



CSURMA AORMA COMMITTEE MEETING AGENDA
“This is an Open Public Meeting”

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

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

1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach, CA
2. Keith Kompsi, CSU, Fresno Association, Inc, 4910 North Chestnut Avenue, Fresno, CA
3. Brian Nowlin, CSU, Long Beach Research Foundation, 6300 State University Drive, Suite 332, Long Beach, CA

Meeting Date: March 19, 2015
Time: 10:00 AM

Location: Alliant Insurance Service
 1301 Dove Street, Suite 200
 Newport Beach, CA 92660

A = Action
 I = Information
 V = Verbal

A. CALL TO ORDER

1. **Approval of the Agenda** A p. 4

B. PUBLIC COMMENTS

C. CONSENT CALENDAR A

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is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.

1. **Approval of Minutes – December 4, 2014** p. 5

D. CLOSED SESSION Pursuant to California Government Code Section 11126(e)(1) & 1126(f)(1) A

Action may be taken per Government Code Section 11126(e)(1) & 1126(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. Lyons v. The CSU Chico Research Foundation
2. Cahuilla Band of Indians v. San Diego State University Research Foundation
3. Arce v. Associated Students, California State University, Northridge, Inc.
4. Goodman v. The University Corporation, CSU Northridge
5. Calderon v. Cesar Chavez Student Center, San Francisco State University
6. Torres v. University Student Union of California State University, Northridge
7. Finley v. The CSU, Chico Research Foundation
8. Trapper v. Associated Students, California State University, Long Beach
9. Brown v. San Diego State University Research Foundation
10. Bhatka v. University Union Operation of CSUS, Inc.
11. Goodman v. University Student Union of California State University, Stanislaus
12. Hubbard v. University Auxiliary and Research Services Corporation, San Marcos
13. Baar v. San Diego State University Research Foundation
14. Marin-Sanchez v. California State University, Fresno Foundation

E. STANDING COMMITTEE REPORTS

- | | | | |
|----|---|----------|--------------|
| 1. | Programs Committee Report | I | <i>p. 15</i> |
| 2. | Member Services, Loss Control and Training Committee Report | I | <i>p. 20</i> |
| 3. | AOA Executive Committee Report | I | <i>p. 21</i> |

F. GENERAL ADMINISTRATION

- | | | | |
|----|---|----------|---------------|
| 1. | AORMA Liability Program Claims Administration Audit Report
<i>The Committee will be asked to review and accept the Liability Claims Administration Audit report</i> | A | <i>p. 22</i> |
| 2. | FY 14/15 CSURMA Budget – Midterm Adjustments
<i>The Committee will be asked to review and recommend approval to the Executive Committee of the FY 14/15 CSURMA Budget – Midterm Adjustments</i> | A | <i>p. 74</i> |
| 3. | FY 15/16 CSURMA Operating Budget
<i>The Committee will review and recommend approval to the Executive Committee of the FY 15/16 CSURMA Budget</i> | A | <i>p. 88</i> |
| 4. | Review of Auxiliary Service Provider Report
<i>The Committee will receive a copy of the Auxiliary Service Provider Report for review</i> | I | <i>p. 102</i> |

- 5. **FY 14/15 AORMA Liability Program Memorandum of Coverage** A p. 109
The Committee will be asked to approve the recommended revisions to the FY 14/15 AORMA Liability Program Memorandum of Coverage
 - 6. **Policy and Procedure A-7 - Travel Reimbursement Policy** A p. 152
The Committee will be asked to review and approve the revisions to Policy and Procedure A-7
 - 7. **Policy and Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations** A p. 155
The Committee will be asked to review and approve the revisions to Policy and Procedure L-5
 - 8. **Policy and Procedure L-7 – Employment Practices Deductible Options** A p. 160
The Committee will be asked to review and approve the revisions to Policy and Procedure L-7
 - 9. **Review of the Slate of Nominees for the AORMA Committee** I p. 165
The Committee will review the nominee(s) for the open AORMA Committee seat for the term July 1, 2015 to June 30, 2017
 - 10. **Delegation of the Authority to Renew Insurance Programs** A p. 169
The Committee will receive a verbal report on the CSURMA AORMA program renewals for FY 15/16 and will be asked to delegate authority to the CSURMA Secretary-Auditor to bind coverage
- G. INFORMATION ITEMS**
- 1. FY 14/15 Long Range Action Plan I p. 170
 - 2. CSURMA AORMA 2015 Meeting Calendar I p. 174
 - 3. CSURMA AORMA Program Administrator’s Contact Lists I p. 177
 - 4. AORMA Committee Members - Effective 7/01/14 I p. 190
 - 5. AORMA Travel Reimbursement Policy I p. 193
- H. ADJOURNMENT**

The next AORMA Committee meeting is scheduled for May 7, 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.

APPROVAL OF MINUTES – DECEMBER 4, 2014

ISSUE: The Committee will be asked to review and approve the draft minutes from its December 4, 2014 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes from its December 4, 2014 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – December 4, 2014

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING**

DECEMBER 4, 2014

**ALLIANT INSURANCE SERVICES
1301 Dove Street, 2nd Floor • Newport Beach, CA**

10:00 AM

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo
Melinda Coil, San Diego State University Research Foundation
Guy Dalpe, Cesar Chaves Student Center, San Francisco State University
Mark Day, Santos Manuel Student Union of CSU San Bernardino
Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Gigi Kiama, University Corporation, CSU Monterey Bay
Keith Kompsi, Fresno Association, Inc., CSU Fresno
Frank Mumford, CSU Fullerton Auxiliary Services Corporation, CSU Fullerton
Brian Nowlin, CSULB Foundation, CSU Long Beach

MEMBERS ABSENT

Kurt Borsting, Associated Students, Inc., CSU Fullerton
Leslie Davis, University Union Operation of CSUS, Inc., Sacramento State University
Haleh Minakary, The Cal Poly Pomona Foundation, Inc., Cal Poly Pomona

STAFF, GUESTS AND CONSULTANTS

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

A. CALL TO ORDER

The meeting was called to order by the Chair, Robert de Wit at 10:05 AM.

A1. Approval of the Agenda

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

Motion: Frank Mumford

Second: Mark Day

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			

The motion carried.

B. PUBLIC COMMENTS

There were no comments from the public.

C. CONSENT CALENDAR

C1. Approval of Minutes – October 23, 2014

The Committee reviewed the minutes from their last meeting

A motion was made to approved the October 23, 2014 meeting minutes.

Motion: Guy Dalpe
Second: Dwayne Brummett

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			

The motion carried.

E. STANDING COMMITTEE REPORTS

E1. Programs Committee Report

Guy Dalpe the Programs Committee Chair provided a brief report of the committee’s recent activities. The Programs Committee continues to evaluate the liability program member allocation.

E2. Member Services, Loss Control and Training Committee Report

Melinda Coil the Member Services, Loss Control and Training Committee Chair provided a brief report of the committee’s recent activities.

E3. AOA Executive Committee Report

Robert de Wit provided a report of the recent activities of the AOA Executive Committee.

F. GENERAL ADMINISTRATION

F1. Policy and Procedure L-1 – Liability Claims Reporting

Mimi Long summarized the recommended revisions to Policy and Procedure L-1 – Liability Claims Reporting. The name was changed from Claims Reporting to Liability Claims Reporting. Most of the wording within the Policy and Procedure was revised or moved to mirror the wording within the Liability Program memorandum of coverage. The late reporting penalties examples were deleted because they are example and not policy. The definitions of AORMA, CSURMA, Member, Memorandum of Coverage, TPA, and Participation Agreement were updated. Definitions for Occurrence and Unfair Employment Practices were added. Both definitions are “as defined within the AORMA Liability Program Memorandum of Coverage”. The definitions of Occurrence and Unfair Employment Practices are too lengthy to include in the Policy and Procedure because they include additional definitions and coverage sections such as Coverage Period, Errors and Omissions, Personal Injury, Discrimination, to name just a few.

Currently Policy and Procedure L-1 states, “... in no event shall payments be made by AORMA for any loss incurred more than 30 days prior to written notification of a claim to the TPA.” The

Liability Program memorandum of coverage includes a similar statement, but it applies only to *Unfair Employment Practices*. This section of the Policy and Procedure was updated to be consistent with the Liability Program memorandum of coverage. The committee agreed that this statement should apply only to Unfair Employment Practices.

A motion was made to approve the revisions to Policy and Procedure L-1.

Motion: Frank Mumford
Second: Gigi Kiama

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			

The motion carried.

F2. Participant Accident Insurance Limits

Mimi Long explained that Policy and Procedure L-6 – Requirement that Participant Accident Insurance (PAI) be Purchased for all Child Care and Camp Operations Involving Minors – requires that the minimum PAI limit is \$10,000. The committee reviewed an exhibit that shows all of the PAI policies placed and the current limits. Staff was directed to provide quotes for higher limits when the policies renew in July and to revisit the minimum limit in September, 2015.

F3. Revised Liability Program Member Allocation Formula

Guy Dalpe summarized the changes to the Liability Program Member Allocation Formula. Since inception of the liability program, AORMA has used an ISO based rating allocation formula in order to allocate the total program costs to each member. As explained by Mimi Long, ISO (Insurance Services Office, Inc.) is an organization that collects statistical data, promulgates rating information and develops standard policy forms. ISO rates are often adopted

by insurance companies as the starting point for their rating own rating plan. Guy noted that after several years, AORMA has sufficient loss information to create a loss based allocation formula. The CSURMA actuary reviewed AORMA’s ten year loss history and provided recommended rates for four major loss categories – auto liability, premises liability, employment practices liability and all other. Based on the actuary’s report, it is clear that AORMA needs to adjust its rating formula.

Mimi Long noted that the current ISO based formula relies heavily on square footage as the rating basis. AORMA members have relatively few premises liability types of losses. In contrast, the current allocation formula charges only \$20 per FTE for the employment practices liability exposure. The actuarial study indicates that AORMA should be collecting significantly more for this exposure. The committee reviewed the rates comparison below.

Exposure		FY 15/16 Actuary's Recommended Rates		FY 14/15 ISO Rates		Recommended FY 15/16 Collared Rates	
		Rate	Premium	Rate	Premium	Rate	Premium
Auto Liability	173	150	25,950	346	59,858	150	25,950
Premises Liability	10,431,924	37	385,981	139	1,450,037	50	521,596
Other Liability	1,403,301,129	132	185,236		-	564	791,462
EPL	403,618,333	2,566	1,035,685	661	266,792	1,065	429,854
Total			1,632,852		1,776,687		1,768,862

The current AORMA ISO formula allows for credits or debits for loss experience and/or changes in operations but only up to 10%, and subject to the underwriter’s discretion. The new allocation formula includes an experience modification factor for each member which is calculated by the actuary.

