5. Temporary Total or Temporary Partial Disability
6. Medical Only Claim
7. Contract Medical or Hospital Allowances
8. Compromised Death or "S" Claim

15. Open/Closed

This column indicates whether or not the claim was reported as Open or Closed when the claim was last valued. This detail does not affect the calculation. It is for informational purposes only.

16. Actual Losses

Actual Losses shows the total claims value (medical and indemnity) as of the last valuation date. For information about claim valuation dates, see [Unit Statistical Reports](#) [6]. Actual Losses are totaled for all claims.

17. Actual Primary Losses

The first \$7,000 of a claim's value is the Actual Primary Loss amount. (Any remaining amount is Excess.) Claims under \$2,001 are grouped together to save space on the form. Actual Primary Losses are totaled and this figure is subtracted from the Actual Losses to determine the Actual Excess amount.

18. Actual Excess Losses

Actual Excess Losses is the difference between the Actual Losses and the Actual Primary Losses. Actual Excess amounts represent the portion of your claims that exceed the Actual Primary Losses.

19. Experience Period Totals

Various expected and actual loss columns are totaled. These amounts represent the totals for the experience period and will be used in the experience modification calculation.

20. Experience Rating Procedure

The bottom portion of the worksheet shows the experience rating formula with each of the values necessary to complete the calculation. For multi-page worksheets, the calculation is shown only on the final page.

21. Credibility Primary

The weight given to Actual Primary Losses in the experience modification calculation. It is a function of Total Expected Losses and is subject to change yearly. Credibility Primary values can be found in the [Publications and Filings](#) [4] section of the WCIRB website.

22. Credibility Excess

The weight given to Actual Excess Losses in the experience modification calculation. It is a function of Total Expected Losses and is subject to change yearly. Credibility Excess values can be found in the [Publications and Filings](#) [4] section of the WCIRB website.

23. Experience Modification

This is the experience modification that is the product of the experience rating calculation shown on the form. It is effective as of the Effective Date shown at the top of the worksheet.

24. Loss-Free Rating

The Loss-Free Rating is the experience modification that would have been calculated if \$0 (zero) actual losses were incurred during the experience period. This hypothetical rating calculation is provided for informational purposes only.

Source URL: <http://www.wcirb.com/guide-to-workers-compensation/experience-rating/experience-rating-wksheet>

Links:

- [1] <http://www.wcirb.com/guide-to-workers-compensation/experience-rating/experience-modification>
- [2] <http://www.wcirb.com/ratesheet>
- [3] <http://www.wcirb.com/document/474>
- [4] <http://www.wcirb.com/publications-and-filings/rate-filings>
- [5] <http://www.wcirb.com/document/123>
- [6] <http://www.wcirb.com/guide-to-workers-compensation/experience-rating/usr>

2016 AOA CONFERENCE SPONSORSHIP AMOUNT AND ATTENDEES

ISSUE: The annual Auxiliary Organizations Association (AOA) Conference will be held February 10 - 13, 2016 in Sacramento, CA. The AORMA Committee will be asked to approve sponsorship of the 2016 conference. CSURMA provided sponsorship in the amount of \$20,000 for the 2015 conference. CSURMA will receive six free conference registrations with a sponsorship amount of \$15,000 or more.

The AORMA Committee decided at its meeting on September 11, 2014, that going forward, that four free AOA registrations would be given to the AORMA officers and two to Systemwide Risk Management.

RECOMMENDATION: It is recommended that the Committee review AORMA's participation in the upcoming AOA Conference and provide direction to Staff with regard to the amount of sponsorship.

FISCAL IMPACT: Noted below are the historical sponsorship amounts.

2015.....	\$20,000
2014.....	\$20,000
2013.....	\$18,000
2012.....	\$15,000
2011.....	\$15,000

BACKGROUND: The AOA conference is a great opportunity for the AORMA Committee to remind the membership of the many ways they have benefited by joining the program. The conference is also a good venue for providing risk management training to a large number of its members at one time.

PUBLICATION: None.

ATTACHMENTS: None.