Mimi explained the different factors within the revised allocation:

1. **Exposure Information** – The total premium is allocated based on four exposure categories:
 - a. Expenditures (used to calculate the “all other losses” premium) – *Rate \$564 per \$1,000,000 in expenditures*
 - b. Payroll (used to calculate employment related losses) – *Rate \$1,065 per \$1,000,000 in payroll*
 - c. Square Footage (used to calculate the premise liability, i.e., slip, trip and fall, faulty stairs premium) – *Rate \$50 per 1,000 in square feet*
 - d. Number of Owned Autos (used to calculate the auto liability premium) – *Rate \$150 per auto*
2. **Size Credit** – Similar to the property and crime allocations, a size credit is included. *The current formula includes a maximum 30% credit based on the auxiliary’s basic premium*

compared to the maximum premium of \$65,000. Seven members receive the full 30% reduction.

3. **Loss Rating** – The actuary has calculated each member’s experience modification factor. *To provide greater premium stability to the members, the experience modification factors are subject to a minimum of .75 and a maximum of 2.00.*
4. **Excess Premium** – The excess premium is allocated based on each member’s percentage of the total basic premium (excluding size credit and loss rating). *A maximum premium cap of \$85,000 is included. One member is subject to the maximum excess premium maximum.*
5. **Admin Costs** – The admin costs are allocated based on each member’s percentage of the total basic premium (excluding size credit and loss rating). *A minimum of \$600 and maximum of \$60,000 is included. 17 members receive the minimum admin costs and one member receives the maximum admin costs.*

The AORMA Committee members felt it was extremely important to provide a detailed description of the allocation changes, especially for those members that are receiving a premium increase. Mimi agreed that staff would complete the letter and would receive input from Guy Dalpe and Robert de Wit before it is sent out. Staff also agreed to meet in person with many of those members receiving premium increases.

The committee members questioned why “revenues, minus investment gains/losses and donations/contributions” was not used as the rating basis for “all other”. Mimi indicated that the actuary needed five years of historical information in order to complete the rates and experience modification factors. AORMA members, historically, have not provided this information; therefore, expenditures was used instead as the rating basis for “all other losses”.

A motion was made to adopt the revised liability program member allocation formula.

Motion: Frank Mumford
Second: Dwayne Brummett

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			

The motion carried.

F4. Risk Reduction Innovation Matching Grant Program

Mimi Long noted that approving and/or recommending funds for the Risk Reduction Matching Grants projects has proven to be a challenge for both the MSLCT Committee and Brent Escoubas from Alliant Loss Control Consulting. In response Policy and Procedure A-6 was revised as follows:

1. Wording was added to make the grant program more innovative in nature, descriptive words such as, original, inventive, innovative, cutting edge, creative, ingenious were included to reaffirm that the program is an Innovation grant program.
2. The policy sections that describes the identification of claim patterns and the AORMA loss control consultant’s site inspections and coordination of the application process has been removed. Losses will continue to be reviewed and the loss control consultant will continue to provide site inspections; however, these activities will not be a part of the grant process.
3. How to access funds section was updated to show that the grant application will reside on the CSURMA website. The actual location of the application within the website will be added to the Policy and Procedure when it is confirmed.
4. The development of benchmarks has been removed. Because the grants will be unique in nature, benchmarks may not be obtainable; the program, as a whole will be reviewed and evaluated at least every two years.

A motion was made to post the grant application on the CSURMA website and to approve the changes to Policy and Procedure A-6.

Motion: Frank Mumford
Second: Guy Dalpe

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			

The motion carried.

F5. Earthquake Coverage for Condominium Owners

Mimi Long noted that AORMA’s Long Range Action Plan includes Item P-2 – Earthquake Coverage for Condominium Owners (when the HOA does not purchase earthquake coverage). Alliant Insurance Services did have a program for this type of product, but it was discontinued a few years ago. The California Earthquake Authority (CEA) does offer insurance specifically for condominium owners. The policy provides coverage for any earthquake assessments charged by the HOA for earthquake damage and also reduction in the value of the condo owner’s interest in the dwelling unit and the common interest development. The CEA coverage program must be purchased through the condo owner’s property carrier. It is not available to be purchased on a commercial basis.

G. INFORMATION ITEMS

The committee reviewed the following information items. There was no discussion.

- G1. CSURMA AORMA 2015 Meeting Calendar**
- G2. AORMA Committee Members Roster**
- G3. FY 2014 AORMA Service Calendar**
- G4. FY 14/15 AORMA Long Range Action Plan**

H. ADJOURNMENT

A motion was made to adjourn the meeting at 11:55 AM.

Motion: Brian Nowlin
Second: Gigi Kiama

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			

The motion carried.

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 the Programs Committee meeting on January 7, 2015.
- b. Agenda table of contents from the Programs Committee meeting on February 26, 2015.

PROGRAMS COMMITTEE MEETING

“This is an Open Public Meeting”

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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. Haleh Minakary: Cal Poly Pomona Foundation, CSU Pomona, 3801 W. Temple Ave., Bldg. 55, Pomona
4. Mark Day: Santos Manuel Student Union, CSU San Bernardino, 5500 University Parkway, San Bernardino
5. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento

Meeting Date:	January 7, 2015	Location:	Alliant Insurance Services, Inc. 100 Pine Street, 11 th Floor San Francisco, CA 94111
Time:	10:00 a.m. (Teleconference)		

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 |
| <i>The committee will be asked to approve today’s meeting agenda order</i> | |
| 2. Approval of Meeting Minutes – November 4, 2014 | A p. 4 |
| <i>The Committee will be asked to review and approve the minutes from the last Programs Committee meeting on November 4, 2014</i> | |
| 3. Approval of the FY 15/16 Revised Liability Program Member Allocation Formula | A p. 9 |
| <i>The committee will be asked to approve the final FY 15/16 liability program member allocation</i> | |
| 4. Approval of the FY 15/16 Workers’ Compensation Program Member Allocation | A p. 21 |
| <i>The committee will be asked to approve the final FY 15/16 workers’ compensation member allocation</i> | |



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

5. **Approval of the FY 15/16 Property Program Member Allocation** A p. 27
The committee will be asked to approve the final FY 15/16 property program member allocation
6. **Approval of the FY 15/16 Crime Program Member Allocation** A p. 37
The committee will be asked to approve the final FY 15/16 crime program member allocation
7. **Approval of the FY 15/16 Employment Practices Liability Deductibles** A p. 47
The committee will be asked to review and approve the EPL deductible calculation for FY 15/16
8. **Approval of the Dividend Distribution for the Liability and Workers' Compensation Programs** A p. 60
The committee will be asked to review and approve the allocation of the dividends to be paid in July, 2015
9. **Approval of the FY 14/15 Long Range Action Plan for the Programs Committee** A p. 74
The committee will be asked to approve the long range action items that were assigned to the committee
10. **Approval of the 2015 Meeting Dates for the Programs Committee** A p. 75
The committee will be asked to approve its meeting dates for 2015

D. INFORMATION ITEMS

1. **2015 CSURMA AORMA Meeting Calendar** I p. 76
2. **FY 14/15 Long Range Action Plan** I p. 79
3. **CSURMA AORMA Committee and Standing Committee Roster** I p. 83

E. ADJOURNMENT

The next PC meeting is scheduled for February 26, 2015 at 1:00pm via teleconference



PROGRAMS COMMITTEE MEETING
“This is an Open Public Meeting”

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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. Haleh Minakary: Cal Poly Pomona Foundation, CSU Pomona, 3801 W. Temple Ave., Bldg. 55, Pomona
4. Mark Day: Santos Manuel Student Union, CSU San Bernardino, 5500 University Parkway, San Bernardino
5. Jun Reina: Capital Public Radio, Inc., CSU Sacramento, 7055 Folsom Boulevard, Sacramento
6. Jason Porth: The University Corporation, San Francisco State, 1600 Holloway Avenue, ADM 361, San Francisco

Meeting Date: February 26, 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 – January 7, 2015** A p. 4
The committee will be asked to review and approve the minutes from the last Programs Committee meeting on January 7, 2015
- 3. FY 14/15 AORMA Liability Program Memorandum of Coverage** A p. 18
The committee will be asked to approve the recommended revisions to the FY 14/15 AORMA Liability Program Memorandum of Coverage
- 4. FY 15/16 AORMA Liability Program Member Allocation** A p. 61
The committee will be asked to approve a change to the FY 15/16 Liability Program Member Allocation
- 5. FY 15/16 AORMA Crime Program Member Allocation** A p. 62
The committee will be asked to approve a change to the FY 15/16 Crime Program Member Allocation

A Public Entity Joint Powers Authority

D. INFORMATION ITEMS

- | | | |
|--|----------|--------------|
| 1. 2015 CSURMA AORMA Meeting Calendar | I | <i>p. 89</i> |
| 2. FY 14/15 Long Range Action Plan | I | <i>p. 92</i> |
| 3. CSURMA AORMA Committee and Standing Committee Roster | I | <i>p. 96</i> |

E. ADJOURNMENT

The next PC meeting is scheduled for June 25, 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.

PUBLICATION: None.

ATTACHMENT(S): None.

AOA EXECUTIVE COMMITTEE REPORT

ISSUE: The AORMA Chair attends the AOA Executive Committee meetings and reports to the committee the recent AORMA activities. The AORMA Chair will provide a brief overview to the AORMA Committee as to the recent activities of the AOA Executive Committee.

Robert de Wit will provide a verbal report at today's meeting.

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

AORMA LIABILITY PROGRAM CLAIMS ADMINISTRATION AUDIT REPORT

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

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

Bickmore finds the overall performance of Carl Warren at 97%, indicating a **Superior** performance level. To improve performance, Bickmore recommends the following:

Performance Component	Performance Enhancement Recommendations
Caseloads	<ul style="list-style-type: none"> • We recommend that AORMA monitor adjuster caseloads to ensure continuation of superior performance.
Investigation	<ul style="list-style-type: none"> • Update Client Guidelines to require the adjuster to obtain medical and wage authorizations during the initial encounter with the claimant or attorney.
Plan of Action/ Documentation	<ul style="list-style-type: none"> • Take steps to improve claim file housekeeping, including requirements for: <ul style="list-style-type: none"> - Date stamping mail delivered to the office prior to distribution to the adjuster; - Filing documents daily to maintain chronological order; and - Using separate folders to house claimant-specific documentation when there are three or more claimants.
Statutory Compliance	<ul style="list-style-type: none"> • Engage ISO to develop a mechanism to document claim files with query results regardless of eligibility status.
Litigation/Recovery Management	<ul style="list-style-type: none"> • Suspend payments to defense counsel until the signed engagement letter, initial case analysis and case budget are submitted; • Send a suspension notice letter to counsel if compliance is not met within the required time frame, but no later than 45 days from assignment; and • Monitor costs against the approved legal budget and notify counsel to prepare a revised budget when costs exceed 85% of the budget. <ul style="list-style-type: none"> - Return of the signed engagement letter agreeing to AORMA’s

RECOMMENDATION: Staff recommends that the committee accept the report as presented.

FISCAL IMPACT: The cost for the claim audit was included in the FY 12/13 budget.

BACKGROUND: Bickmore randomly selected 29 open and 16 closed claims for review. As stated in the audit, Bickmore finds the overall performance at 97%, indicating a **Superior** performance level, as shown in the claims audit,

1. Carl Warren complies with the contract, industry best practices, and its internal procedures;
2. Eight of the nine components measured scored superior, with one component scoring acceptable;
3. Claims are reported and assigned promptly;
4. Carl Warren provides prompt and thorough investigations;
5. File documentation scores superior overall, but claims with voluminous materials or multiple claimants tend to become disorganized;
6. Date stamping is inconsistent, hampering the ability to measure service timeliness;
7. With one exception, initial reserves are set timely, usually within 24 hours of receipt of the claim;
8. Reserves are reviewed frequently and represent an accurate estimate of AORMA's exposure; and
9. Litigation management results reflect delays in initial and subsequent reporting and budget submissions by defense counsel. Carl Warren attempts to bring counsel into compliance with AORMA's reporting guidelines, but counsel is not responsive at times.

PUBLICATION: None.

ATTACHMENT(S):

- a. AORMA Claims Administration Audit Report – March 4, 2015 (Draft)



Bickmore



March 4, 2015

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

RE: **California State University Auxiliary Organizations Risk Management Alliance
2015 General Liability and Errors and Omissions Claims Audit**

Dear Mr. Leong:

Please find enclosed the findings and recommendations of our claims audit on behalf of the California State University Auxiliary Organizations Risk Management Alliance (AORMA). Carl Warren and Company (CW), AORMA's third party administrator (TPA), is contracted to manage its public liability and errors and omissions claims. Our audit examines CW's claims handling practices.

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

Bickmore appreciates the opportunity to provide claims audit services and the assistance received from Alliant Insurance Services, Inc. and CW.

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

Bickmore
1100 Town & Country Road, Suite 1550
Orange, California 92668
Phone: (714) 426-8507
E-mail: demitchell@bickmore.net

It has been a pleasure to provide services for this important project.

Respectfully submitted,

DRAFT

Dennis Mitchell, CPCU, SCLA, ARM
Senior Claims Consultant

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I. Executive Summary

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

AORMA is comprised of 88 independent non-profit organizations serving the needs of the University. These separate legal entities include student unions, research foundations, student housing, bookstores, etc. While associated with the University, they are not public entities. Thus, they are not entitled to the protections afforded to public entities by the California Government Code.

CSURMA provides \$350,000 pooled liability coverage to AORMA with member deductibles of \$25,000 to \$100,000 applying only to employment practices liability. Reinsurance above the \$350,000 primary layer is provided by General Re up to \$5,000,000, above which excess insurance is provided by Ironshore Specialty Insurance Company.

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

The purpose of this audit is to:

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

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

- Reviewed the claims administration contract;
- Interviewed CW claims administration staff;
- Interviewed selected members of the AORMA Committee;
- Reviewed selected AORMA Policies and Procedures (P & P) relating to the administration of claims, member coverage, and litigation;
- Reviewed CW's "CSURMA Claims Adjusting Process" document (Appendix C) outlining claims administration procedures;
- Reviewed open and closed claims data and selected the sample of 45 liability claims shown in Appendix A;

- Reviewed the sample claims onsite at CW's Ventura, California office from January 27 through January 29, 2015, to determine whether CW claims administration meets industry best practices. Our review included the physical claim files and copies of notes and financials provided by CW. We were not provided access to CW's proprietary claim system; however, the information provided was sufficient for our assessment;
- Provided daily feedback communicating our findings to CW during the onsite audit; and
- Provided our daily findings to CW to validate results. We discussed the findings onsite, concluding discussions by telephone and e-mail through February 13, 2015.

We were provided with a five-year history of open and closed claims as of January 6, 2015. Our analysis of the data reflected 74 open pending claims and we randomly selected 38 open and seven closed claims for review. Thirteen claims (34%) of the sample are litigated, compared to the overall pending litigation rate of 18% of the open claims.

For the three years ending December 31, 2014, annual claim intake averages 59 with 56 closures, for a 94% closing ratio. Maintaining a closing ratio of 100% or better promotes control of pending claims and usually stabilizes staffing requirements. General liability claims comprise 78% of the new claim intake and 80% of the open pending claims, with about 25% of those claims relate to employment practices or other personal injury. Exhibit I-3 graphically illustrates these statistics.

The AORMA team is led by a Client Relationship Manager in the Ventura office who is backed up by a senior CW colleague in San Bernardino and a second adjuster in Ventura. Except for initial claim recording, no administrative support is provided. Along with caseload responsibilities, claim staff is challenged to maintain organized claim files.

We find overall performance at 97%, indicating a **Superior** performance level, as shown in Table I-1.

We find:

- CW complies with the contract, industry best practices, and its internal procedures;
- Eight of the nine components measured scored superior, with one component scoring acceptable;
- Claims are reported and assigned promptly;
- CW provides prompt and thorough investigations;
- File documentation scores superior overall, but claims with voluminous materials or multiple claimants tend to become disorganized;
- Date stamping is inconsistent, hampering the ability to measure service timeliness;
- With one exception, initial reserves are set timely, usually within 24 hours of receipt of the claim;

- Reserves are reviewed frequently and represent an accurate estimate of AORMA's exposure; and
- Litigation management results reflect delays in initial and subsequent reporting and budget submissions by defense counsel. CW attempts to bring counsel into compliance with AORMA's reporting guidelines, but counsel is not responsive at times.

To arrive at our findings, we compared performance in the nine claims handling component areas for each claim shown in Appendix A against industry standards, state law, AORMA's requirements, and CW's guidelines. Results are shown in Exhibit I-1 "Scoring by Component with Financials," and graphically in Exhibit I-2.

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

Table I-1
Performance Evaluation Scale

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

Table I-2
Performance Evaluation Criteria

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

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

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

DRAFT

**Table I-3
 Performance Enhancement Recommendations Summary**

Performance Component	Performance Enhancement Recommendations
Caseloads	<ul style="list-style-type: none"> • We recommend AORMA monitor adjuster caseloads to ensure continuation of superior performance.
Investigation	<ul style="list-style-type: none"> • Update Client Guidelines to require the adjuster to obtain medical and wage authorizations during the initial encounter with the claimant or attorney.
Plan of Action/ Documentation	<ul style="list-style-type: none"> • Take steps to improve claim file housekeeping, including requirements for: <ul style="list-style-type: none"> - Date stamping mail delivered to the office prior to distribution to the adjuster; - Filing documents daily to maintain chronological order; and - Using separate folders to house claimant-specific documentation when there are three or more claimants.
Statutory Compliance	<ul style="list-style-type: none"> • Engage ISO to develop a mechanism to document claim files with query results regardless of eligibility status.
Litigation/Recovery Management	<ul style="list-style-type: none"> • Suspend payments to defense counsel until the signed engagement letter, initial case analysis and case budget are submitted; • Send a suspension notice letter to counsel if compliance is not met within the required time frame, but no later than 45 days from assignment; and • Monitor costs against the approved legal budget and notify counsel to prepare a revised budget when costs exceed 85% of the budget. <ul style="list-style-type: none"> - Return of the signed engagement letter agreeing to AORMA's guidelines.

In Section II, we present our findings in detail with a discussion of industry standards and our recommendations. We recommend our report be read in its entirety.

Exhibit I-1

Scoring by Component with Financials

Claims Reviews Completed:	45	Actual Reserve:	\$3,491,647
Incurred:	\$5,843,543	Recommended Reserve:	\$3,491,647
Paid:	\$2,351,896	Net Reserve Change:	\$0

Claims Administration Component	Claims Graded	Number of Responses for Component			Compliance Percentage
		Yes	No	NA	
01 Claims Intake	45	264	3	3	99%
02 Investigation	44	185	2	218	99%
03 Plan of Action/Documentation	45	300	14	136	96%
04 Reserve Management	45	273	6	126	98%
05 Statutory Compliance	45	47	1	132	98%
06 Communication	44	66	1	68	99%
07 Claim Management Information System	45	220	2	3	99%
08 Claim Disposition and Payment	11	62	0	658	100%
09 Litigation/Recovery Management	23	106	15	509	88%
Overall Claims Administration	45	1,523	44	1,853	97%