CSURMA AORMA 2015 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 – 2015 Meeting Calendar

2015 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2015		FEBRUARY, 2015		MARCH, 2015	
12	AIME: Northridge: 10:30 a.m.	8	EC: Pasadena: 3:00 p.m.	19	AORMA: Newport Beach: 10:00 a.m.
		8	MSLCTC: Pasadena: 4:30 p.m.	19	EC: Newport Beach: 2:30 p.m.
		8-11	AOA Conference: Pasadena	20	EC LRP: Newport Beach: 8:00 a.m.
		26	PC: Teleconference: 1:00 p.m.		
APRIL, 2015		MAY, 2015		JUNE, 2015	
20	MSLCTC: Teleconference: 10:00 a.m.	7	AORMA: Long Beach; 10:00 a.m	25	PC: Teleconference: 1:00 p.m.
23	BOD Orientation: Teleconference: 2:00 p.m.	8	EC: Long Beach: 8:00 a.m	29	MSLCTC: Teleconference: 10:00 a.m.
27	BOD: San Diego: 4:00 p.m.	14	BOD Orientation: Teleconference: 10:30 a.m		
28-29	Fitting the Pieces Conference: San Diego	18	AIME: TBD — 10:30 a.m.		
		27	AIME: Sacramento; 10:00 a.m.		

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AIME = Athletic Injury Medical Expense Committee	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

2015 CSURMA • AORMA MEETING CALENDAR

JULY, 2015	AUGUST, 2015	SEPTEMBER, 2015
7-8 AORMA Officers Retreat, San Francisco		9 AORMA New Member Orientation: 9:00am 9 AORMA LRP: Sacramento : 10:00 a.m. 10 AORMA: Sacramento : 9:00 a.m. 10 EC Orientation: Sacramento : 4:00 pm 11 EC: Sacramento : 8:30 a.m.
OCTOBER, 2015	NOVEMBER, 2015	DECEMBER, 2015
1 PC: Teleconference: 1:00 p.m. 5 MSLCTC: Teleconference: 10:00 a.m. 22 AORMA: Long Beach: 10:00 a.m. 22 BOD Orientation: Teleconference: 2:00 p.m. 23 EC: Long Beach: 9:00 a.m. 23 BOD: Long Beach: 10:30 a.m.	TBD AIME: TBD; 10:30 a.m.	3 AORMA: Long Beach: 10:00 a.m. 4 EC: Long Beach: 8:30 a.m. 10 PC: Teleconference: 1:00 p.m.

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AIME = Athletic Injury Medical Expense Committee	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
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CSURMA AORMA PROGRAM ADMINISTRATOR CONTACT LISTS

ISSUE: Staff includes an updated AORMA Program Administrator contact list in each agenda.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Program Administrator - Contact List
- b. Claims Reporting Contacts

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
JPA Program Administrator – Alliant Insurance Services, Inc.				
Certificate of Insurance Requests	Hsan Htein Van Rin	hhhtein@alliant.com vrin@alliant.com	415-403-1452 415-403-1408	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Hsan Htein Daniel Howell	rleong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Hsan Htein Daniel Howell Melissa Diaz	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com mdiaz@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426 415-403-1444	415-874-4810 415-874-4810 415-874-4810 415-874-4810 415-874-4810
Inland Marine	Van Rin Hsan Htein Mimi Long	vrin@alliant.com hhhtein@alliant.com mlong@alliant.com	415-403-1408 415-403-1452 415-403-1423	415-874-4810 415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Special Events Insurance	Van Rin	vrin@alliant.com	415-403-1408	415-874-4810
Foreign Travel Program	Stacey Weeks Van Rin	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
General Risk Management Questions	Mimi Long Van Rin Hsan Htein Daniel Howell	mlong@alliant.com vrin@alliant.com hhhtein@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1452 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
Workers' Compensation Claims Consultant	Jacki Graf	jgraf@alliant.com	415-403-1438	415-874-4810
Alliant Claims Consulting	Robert Frey Diana Walizada Michelle Maffei Martin Fox-Foster Elaine Kim	rfrey@alliant.com dwalizada@alliant.com mmaffei@alliant.com martin.fox-foster@alliant.com ekim@alliant.com	415-403-1445 415-403-1453 415-403-1418 415-403-1417 415-403-1458	415-403-1466 415-403-1466 415-403-1466 415-403-1466 415-403-1466
Form 700	Tevea Him	thim@alliant.com	415-403-1416	415-402-0773
Website and Technology Questions	Melissa Diaz Myron Leavell	mdiaz@alliant.com mleavell@alliant.com	415-403-1444 415-403-1404	415-874-4810 415-874-4810