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

Exhibit I-2

Scoring by Component Summary Graph

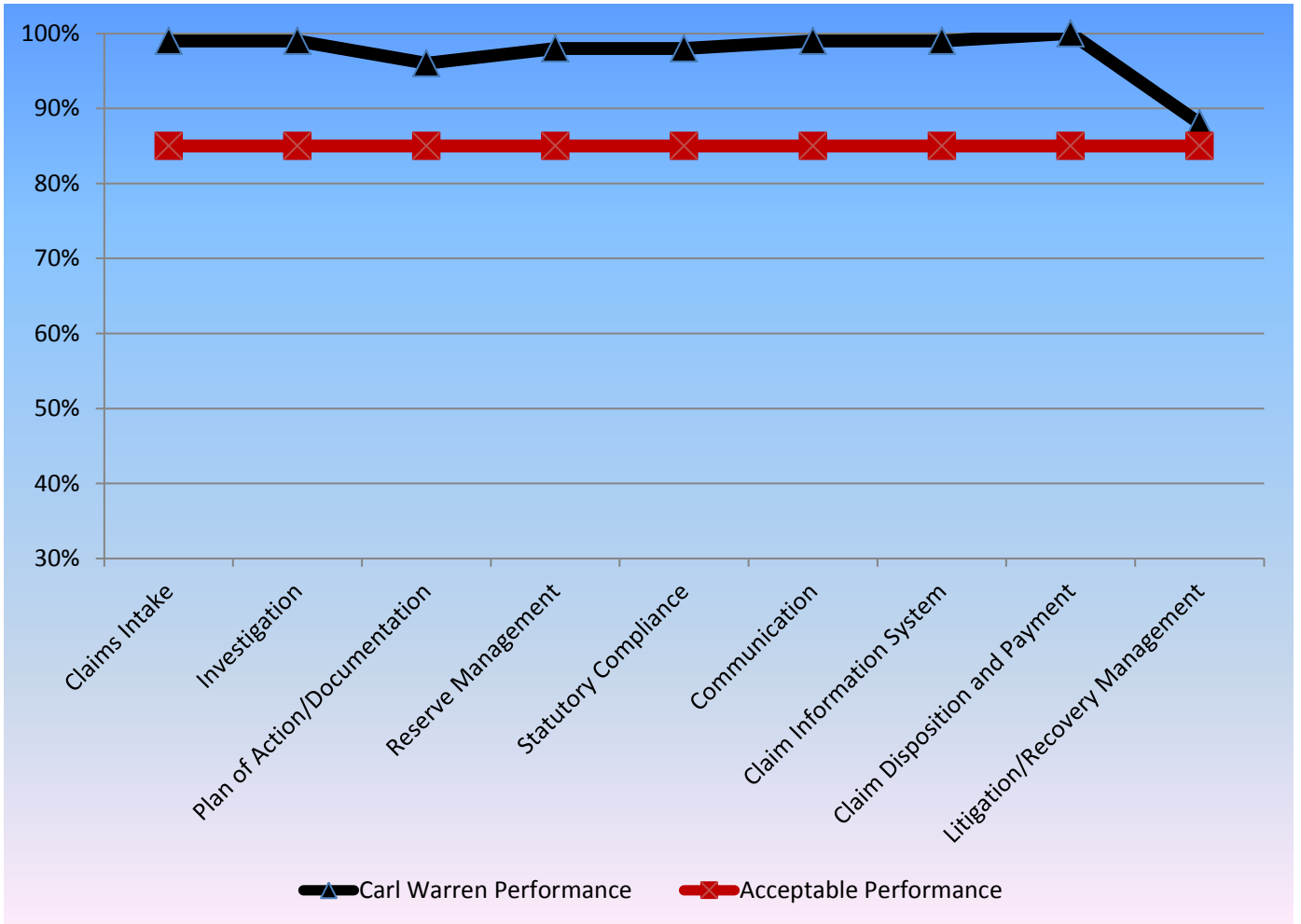
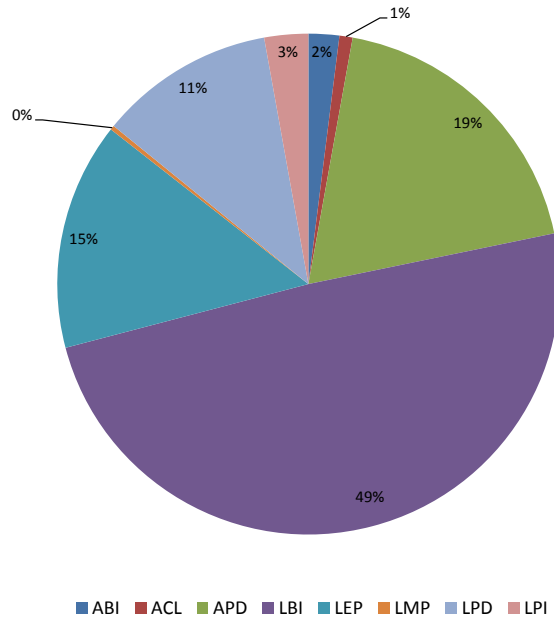


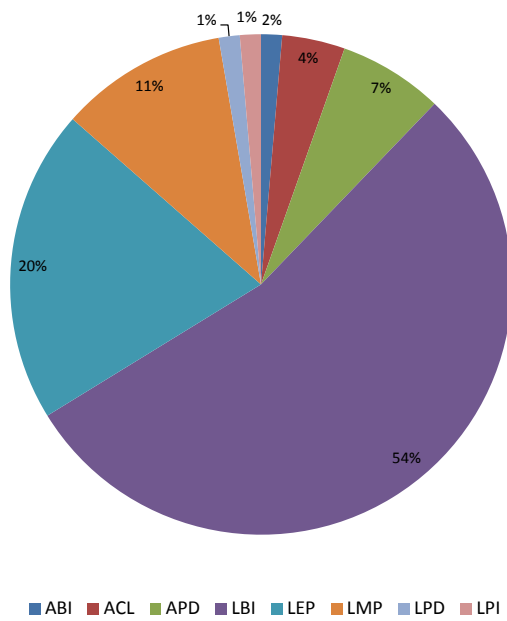
Exhibit I-3

Claim Intake and Pending Analysis

Claim Intake 2010 through 2015



Claims Pending As of December 31, 2014



II. Detailed Findings

This chapter provides our findings for each component we measure. Our findings consider how well procedures meet industry best practices and how well procedures are applied in handling the claims according to the sample review. Below is a narrative discussion of our analysis and findings. Exceptions for all components are found in Appendix B. Upon request, we can provide additional detail including comment on each claim reviewed.

1. Claims Intake

99%

Best practices require the JPA to develop policies and procedures to promote timely, accurate claim reporting by members. Best practices also require an administrator to:

- Maintain manageable caseloads to promote prompt, effective service to members and third party claimants;
- Process assignments within one business day; and
- Verify the Memorandum of Coverage (MOC) applies to the loss date and the claim facts.

To guide its performance under the contract, CW developed its “CSURMA Claims Adjusting Process,” (Client Guideline) which we attach in Appendix C.

CW meets industry best practices for claims intake by requiring:

- Creating, reserving, and assigning new claims within 24 hours of receipt;
- Client approval prior to hiring independent experts; and
- Accurate data entry.

Claims are recorded in CW’s proprietary system maintaining financial and statistical data and allowing the adjuster to document claim handling by entering notes. CW maintains individual paper files supporting the electronic notes. Investigation, correspondence, and other documentation are maintained in the physical claim file and not electronically. Since the prior audit, there is no office support staff and adjusters are required to assemble the paper files.

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

Individual caseloads are reflected in Table II-1 with a description of each adjuster’s responsibilities. Our experience with public entities indicates clam handling is most effective when caseloads for adjusters, who handle low to complex claims and complete field investigations, are maintained between 115 and 130 claims. This caseload also considers minimal office support.

Although CW achieved a superior performance result, we recommend AORMA monitor caseloads to ensure superior performance continues.

**Table II-1
 Caseloads**

Staff	Caseloads		Qualifications and Responsibilities
	AORMA	Total	
JS	5	167	<p><i>Claim Supervisor (offsite)</i></p> <ul style="list-style-type: none"> • Supervises claims adjusters • Investigates and resolves claims for public entity clients • Completes field and telephonic investigations as necessary • Negotiates settlements with claimants and attorneys • Works with defense counsel to manage litigation • Over 25 years of experience • Over 12 years with Carl Warren • BS, Northern Arizona University
LF	31	140	<p><i>Public Entity Claims Specialist (Ventura)</i></p> <ul style="list-style-type: none"> • Investigates and resolves claims for public entity clients • Completes field and telephonic investigations as necessary • Negotiates settlements with claimants and attorneys • Works with defense counsel to manage litigation • Over 25 years of experience • Over seven years with Carl Warren • BA, California State University - Northridge
MM	37	72	<p><i>Service and Retention Leader (Ventura)</i></p> <ul style="list-style-type: none"> • Manages Carl Warren branch office • Supervises claims adjusters • Investigates and resolves claims for public entity clients • Completes field and telephonic investigations as necessary • Negotiates settlements with claimants and attorneys • Works with defense counsel to manage litigation • Over 25 years of experience • Over ten years with Carl Warren • BS, University of Portland • Licensed Adjuster, State of California

We find:

- New claims are set up off-site and assigned timely, usually within 24 hours of receipt;
- CW confirms receipt of claim to the member;
- Data is accurate and updated when appropriate;
- Productivity is acceptable with claim closures nearly equaling claim intake for the past three years;

- The three individuals with primary responsibility for managing AORMA cases carry caseloads 72 to 167 claims, including claims for other clients;
- All individuals have more than 25 years of experience handling claims and the claim files reflect their experience;
- We noted no late-reported claims during this audit and CW advises late reporting is not an issue for the JPA; and
- CW is thoroughly familiar with AORMA's coverage and will seek authority to issue a reservation of rights when appropriate.

We assess claims intake performance as superior. However, we recommend AORMA monitor adjuster caseloads to ensure continuation of superior performance.

2. Investigation

99%

Best practices require:

- Completing investigation within 15 days of claim receipt or documenting efforts to do so;
- Documenting an action plan to complete items outstanding after 30 days;
- Developing evidence such as statements, police reports, and photographs to preserve evidence and support liability and damage decisions;
- Reporting bodily injury claims through the Insurance Services Office (ISO) *ClaimSearch*® system to identify prior injuries and claims history;
- Obtaining medical authorizations on bodily injury claims;
- Using a process to identify suspicious claims and target them for closer examination;
- Documenting analysis of the extent of the member's negligence and comparative negligence of the parties; and
- Documenting the initial liability assessment within 15 days of receipt of the claim and re-assessing liability upon receipt of new information.

A properly conducted investigation ensures an accurate understanding of the facts to determine liability. Prompt liability determination can eliminate the need to litigate and, if litigation does occur, allow more focused discovery.

CW's Client Guidelines establishes written investigation standards supporting industry best practices for quality investigations and set timeframes for contacting parties and making a liability determination.

We find:

- With respect to timeliness and quality of contact:

- CW consistently makes required contacts within 24 hours, we note no exceptions; and
- CW's experienced staff are able to assess potential issues and obtain sufficient information to promote early liability evaluations;
- Investigations are completed timely with appropriate planned follow-up if not completed within 30 days;
- Investigation often includes statements and photographs, but could be improved by requesting medical authorizations during the initial encounter with the claimant or attorney, when bodily injury is alleged; and
- All qualifying claims are indexed through ISO *ClaimSearch*®.

We assess claims investigation performance as superior. To promote early evaluation of claims, we recommend CW update their Guidelines to require the adjuster to obtain medical and wage authorizations during the initial encounter with the claimant or attorney.

3. Plan of Action/Documentation

96%

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

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

CW requires diary-triggered claim reviews at 30 day intervals.

We find:

- Action plans are reflected in the notepad;
- With four exceptions, we find updates timely;

- Diary frequency can only be determined by reviewing the electronic note as a diary history is not available in the printouts provided; we find no claims in the sample reflecting gaps in activity;
- Claim notes documentation is professional, reflects ongoing internal and external communication, and identifies authorship and date;
- Some of the larger paper claim files are not in chronological order or separated into additional volumes when necessary;
- Claims involving multiple claimants do not reflect separate folders for housing information specific to individual claimants; and
- Date stamping incoming mail is inconsistent.

We assess diary and action plan performance as superior. However, we recommend CW take steps to improve claim file housekeeping, including requirements for:

- **Date stamping mail delivered to the office prior to distribution to the adjuster;**
- **Filing documents daily to maintain chronological order; and**
- **Using separate folders to house claimant-specific documentation when there are three or more claimants.**

4. Reserve Management

98%

Best practices require:

- Setting initial reserves timely and reviewing adequacy based upon developing an analysis of evidence in favor of issues pursued by the claimant and evidence in favor of immunities and defenses;
- Reevaluating reserves at least bi-annually for adequacy based upon the liability and damages information reflected in the investigation and discovery;
- Documenting reserve calculations using Most Probable Outcome (MPO) considering the probable adverse outcome and the probability for a favorable outcome is as follows:
 - 75% or greater chance for favorable outcome, reserve for favorable outcome plus 25% of probable adverse outcome;
 - 51% to 75% chance for favorable outcome, reserve for favorable outcome plus 50% of probable adverse outcome; and
 - 50% or less chance for favorable outcome, reserve for 100% of probable adverse outcome.

CW meets best practices by requiring:

- Setting the initial reserve within 24 hours of receipt of the claim;
- Considering ultimate loss and expense payments in calculating an accurate reserve;
- Reviewing reserve adequacy on each adjuster diary date; and
- Clearly explaining the rationale for subsequent reserve revisions in the file notes.

We find:

- CW sets a “placeholder” reserve when a new claim is entered offsite; however, this is not considered an initial reserve;
- Initial reserves are timely by the assigned adjuster, with one exception;
- With two exceptions, adjustments are made within 30 days of receipt of information supporting the need for an adjustment;
- Documentation of the adjuster’s rationale for reserve changes is inconsistent, with six exceptions noted in 14 applicable claims;
- Indemnity and expense reserves are evaluated separately, supported by case facts, and consider defense counsel’s analysis and recommended budget;
- With one exception, we find the reserve rationale documented in the claim notes;
- Reserves are accurate. We recommend no reserve changes to the total outstanding reserves of \$3,491,647 for the audit sample reflected in Appendix A; and
- All claims are closed within 30 days of the final payment.

We assess reserve management performance as superior.

5. Statutory Compliance

99%

Best practices require compliance with:

- Any state Fair Claims Practices Act; and
- Other federal or state laws relating to handling and payment of claims.

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

Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) established mandatory reporting requirements for liability insurance (including self-insurance), no-fault insurance, and workers' compensation. This act requires claims administrators to identify a

Medicare beneficiary (whose injury or accident might result in a settlement) to enable appropriate determination concerning coordination of benefits, including any Medicare recovery entitlement.

The Centers for Medicare & Medicaid Services (CMS) is responsible for implementing the MMSEA.

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

Amount	TPOC Date on or after	Reporting Required*
\$100,000	October 1, 2011	January 1, 2012
\$50,000	April 1, 2012	July 1, 2012
\$25,000	July 1, 2012	October 1, 2012
\$5,000	October 1, 2012	January 1, 2012
\$2,000	October 1, 2013	January 1, 2014
\$300	October 1, 2014	January 1, 2015

*Within the quarter beginning on this date.

Note the minimum reporting threshold is now \$300.

Because CSURMA funds AORMA's self-insured retention, CSURMA is the RRE under MMSEA. CW is the reporting agent and contracts with ISO to identify and report appropriate claims. ISO provides CW with a listing of claims identifying Medicare recipients. CW's system provides protection against issuing a settlement on a bodily injury claim without verifying Medicare eligibility (assuming Medicare-eligibility is verified).

We note two issues with this process:

- CMS query to determine Medicare eligibility is dependent on filing the ISO *ClaimSearch*[®] Index, complete with information required by CMS to search the database^a. The claim file is not documented when the query is submitted, only when a positive eligibility determination is made; and
- Since claims are not verified as "not-eligible," the claim file does not document whether most claims have been queried. If an index is filed without the required information, ISO can notify its subscriber. But if an index is not filed, the claim is not queried.

If the CMS query response is not downloaded to the claim record, a TPA contracted in the future would not have sufficient information to defend AORMA against imposition of a fine based on lack of reporting.

We assess statutory compliance performance as superior. However, we recommend CW work with ISO to develop a mechanism to document claim files with query results regardless of eligibility status.

^a Required information includes the claimant's full legal name, last five digits of social security number, date of birth and residence address (or address of legal representative)

6. Communication

99%

Best practices require:

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

We find:

- With one exception, claim files reflect good communication among CW, OGC, and member representatives; and
- Auxiliary organization representative interviews confirm satisfaction with CW's communication:
 - CW responds promptly to member inquiries;
 - CW keeps members informed as cases progress; and
 - Presentations for settlement authority at Committee meetings reflect understanding and familiarity with the specific case and applicable laws.

We assess communication as superior.

7. Claims Management Information System (CMIS)

99%

Best practices require:

- CMIS support of claims handling efficiency, including:
 - CMIS fields adequate to collect data required to handle claims; and
 - Use of CMIS fields to collect data timely and accurately.
- CMIS support of loss experience reports (LERs), including:
 - Support for provision of LERs to members and loss control personnel; and
 - Support for provision of EDI per regulatory requirements.

We find:

- Data reflected in the printed financials provided for sample claims is accurate;
- Data integrity is dependent on the adjuster's updating data as necessary, for which we found two exceptions;

- CW's proprietary system appears to contain sufficient fields to allow meaningful reports; and
- Claim file data reviewed in the sample agreed with the loss run data and there was no contradictory data found in the notepads.

We assess performance for CMIS as superior.

8. Claim Disposition and Payment

100%

Industry best practices require documentation of:

- Evaluation of damages within 30 days of receipt;
- Verification of bodily injury claims by medical bills and reports;
- Extent of property damage by itemized building scope, appraisal, and pricing verification;
- Damage offsets such as prior damage, injury, or depreciation;
- Authorization requests and approvals;
- Offers and demands;
- Releases executed prior to settlement check issuance;
- Protection of Medicare's interest when there is a secondary payer obligation in accordance with the MMSEA; and
- Timely and accurate payments.

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

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

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

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

We find:

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

- Settlement evaluations are documented within 30 days of receipt of damages information without exception;
- Settlement evaluations consistently include the adjuster's evaluation of evidence and rationale for the valuation range provided;
- Negotiation strategy is well documented;
- Offers and demands are documented in the claim notes;
- Releases are obtained in 100% of the settled claims in the audit sample;
- Medicare interests were protected in the one qualifying settlement;
- Settlement authority requests are timely and presented clearly; and
- Payments are timely, accurate, and supported.

We assess claims disposition performance as superior.

9. Litigation/Recovery Management

88%

Best practices for litigation management require the administrator to avoid unnecessary litigation by:

- Investigating claims promptly;
- Evaluating claims reasonably and making early resolution decisions;
- Maintaining frequent contact with third party claimants to establish trust and foster claim resolution when appropriate; and
- Treating claimants and attorneys fairly.

To minimize costs when litigation does occur, the administrator is expected to:

- Control the use of outside defense counsel;
- Assign claims in writing to specific attorneys rather than to firms;
- Ensure cases contain the attorney's documented resolution strategy and a written budget;
- Collaborate with the assigned attorney to facilitate development of alternative resolution strategies when appropriate;
- Consider alternative dispute resolution; and
- Monitor defense counsel's billings to ensure compliance with contractual requirements.

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

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

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

AORMA has developed excellent litigation management guidelines to ensure compliance from retained counsel to report timely and project costs. Consistent application of these guidelines by CW has resulted in improvement, but lack of compliance in these two areas by a few firms requires consideration of additional measures. Reporting and budgeting are critical duties of counsel supporting CW's evaluation of reserve accuracy and prompt discussion of costs related to litigation versus benefits of alternative dispute resolution, such as negotiating settlement.

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

We find:

- Eighteen percent of the open pending claims and 34% of the audit sample are litigated;
- In addition to litigated claims, counsel is generally retained for discrimination cases involving administrative hearings before the U.S. Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH);
- Representation of the member in EEOC and DFEH cases are outside the scope of the member's coverage;
- Without exception, CW refers new litigation to a panel firm within five days;
- CW uses the required engagement letter without exception;
- Panel counsel demonstrates the necessary expertise to defend assigned cases and provides a through fact summary and analysis of liability. However, we note:
 - Counsel is non-compliant to CW's request for an initial case analysis within 30 days in three of 16 qualifying claims;
 - Counsel demonstrates non-compliance to CW's request for a litigation budget in seven of 13 claims, with several claims requiring multiple requests; and

- Subsequent case reporting by counsel requires improvement to meet AORMA's guidelines with 3 of 8 qualifying claims in the sample reflecting late reporting.
- Legal billings generally comply with AORMA's guidelines.

Best practices for recovery management require:

- Prompt identification of and contact with responsible parties;
- Prompt identification of contracts intended to hold a third party liable;
- Appropriate follow up with responsible parties to effect recovery;
- Assessment of costs and methods to effect recovery should the responsible party decline payment; and
- Protection of the statute of limitations when the decision is made to use legal assistance to obtain payment.

Four claims involve potential recovery and we note no exceptions to best practices.

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

- **Suspend payments to defense counsel until the signed engagement letter, initial case analysis and case budget are submitted;**
- **Send a suspension notice letter to counsel if compliance is not met within the required time frame, but no later than 45 days from assignment; and**
- **Monitor costs against the approved legal budget and notify counsel to prepare a revised budget when costs exceed 85% of the budget.**

Appendix A
Claims Audit List

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Claims Audit List

	Claim Number	Claimant	Member	DOL	Type	Status	Total Reserve \$
1.	1603788-001	AGU, C	CSU FRESNO ASSOCIATION	4/28/2011	LEP	Open	444
2.	1892591-001	ASS, S	CSU SAN DIEGO AZTEC SHOPS, LTD.	8/22/2014	LPD	Open	13,432
3.	1861007-004	AVI, A	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC.	7/12/2013	LPD	Open	6,000
4.	1895248-001	BAA, J	CSU SAN DIEGO ASSOCIATED STUDENTS	9/10/2014	LEP	Open	46,720
5.	1897551-001	BAN, D	CSU SACRAMENTO ASSOCIATED STUDENTS, INC.	5/16/2014	LBI	Open	4,714
6.	1892511-001	BHA, M	CSU SACRAMENTO UNIVERSITY UNION	8/26/2014	LBI	Open	2,923
7.	1898886-001	BLA, L	CPSU POMONA FOUNDATION	12/6/2014	ABI	Open	5,699
8.	1898886-002	BLA, L	CPSU POMONA FOUNDATION	12/6/2014	APD	Open	7,817
9.	1733219-001	BRO, R	CSU SAN DIEGO RESEARCH FOUNDATION	7/8/2011	LEP	Open	394,062
10.	1869442-001	CAL, C	CSU SAN FRANCISCO STUDENT CENTER	10/30/2013	LBI	Open	1,083,997
11.	1898239-001	COR, M	CSU HUMBOLDT UNIVERSITY CENTER	10/25/2014	LBI	Open	6,221
12.	1755960-001	CRO, J	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	5/1/2012	LEP	Open	50,280
13.	1891454-001	DEM, D	CSU SAN DIEGO ASSOCIATED STUDENTS	8/3/2014	LBI	Open	24,017
14.	1860283-001	FAY, A	CSU CHICO RESEARCH FOUNDATION	6/5/2012	LPI	Open	30,722
15.	1881293-001	FIN, K	CSU CHICO RESEARCH FOUNDATION	2/21/2014	LEP	Open	9,915
16.	1593276-001	GOO, L	CSU NORTHRIDGE UNIVERSITY CORP.	1/1/2011	LEP	Open	2,000
17.	1892553-001	GOO, M	CSU STANISLAUS ASSOCIATED STUDENTS, INC.	5/29/2014	LEP	Open	24,170
18.	1600567-001	GUT, E	CSU NORTHRIDGE UNIVERSITY CORP.	1/24/2011	LEP	Open	54,744