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
CSU Chancellor's Office				
CSU Chancellor's Office	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Rebecca Skidmore	rskidmore@calstate.edu	562-951-4574	562-951-4859
	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Alice Kim	akim@calstate.edu	562-951-4627	562-951-4865
	Kelly Cox	kcox@calstate.edu	562-951-4611	562-951-4865
	Mandy Wong	mwong@calstate.edu	562-951-4578	562-951-4865
	Rima Tanuwidjaja	rtanuwidjaja@calstate.edu	562-951-4621	562-951-4856
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	William Hsu	whsu@calstate.edu	562-951-4500	562-951-4956
	Steve Relyea	srelya@calstate.edu	562-951-4600	562-951-4971
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
Michael Clements	mclements@calstate.edu	562-951-4091		

Loss Control Consultants – Alliant Risk Control

Alliant Risk Control Consulting	Brent Escoubas	bescoubas@alliant.com	949-260-5013	
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Online Training - TargetSolutions

Business Manager	Kelly Zielinski	kelly.zielinski@targetsolutions.com	858-683-7229	858-487-8762
	Jennifer Jones (<i>while Kelly is out on maternity leave</i>)	jennifer.jones@targetsolutions.com	858-376-1632	858-487-8762
Account Manager	Ashley Cole	ashley.cole@targetsolutions.com	858-638-7176	
	Clair Miller	claire.miller@targetsolutions.com	858-976-1629	

Unemployment Insurance Claims Administrator – Employers Edge

Client Services	Angie Hansen	ahansen@employersedge.com	720-891-4900 x116	720-420-7356
Unemployment Claims Operations, Claim Specialist	Reina Gonzales	rgonzales@employersedge.com	720-891-4900 x139	720-420-7390
Tax Analyst	Larry Blankenship	lblankenship@employersedge.com	720-891-4900 x108	720-420-7430
Appellate Level	Jen Venable Jamie Clark	jvenable@employersedge.com jclark@employersedge.com	720-891-4900 x114 720-891-4900 x122	720-420-7354 720-420-7396
Account Management	Steve Bell	sbell@employersedge.com	720-891-4900 x101	720-420-7431

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
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Human Resources Consulting – Employers Group

Helpline	Mark Nelson Kimberly Nwamanna	mnelson@employersgroup.com knwamanna@employersgroup.com	213-765-3952 213-765-3982	
Client Service	Bill Stephens	bstephens@employersgroup.com	805-807-9922	213-226-0216
Reference Library	Robert Campbell	rcampbell@employersgroup.com	800-748-8484 Ext. 3430	
Unemployment Questions	Mark Nelson	mnelson@employersgroup.com	213-765-3952	
Affirmative Action Plans	Suzanne Oliva	soliva@employersgroup.com	213-765-3918	
Leave Management	Kimberly Nwamanna	knwamanna@employersgroup.com	213-765-3982	
Research and Surveys	Juan Garcia	kgarcia@employersgroup.com	213-765-3969	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	



LIABILITY – CLAIMS REPORTING CONTACT

In the event of a loss, please contact:

Mauri McGuire
Carl Warren & Company
P.O. Box 7059
Ventura, CA 93006

E-mail: mmcguire@carlwarren.com
Tel: 805-650-7020 ext. 1003
Fax: 805-658-9950

Express Mail:
Carl Warren & Company
1000 South Hill Road, Suite 215
Ventura, CA 93003



POLLUTION – CLAIMS REPORTING CONTACT

(All pollution incidents must be reported within **seven days of discovery)**

Report the incident immediately to:

ACE Environmental Risk
casualtyriskenvironmental@acegroup.com
888-310-9553

AND:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Tel: 877-725-7695
Fax: 415-403-1466

OR

Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Michelle Maffei, Sr. Claims Advocate
Alliant Insurance Services, Inc.
E-mail: mmaffei@alliant.com
Tel: 415-403-1418
Fax: 415-403-1466
Cell: 415-693-8864

OR

Martin Fox-Foster, Sr. Claims Advocate
Alliant Insurance Services, Inc.
E-mail: martin.fox-foster@alliant.com
Tel: 415-403-1417
Fax: 415-403-1466
Cell: 415-755-0405

After hours claims reporting number

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



CYBER LIABILITY – CLAIMS REPORTING CONTACT

Report the incident immediately to:

Beazley Group
1270 Avenue of the America's, Suite 1200
New York, NY 10020

bbr.claims@beazley.com
Tel: 646-943-5900
Fax: 546-378-4039

AND COPY TO:

Elaine Kim, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

OR Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Martin Fox-Foster, Sr. Claims Advocate
Alliant Insurance Services, Inc.
E-mail: martin.fox-foster@alliant.com
Tel: 415-403-1417
Fax: 415-403-1466
Cell: 415-755-0405

After hours claims reporting number

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine Kim, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

OR Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR:

After hours claims reporting number:

Robert Frey, First Vice President
Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



AUTO PHYSICAL DAMAGE (APD) CLAIMS REPORTING CONTACT

Report the incident immediately to:

Elaine Kim, Claims Advocate
Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

OR Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR:

After hours claims reporting number:

Robert Frey, First Vice President
Alliant Insurance Services, Inc.

E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



PROPERTY / BOILER & MACHINERY CLAIMS REPORTING CONTRACT

Report the incident immediately to Toll Free 877-725-7695:

OR

Diana Walizada, Claims Unit Manager

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: dwalizada@alliant.com
Tel: 415-403-1453
Fax: 415-403-1466
Cell: 415-693-8714

OR

Michelle Maffei, Sr. Claims Advocate

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: mmaffei@alliant.com
Tel: 415-403-1418
Fax: 415-403-1466
Cell: 415-693-8864

OR

Martin Fox-Foster, Sr. Claims Advocate

Alliant Insurance Services, Inc.
E-mail: martin.fox-foster@alliant.com
Tel: 415-403-1417
Fax: 415-403-1466
Cell: 415-755-0405

OR

Elaine Kim, Claims Advocate

Alliant Insurance Services, Inc.
E-mail: ekim@alliant.com
Tel: 415-403-1458
Fax: 415-403-1466
Cell: 415-609-2133

AND COPY TO:

Cathryn O'Meara

McLaren's
1301 Dove Street, Suite 200
Newport Beach, CA 92660
cathryn.omeara@mclarens.com
Tel: 949-757-1413
Fax: 949-757-1692

After hours claims reporting number:

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490



WORKERS' COMPENSATION – CLAIMS REPORTING CONTACT

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

Brian Montagnese - Supervisor
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: brian.montagnese@sedgwickcms.com
Tel: 916-636-4441
Fax: 916-851-8079

YOUR CLAIM WILL BE ASSIGNED TO EITHER:

Katie Brandt, Adjuster
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: katie.brant@sedgwickcms.com
Tel: 916-636-4451
Fax: 916-851-8079

OR:

Biba Olson, Claims Assistant
Sedgwick CMS
P.O. Box 14629
Lexington, KY 40512-4629

E-mail: biba.olson@sedgwickcms.com
Tel: 916-636-4446
Fax: 916-851-8079



PARTICIPANT ACCIDENT INSURANCE (PAI)

In the event of a Participant Accident Insurance (PAI) claim, *please forward the completed HSR claim form directly to:*

Health Special Risk, Inc.

HSR Plaza II
4100 Medical Parkway
Carrollton, TX 75007

E-mail: CSRM@hsri.com
Tel: 972-512-5600
Fax: 972-512-5820
Tel Toll Free: 866-523-3186



UNEMPLOYMENT INSURANCE PROGRAM (UIP)

For Unemployment Insurance Program (UIP) claim, please contact Employers Edge directly at:

Reina Gonzales, Claim Specialist

Employers Edge
P.O. Box 351567
Westminister, CO 80035

Email: rgonzales@employersedge.com

Tel: (720) 891-4900 x139

Steve Bell, Account Management

Employers Edge
P.O. Box 351567
Westminister, CO 80035

Email: s.bell@employersedge.com

Tel: (720) 891-4900 x101

AORMA TRAVEL REIMBURSEMENT POLICY

ISSUE: Reasonable expenses associated with your travel to and from this meeting are reimbursable by CSURMA. Attached for your review is Policy & Procedure A-7 – CSURMA AORMA Travel Reimbursement Policy.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

BACKGROUND: Please contact Mimi Long should you have any questions regarding your travel expenses.

PUBLICATION: None.