	Claim Number	Claimant	Member	DOL	Type	Status	Total Reserve \$
19.	1881536-001	HOD, A	CPSU POMONA ASSOCIATED STUDENTS, INC.	9/27/2013	LBI	Open	30,000
20.	1892678-001	HUB, G	CSU SAN MARCOS RESEARCH SERVICES CORP.	8/25/2014	LEP	Open	58,097
21.	1875956-001	JAB, M	CSU NORTHRIDGE UNIVERSITY STUDENT UNION	9/30/2013	LBI	Closed	0
22.	1882328-001	JAY, J	CSU FULLERTON AUXILIARY SERVICES CORPORATION	8/13/2012	LEP	Open	6,764
23.	1860280-001	KAL, M	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	6/28/2013	APD	Closed	0
24.	1603180-001	LUJ, A	LONG BEACH RESEARCH FOUNDATION	12/7/2011	LBI	Open	12,417
25.	1868502-001	LYO, R	CSU CHICO RESEARCH FOUNDATION	10/19/2013	LBI	Open	1,212,553
26.	1813623-001	MAN, F	CSU SAN FRANCISCO THE UNIVERSITY CORPORATION	11/27/2012	LBI	Open	12,369
27.	1849575-001	MCM, S	CSU SAN DIEGO AZTEC SHOPS, LTD.	10/31/2012	LPI	Closed	0
28.	1861007-005	MER, U	CSU NORTHRIDGE ASSOCIATED STUDENTS, INC.	7/12/2013	LPD	Open	6,000
29.	1889665-001	MIL, K	CSU SAN DIEGO ASSOCIATED STUDENTS	7/12/2014	LBI	Open	939
30.	1897007-001	NOC, A	CSU SAN BERNARDINO STUDENT UNION	2/7/2014	LBI	Open	188,495
31.	1893749-001	ONT, I	CSU SAN DIEGO RESEARCH FOUNDATION	8/28/2014	LPD	Open	4,139
32.	1614600-001	PAR, L	CSU SAN JOSE RESEARCH FOUNDATION	4/16/2011	LEP	Closed	0

	Claim Number	Claimant	Member	DOL	Type	Status	Total Reserve \$
33.	1896694-001	RUS, H	CSU HUMBOLDT SPONSORED PROGRAMS FOUNDATION	10/14/2014	APD	Closed	0
34.	1881571-001	SAN, I	CSU FULLERTON AUXILIARY SERVICES CORPORATION	11/1/2011	LBI	Open	15,087
35.	1889491-001	SHE, A	CSU FULLERTON ASSOCIATED STUDENTS	7/6/2013	LBI	Open	50,000
36.	1879642-001	TAL, T	CSU SACRAMENTO UNIVERSITY ENTERPRISES, INC	2/4/2014	LEP	Open	334
37.	1879344-001	TOR, A	CSU NORTHRIDGE UNIVERSITY STUDENT UNION	1/27/2014	LBI	Open	2,038
38.	1889986-001	TRA, J	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	6/10/2014	LEP	Open	39,374
39.	1758506-001	TRA, J	CSU LONG BEACH ASSOCIATED STUDENTS, INC.	11/9/2011	LEP	Open	14,273
40.	1899509-001	UNK, U	CSU FRESNO ASSOCIATION	12/9/2014	LBI	Open	25,716
41.	1539632-001	WAL, S	CSU NORTHRIDGE UNIVERSITY STUDENT UNION	10/25/2010	LBI	Closed	0
42.	1898188-001	WEB, A	CSU SAN BERNARDINO UNIVERSITY ENTERPRISES CORP	6/15/2014	LEP	Open	4,787
43.	1768697-001	WIL, D	CSU SAN DIEGO RESEARCH FOUNDATION	5/10/2012	LEP	Open	34,627
44.	1895043-001	WIL, T	CSU FRESNO ASSOCIATION (SAVE MART CENTER)	2/15/2014	LBI	Open	5,760
45.	1868502-008	WIL, T	CSU CHICO RESEARCH FOUNDATION	10/19/2013	LBI	Closed	0
				Total			3,491,647

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

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Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
01 Claims Intake							
1	Claim Reporting	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
1.01	Does member report claim timely?	45	0	0	45	45	100%
1.02	Does the initial report have sufficient information for the adjuster to initiate contacts and investigation?	44	0	1	44	44	100%
1.03	Does the initial report reflect the member's familiarity with CSRMA claim reporting procedures?	45	0	0	45	45	100%
Subcomponent Total		134	0	1	134	134	100%
2	Claim Set Up	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
1.04	Is claim set up within 24 business hours of receipt?	43	2	0	43	45	96%
1.05	Are claim facts reviewed immediately to verify facts conform with coverage provided?	44	1	0	44	45	98%
1.06	Is claim data entry accurate?	43	0	2	43	43	100%
Subcomponent Total		130	3	2	130	133	98%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
01 Claims Intake (85% target)		264	3	3	264	267	99%
Exceptions: 01 Claims Intake (Claims scoring below 100%)							
1	1899509-001						80%
2	1895248-001						83%
3	1849575-001						83%

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
02 Investigation							
1	Contacts	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
2.01	Contacts with required parties initiated within 24 hours of receipt of claim?	42	0	3	42	42	100%
2.02	Is contact with parties sufficient to obtain required information?	43	0	2	43	43	100%
Subcomponent Total		85	0	5	85	85	100%
2	Obtaining and Preserving Evidence	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
2.03	Investigation is substantially completed within 15 days of assignment, or the claim is documented with efforts to do so.	34	0	11	34	34	100%
2.04	If the investigation is not complete within 30 days, there is an action plan to complete outstanding items?	12	0	33	12	12	100%
2.05	Investigation includes statements, police reports, photographs appropriate to support liability and damage decisions?	14	0	31	14	14	100%
2.06	If bodily injury is involved, are authorizations obtained?	4	2	39	4	6	67%
Subcomponent Total		64	2	114	64	66	97%
3	Mitigation	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
2.07	If bodily injury is involved, the claim is reported to the index system?	16	0	29	16	16	100%
2.08	When fraud is suspected, additional investigation is pursued, together with reporting to authorities, if appropriate?	0	0	45	0	0	N/A
2.09	Did the adjuster perform a documented analysis of the extent of the member's negligence, including, if applicable, comparative negligence of the parties?	20	0	25	20	20	100%
Subcomponent Total		36	0	99	36	36	100%
Category Total: 02 Investigation (85% target)		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
		185	2	218	185	187	99%

Exceptions: 02 Investigation
(Claims scoring below 100%)

1	1898886-001	86%
2	1879344-001	86%

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
03 Plan of Action/Documentation							
1	Timeliness	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
3.01	Is an action plan documented and updated as necessary?	41	4	0	41	45	91%
3.02	Does the file reflect appropriate activities initiated to resolve the claim?	38	1	6	38	39	97%
Subcomponent Total		79	5	6	79	84	94%
2	Frequency of Updates	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
3.03	Time frames and follow-up dates documented?	35	2	8	35	37	95%
3.04	Diary frequency supported by case facts, but no longer than 60 days?	25	0	20	25	25	100%
3.05	Diary review is documented with date, adjuster name, and action taken?	42	0	3	42	42	100%
Subcomponent Total		102	2	31	102	104	98%
3	Quality of Documentation	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
3.06	File contents braided in chronological order?	43	0	2	43	43	100%
3.07	Separate folders to house claimant-specific information maintained?	0	4	41	0	4	0%
3.08	File material receipt recorded by date stamp or other means?	10	3	32	10	13	77%
3.09	File documents communication among adjuster, claimant and defense counsel.	26	0	19	26	26	100%
3.10	Adjuster documentation is clear and professional.	40	0	5	40	40	100%
Subcomponent Total		119	7	99	119	126	94%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
03 Plan of Action/Documentation (85% target)		300	14	136	300	314	96%

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

1	1897007-001	88%
2	1895248-001	86%
3	1893749-001	75%
4	1892678-001	71%
5	1882328-001	86%
6	1868502-008	78%
7	1868502-001	78%
8	1861007-005	86%
9	1861007-004	86%

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted	Score	
03 Plan of Action/Documentation		10	1755960-001			86%	
04 Reserve Management							
1	Procedures	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
4.01	Initial reserve is established within 2 business days of receipt of claim?	44	1	0	44	45	98%
4.02	Reserve adjustments are made within 30 days of receipt of information supporting a material change in developments?	40	2	3	40	42	95%
4.03	File contains documentation of reserve review at regular intervals, no greater than 120 days?	10	1	34	10	11	91%
4.04	Initial reserve and subsequent changes are supported by case facts?	41	0	4	41	41	100%
4.05	Reserves are evaluated by component, i.e., indemnity and expense?	43	0	2	43	43	100%
4.06	Reserve rationale is documented by worksheet, claim notes, report or other acceptable means.	16	1	28	16	17	94%
Subcomponent Total		194	5	71	194	199	97%
2	Evaluation and Accuracy	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
4.07	Indemnity reserve is accurate?	35	0	10	35	35	100%
4.08	Expense reserve is accurate?	37	1	7	37	38	97%
4.09	Reserve is closed within 30 days of final payment?	7	0	38	7	7	100%
Subcomponent Total		79	1	55	79	80	99%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
04 Reserve Management (85% target)		273	6	126	273	279	98%
Exceptions: 04 Reserve Management (Claims scoring below 100%)							
		1	1899509-001				80%
		2	1898188-001				83%
		3	1889491-001				83%
		4	1868502-001				88%
		5	1861007-005				83%
		6	1733219-001				86%

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted	Score	
05 Statutory Compliance							
1	Compliance	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
5.01	Claim reflects compliance with state laws and regulations.	45	0	0	45	45	100%
5.02	Claim is flagged for required Medicare reporting?	2	1	42	2	3	67%
5.03	Does the adjuster require the claimant to comply with government code requirements?	0	0	45	0	0	N/A
5.04	Is there analysis of potential immunity defense (s)?	0	0	45	0	0	N/A
Subcomponent Total		47	1	132	47	48	98%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
05 Statutory Compliance (85% target)		47	1	132	47	48	99%

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

1	1895043-001	50%
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06 Communication

1	Communication	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
6.01	Prompt response to internal communications?	43	1	1	43	44	98%
6.02	Response to correspondence requiring a response within 5 business days?	18	0	27	18	18	100%
6.03	Claim reflects updates between Risk Management and General Counsel?	5	0	40	5	5	100%
Subcomponent Total		66	1	68	66	67	99%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
06 Communication (85% target)		66	1	68	66	67	99%

Exceptions: 06 Communication
(Claims scoring below 100%)

1	1603788-001	50%
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Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
		Yes	No	N/A	Actual	Possible	Pct
07 Claim Information System							
1	Data Integrity						
7.01	Claim entry contains accurate information.	45	0	0	45	45	100%
7.02	Claim data is updated with new information.	42	2	1	42	44	95%
7.03	Claim system includes sufficient fields to provide meaningful loss information reports.	45	0	0	45	45	100%
7.04	Claim data is accurately reflected in loss run data.	44	0	1	44	44	100%
Subcomponent Total		176	2	2	176	178	99%
2	Medicare Reporting						
7.05	Claim contains entries for fields required for Medicare reporting under MMSEA (Legal Name, DOB, Gender, SSN)?	44	0	1	44	44	100%
Subcomponent Total		44	0	1	44	44	100%
Category Total: 07 Claim Information System (85% target)		220	2	3	220	222	99%

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

1	1892678-001	80%
2	1861007-005	80%

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
08 Claim Disposition and Payment							
1	Evaluation and Documentation	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
8.01	Was the damage evaluation performed within 30 days of receipt of damages information?	5	0	40	5	5	100%
8.02	If injury/disability was considered questionable, was an activity check performed or an independent medical examination considered?	0	0	45	0	0	N/A
8.03	Does the adjuster establish a value range and a negotiating plan prior to initiating negotiations?	5	0	40	5	5	100%
8.04	Is the evaluation properly documented?	8	0	37	8	8	100%
8.05	If wage loss was involved, did the adjuster verify with the employer?	0	0	45	0	0	N/A
8.06	If property damage, was it verified by appraisal/photographs or adjuster verification of contractor's scope and pricing?	1	0	44	1	1	100%
8.07	Were any applicable damage offsets assessed and applied?	1	0	44	1	1	100%
8.08	Are negotiations documented, stating each settlement offer and demand?	7	0	38	7	7	100%
8.09	Is a release executed prior to issuing a settlement check?	9	0	36	9	9	100%
8.10	Does file contain adequate documentation that Medicare interests have been protected pursuant to MMSEA?	1	0	44	1	1	100%
Subcomponent Total		37	0	413	37	37	100%
2	Authority	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
8.11	Is settlement authority requested within 10 days of completing the evaluation?	1	0	44	1	1	100%
8.12	Does the authority request clearly outline issues relevant to the claim to allow an informed decision?	3	0	42	3	3	100%
8.13	Is settlement authority documented in the claim file?	3	0	42	3	3	100%
Subcomponent Total		7	0	128	7	7	100%
3	Payments	<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
8.14	Payment is issued timely.	6	0	39	6	6	100%
8.15	Are payment requests supported by documentation?	6	0	39	6	6	100%
8.16	Payment is issued accurately.	6	0	39	6	6	100%
Subcomponent Total		18	0	117	18	18	100%
Category Total:		<i>Yes</i>	<i>No</i>	<i>N/A</i>	<i>Actual</i>	<i>Possible</i>	<i>Pct</i>
08 Claim Disposition and Payment (85% target)		62	0	658	62	62	100%

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions	Number of Responses	Weighted	Score
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08 Claim Disposition and Payment

Exceptions: 08 Claim Disposition and Payment
(Claims scoring below 100%)

Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions		Number of Responses			Weighted		Score
		Yes	No	N/A	Actual	Possible	Pct
09 Litigation/Recovery Management							
1 Litigation Management		Yes	No	N/A	Actual	Possible	Pct
9.01	Is the suit referred to a panel law firm within 5 days of notice?	17	0	28	17	17	100%
9.02	Does assignment include an engagement letter providing counsel with litigation guidelines?	17	0	28	17	17	100%
9.03	Does counsel work with adjuster to develop a litigation strategy?	14	1	30	14	15	93%
9.04	Does counsel provide a preliminary evaluation within 30 days of assignment?	13	3	29	13	16	81%
9.05	Does counsel provide a litigation budget within 30 - 45 days of assignment?	6	7	32	6	13	46%
9.06	Is counsel's analysis thorough, providing a fact summary and analysis of liability and governing statutes?	15	0	30	15	15	100%
9.07	Is counsel's subsequent reporting timely, within client guidelines?	5	3	37	5	8	63%
9.08	Is alternative dispute resolution considered, if appropriate?	0	0	45	0	0	N/A
9.09	Do legal billings comply with litigation management guidelines?	12	1	32	12	13	92%
Subcomponent Total		99	15	291	99	114	87%
2 Recovery Management		Yes	No	N/A	Actual	Possible	Pct
9.10	Was responsible third party contacted within 10 days of knowledge or was there an attempt to identify potentially responsible parties?	1	0	44	1	1	100%
9.11	Is there an investigation to determine the existence of contracts that would shift liability to another party?	3	0	42	3	3	100%
9.12	If another responsible party is identified, is there appropriate follow-up contact until a response is obtained?	1	0	44	1	1	100%
9.13	Was the responsible party notified in writing?	2	0	43	2	2	100%
9.14	In the event the responsible party declines payment or ignores requests for payment, is there a decision made on whether or not to pursue subrogation after completing a cost-benefit analysis?	0	0	45	0	0	N/A
Subcomponent Total		7	0	218	7	7	100%
Category Total:		Yes	No	N/A	Actual	Possible	Pct
09 Litigation/Recovery Management (85% target)		106	15	509	106	121	88%

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

1	1892678-001	60%
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Claims Audit

Component, Subcomponent and Criteria Scores with Exceptions

AORMA

Components, Subcomponents and Questions	Number of Responses			Weighted		Score
09 Litigation/Recovery Management						
	2	1882328-001				50%
	3	1881571-001				82%
	4	1881293-001				80%
	5	1879344-001				75%
	6	1733219-001				86%
	7	1603788-001				43%
	8	1603180-001				80%
Overall (85% target)	1,523	44	1,853	1,523	1,567	97%

Appendix C

CSURMA Claims Adjusting Process – Carl Warren and Company

DRAFT



CSURMA Claims Adjusting Process

Claims Reporting

New claims may be reported electronically by email, through our website, telephone-using a toll free number or by fax. The most common method is email or fax for non-urgent matters. If the claim notice is faxed it will automatically turn into an electronic version that goes directly to an assignment mail folder. The notice will be reviewed by the Client Relationship Manager and assigned to the adjuster, typically within twenty-four (24) hours, and no later than 2 business days unless a specified response time has been requested. Via email we will confirm receipt.

Claims Processing

When a claim is received it will be processed using our established Liability Claim Standards:

1. Within twenty-four (24) hours of receipt of the first report, a file will be created, reserved and assigned the proper code numbers, and the necessary data will be entered into the information system.
2. The initial reserve will take into consideration all potential payments related to the loss including liability and allocated expenses. Thereafter, any reserve revisions and all payments will be clearly explained in the file notes.
3. All payments, reserve revisions and file closings will be reviewed on every diary date and adjusted when file material warrants it.
4. Diary triggered reviews will be conducted on all files every thirty (30) days.
5. We submit all bodily injury (BI) claims to the Central Index Bureau.
6. When a claim has been resolved, we will prepare a closing report and promptly close the file.

Investigations (including fraud)

All investigations of claims and/or lawsuits are conducted in a manner that adheres to the Fair Claims Practices Act, and Carl Warren & Company will perform the following:

1. Contact with any injured claimant and, if applicable, witnesses and other interested parties, will be made within 24 hours of receipt of the first report.
2. When necessary, police reports will be immediately obtained upon receipt of the claim.
3. Initial statements and/or inspections will be taken within 72 hours of receipt of the claim. This includes taking pictures or preparing diagrams to illustrate the mechanism, cause or location of the accident.
4. Within twenty (20) days of receipt of the first report, there should be an investigation of facts of accident and injury sufficient to make a liability determination and send the



initial claims report. If there is a potential to tender the claim to a third party, we will request authority to do so in the initial report.

5. We will provide written reports to the client keeping them informed of any major claim developments such as medical status, settlement demands, scheduling of settlement conferences, hearings and trials.
6. We will seek approval prior to hiring independent experts deemed necessary to properly conduct fraud investigations or direct sub-rosa services when needed. Such investigation costs will be billed as an allocated loss expense and will be coded as such in all data files.
7. Contact will be maintained with any claimant on a regular basis to ensure accurate reserving and claimant rapport.
8. We will request a medical authorization and a loss of earnings authorization from the claimant on any bodily injury file where settlement is being considered.
9. All medical bills submitted by the claimant for payment will be reviewed for causal relationship to the accident.
10. Subrogation/contribution possibilities will be promptly recognized and investigated, preserving required evidence, and utilizing experts where needed and approved.
11. Where warranted, settlement will be aggressively pursued and all negotiations will be properly documented in the file notes and handled internally by the claims adjuster assigned the file unless there is a documented basis to handle it in another manner.
12. CRM/Adjusters will communicate with Risk Management and Counsel regularly throughout investigation.
13. When there is clear liability on a claim Carl Warren & Company will negotiate with claimant/plaintiff.
14. When liability has been determined and the settlement value is within our authority we will immediately start negotiations to settle the claim without litigation. If the value of the claim exceeds our authority, we will prepare an Evaluation/Authority Request form which will provide a clear analysis of the claim and our authority request.
15. When a settlement amount is agreed upon, we will prepare and send all releases, agreements, W-9's and other payment instruments to the claimant and/or the claimant's representative.

Claim Set-Up

Each file will consist of the following information:

- ✓ An information sheet containing all pertinent information regarding the claims: name of claimant, claim number, date of loss, description of loss and involved departments and employee(s).
- ✓ A reserve of the estimate of the potential cost of the claim
- ✓ A copy of the claim, lawsuit or other documentation
- ✓ An analysis of the potential exposure including liability and estimated damages
- ✓ Written contact with the claimant or claimant's representative
- ✓ Follow-up recommendations to bring claim to conclusion/closure
- ✓ Documentation regarding the resolution including settlement agreements/releases



- ✓ Communication with the Client and Counsel (in litigated matters) regarding the resolution or settlement of the case including letters pertaining to authorization of settlement
- ✓ Letters, correspondence, memos, legal documents and notes to file that pertain to the claim
- ✓ A full report of investigation including recorded or written statements from involved employees, managers, witnesses and claimant which may include photographs and any other visual information pertaining to the claim or lawsuit
- ✓ Correspondence or case notes regarding conversations with either claimant, plaintiff or his or legal representative

Quality Assurance

Carl Warren & Company's approach to quality control and the effective management of claims is one that has been refined over the past 60+ years. Our new adjusters are provided with training at the time they are hired. They are familiarized with our 183 page Adjuster Technical and Procedural Guidelines Manual. Our quality control processes really begins with notification of a claim and continues throughout the life of the claim. Our adjusters are required to review and verify information at the time the file is opened. All files are maintained on a diary system to ensure timely, informative, valuable reporting. Our adjusters conduct a mandatory, monthly review of their files to ensure the accuracy of the claim, payment and reserve data as well. We have an in house Quality Assurance group that audits files and streamlines the quality control process.