ATTACHMENT(S):

- a. Policy & Procedure A-7 – CSURMA AORMA Travel Reimbursement Policy



CSURMA AORMA

POLICY AND PROCEDURE NO. A-7

SUBJECT: CSURMA AORMA TRAVEL REIMBURSEMENT
POLICY

ADOPTED: MARCH 21, 2013

AMENDED: MARCH 19, 2015

EFFECTIVE: MARCH 21, 2013

PURPOSE:

CSURMA AORMA members benefit from the work of their elected and appointed representatives who give their time to participate in the governance and development of CSURMA programs. Committee Member in person attendance at the AORMA Committee, standing committee meetings and task group meetings is preferred. This Policy and Procedure is intended to formalize the prior existing practices of CSURMA.

POLICY:

It is the policy of the CSURMA AORMA Committee that reasonable and actual expenses incurred by AUTHORIZED TRAVELERS for COVERED PURPOSES related to operation of CSURMA's programs shall be reimbursed. The method of approving travel, and reporting and calculating the reimbursable amount shall be in accordance with the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization at the time of the travel.

PROCEDURE:

1. Reimbursement requests will be reported on the AUTHORIZED TRAVELER's completed State of California – Travel Expense Claim form or the form utilized by the AUTHORIZED TRAVELER's member auxiliary organization. The claim form should be forwarded to the AUTHORIZED TRAVELER's member auxiliary organization accounting department for reimbursement. The member auxiliary organization's accounting department should then seek reimbursement from CSURMA.
2. The AUTHORIZED TRAVELER's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
 - a) Invoices for all reasonable expenses
 - b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form



CSURMA AORMA

POLICY AND PROCEDURE NO. A-7

- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

DEFINITIONS:

AUTHORIZED TRAVELER – includes AORMA Committee members and officers, standing committee members and participants in duly established task groups. Other persons traveling on CSURMA AORMA related travel shall be reimbursed pursuant to this Policy and Procedure No. A-7 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered AUTHORIZED TRAVELERS under this Policy and Procedure No. A-7 and any travel expenses incurred by independent consultants may be reimbursed as provided under separate consulting agreements.

COVERED EXPENSES – includes reasonable expenses incurred by the AUTHORIZED TRAVELER as provided under the travel reimbursement policy of the California State University or the AUTHORIZED TRAVELER's member auxiliary organization travel reimbursement policy requirements.

COVERED PURPOSES – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. If there is travel to an event that would otherwise be a COVERED PURPOSE in conjunction with another event the AUTHORIZED TRAVELER would otherwise attend such as the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference, the AUTHORIZED TRAVELER is eligible for reimbursement of COVERED EXPENSES to attend the COVERED PURPOSE meeting only and there will be no CSURMA reimbursement of the expenses the AUTHORIZED TRAVELER would have normally incurred to attend the AOA Annual Conference or the CSURMA Fitting the Pieces Together Conference.

CSURMA AORMA COMMITTEE CONTACT LIST

ISSUE: Attached for the Committee's review is the AORMA Committee and Standing Committee Membership Roster Contact List.

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

FISCAL IMPACT: None.

BACKGROUND: Contact lists are provided at every meeting.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Committee Roster - Effective at 7-01-15

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 Kompsi	Director, Foundation Financial Services	Fresno	Fresno Association, Inc., CSU Fresno	kkompsi@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	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	mcoil@foundation.sdsu.edu	619-594-1076

Member Services, Loss Control & Training 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
MSLCTC	Chair	Melinda Coil	Chief Financial Officer	San Diego	San Diego State University Research Foundation	mcoil@foundation.sdsu.edu	619-594-1076
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	abryant@csudh.edu	310-243-3854
MSLCTC	At Large	Debbie Adishian-Astone	Executive Director	Fresno	CSU Fresno Association, Inc.	debbiea@csufresno.edu	559-278-0802
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	The Cal Poly Pomona Foundation, Inc.	dennismiller@csupomona.edu	909-869-2958
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	The Student Union of San Jose State University	kristin.kelly@sjsu.edu	408-924-6315
MSLCTC	At Large	Leslie Davis	Executive Director	Sacramento	University Union Operation of CSUS, Inc.	leslied@saclink.csus.edu	916-278-2904
MSLCTC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	Associated Students of San Diego State University	raven.tyson@sdsu.edu	619-594-3760

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	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	University Corporation, CSU Monterey Bay	gkiama@csumb.edu	831-582-4301
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

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

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

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

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