In summary, our quality assurance process is multilevel in structure. It begins with accountability. All of our adjusters are accountable for their work product as well as client service and satisfaction issues. Claim reports/files (depending on severity and other criteria) are periodically reviewed by our Client Relationship Managers. Service and Retention leaders selectively review claim files to verify our work meets the client's specifications. Finally, our quality assurance leader conducts periodic audits. Our adjusters are reviewed annually by supervisors within the management structure who are most familiar with their work and the relationships with their clients.

All files are on a strict diary and are reviewed at pre-established intervals, to ensure the timely completion of investigation, timely evaluation and the adequacy of the established reserves. They are to be looked at for initial reserve within 3-5 days, then at the 30 day diary there should be a fairly solid reserve set and an action plan in place. From the 30 day review, we then decide if this is something that has to be reviewed every 30 or 60 days and diary accordingly.

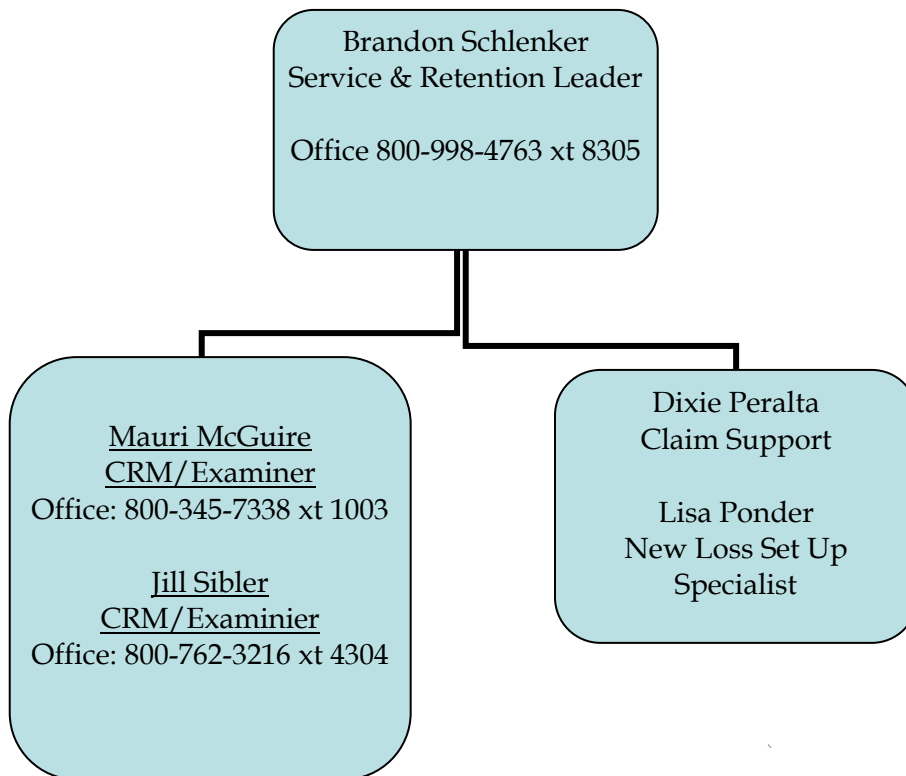
The supervision guidelines include the following:

- If the claim requires a full investigation in order to establish liability, the CRM will make the assignment to an adjuster for investigation and handling.



- Reporting will be monitored to assure it meets the established account reporting guidelines. The CRM/SRL will conduct random audits on selected adjuster files; a minimum of four files per month are audited.
- The SRL approves all checks.

Organizational Chart - Staff for CSURMA



Appendix D
Defense Counsel Assignment Letter

DRAFT



CARL WARREN & COMPANY
Claims Management and Solutions

Date

Defense Attorney Name
Defense Attorney Address

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

Dear Mr. Attorney:

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

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

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

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

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

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

AN EMPLOYEE-OWNED COMPANY

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

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

CA License No. 2607296

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

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

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

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

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

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

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

We thank you in advance for your assistance.

Sincerely,

CARL WARREN & COMPANY

Mauri McGuire
Claims Analyst

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

Defense Attorney Named

Date

Cc: CSU Auxiliary Organization

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

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

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

Appendix E

Defense Counsel Suspension Letter

DRAFT



CARL WARREN & COMPANY
Claims Management and Solutions

Date

Defense Attorney Name
Defense Attorney Address

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

Dear Mr. Attorney:

As you may recall, you received the above mentioned assignment and retention letter dated (date). Within the retention letter there were various requirements for reporting with timeframes for completion. To date we have not received your signed copy confirming receipt of the CSURMA AORMA's Policy & Procedure No. L-2 - Liability Claims Administration and Litigation Management guidelines, litigation budget or initial evaluation.

As stated in the retention letter, payment of the legal bills is contingent on the return of the signed letter, receipt of the initial evaluation and litigation budget as well as the submission of a revised budget when the approved budget is exceeded.

As a result, we are providing formal notice that you have not complied with the requirements and that payment of further billings will be suspended until the needed documents are received.

I apologize for any inconvenience this may cause and look forward to receiving the requested/needed documents as soon as possible. Thank you for your cooperation.

Sincerely,

CARL WARREN & COMPANY

AN EMPLOYEE-OWNED COMPANY

1000 S. Hill Road, Suite 215 | Ventura, CA 93003

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

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

CA License No. 2607296

Cc:

CSU Auxiliary Organization

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

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

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

FY 14/15 CSURMA BUDGET - MIDTERM ADJUSTMENTS

ISSUE: The Board of Directors adopted the FY 14/15 Budget at its meeting on May 9, 2014. Upon review of the Financial Statements at December 31, 2014 (unaudited), Staff recommends amending the FY 14/15 CSURMA Budget as follows:

1. Increase Reinsurance Premiums (negative revenue) to reclassify property reinsurance (\$1,546,476).
2. Adjust Claim Payments & Legal Expenses per updated actuary reports dated September 15, 2014.
3. Increase Workers' Compensation Taxes, Assessments & Fees to \$63,003 for total amount paid to the California Department of Industrial Relations, Office of Self Insured Plans for FY 14/15 self-insurers' assessment.
4. Increase Workers' Compensation Premiums by \$1,241,707 for new CSAC-EIA workers' compensation program.

RECOMMENDATION: It is recommended that the AORMA Committee recommend approval to the Executive Committee of the AORMA FY 14/15 midterm budget amendments.

FISCAL IMPACT: The effect of the above adjustments decreases Total Revenue by \$1,546,476, decreased Total Expenses by \$463,838, resulting Total Operating Revenue of \$12,344,958 (net of reinsurance premiums), Total Operating Expenses of \$13,609,559, and Non-Operating Income of \$355,726, resulting in a Net Deficit of \$1,128,284. The Ending Balance at June 30, 2015 is estimated to be \$11,816,249.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 14/15 CSURMA Proposed Midterm Budget Amendments

CSURMA

**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015**

MID YEAR BUDGET AMENDMENT

Draft 2

**Executive Committee
March 19, 2015**

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	14,716,434	14,716,434	0
Reinsurance Premiums	-825,000	-2,371,476	-1,546,476
Total Operating Revenues	<u>13,891,434</u>	<u>12,344,958</u>	<u>-1,546,476</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	6,595,737	6,625,623	29,886
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	252,100	252,100	0
Claims Management Information System	0	0	0
Program Administrators	1,212,996	1,212,996	0
Brokerage Commissions & Fees	360,400	360,400	0
Insurance Premiums (net of brokerage)	3,482,715	3,177,946	-304,769
Taxes, Assessments & Fees	35,000	63,003	28,003
Actuarial Services	11,000	11,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	28,160	35,833	7,673
Loss Control Expenses	274,113	274,113	0
Appraisals	0	0	0
Reinsurance Recovery	0	-224,632	-224,632
Program Committee	28,688	28,688	0
Dividend Distributions	1,823,733	1,823,733	0
Total Direct Program Expenses	<u>14,073,397</u>	<u>13,609,559</u>	<u>-463,838</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	7,539	7,539	0
Executive Committee & Board Expenses	5,340	5,340	0
JPA Insurance	4,319	4,319	0
Memberships, Associations & Dues	1,170	1,170	0
Chancellor's Office Accounting Services	51,045	51,045	0
Chancellor's Office Risk Management Service	146,854	146,854	0
JPA Accreditation	0	0	0
JPA Legal	785	785	0
Miscellaneous Expenses	2,356	2,356	0
Total General & Administrative Expenses	<u>219,409</u>	<u>219,409</u>	<u>0</u>
Total Operating Expenses	<u>14,292,806</u>	<u>13,828,968</u>	<u>-463,838</u>
Non-Operating Revenues			
Investment Income	355,726	355,726	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>355,726</u>	<u>355,726</u>	<u>0</u>
Net Surplus (Deficit)	<u>-45,646</u>	<u>-1,128,284</u>	
Beginning Retained Earnings	12,944,533	12,944,533	
Ending Retained Earnings	12,898,887	11,816,249	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	3,823,115	3,823,115	0
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>2,998,115</u>	<u>2,998,115</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,580,961	1,585,983	5,022
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Claims Management Information System	0	0	0
Program Administrators	557,137	557,137	0
Brokerage Commissions & Fees	60,000	60,000	0
Insurance Premiums (net of brokerage)	529,115	529,115	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	8,098	9,309	1,211
Loss Control Expenses	127,714	127,714	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	8,619	8,619	0
Dividend Distributions	978,346	978,346	0
Total Direct Program Expenses	<u>3,832,490</u>	<u>3,838,723</u>	<u>6,233</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,959	1,959	0
Executive Committee & Board Expenses	1,387	1,387	0
JPA Insurance	1,122	1,122	0
Memberships, Associations & Dues	304	304	0
Chancellor's Office Accounting Services	13,261	13,261	0
Chancellor's Office Risk Management Service	38,150	38,150	0
JPA Accreditation	0	0	0
JPA Legal	204	204	0
Miscellaneous Expenses	612	612	0
Total General & Administrative Expenses	<u>56,999</u>	<u>56,999</u>	<u>0</u>
Total Operating Expenses	<u>3,889,490</u>	<u>3,895,723</u>	<u>6,233</u>
Non-Operating Revenues			
Investment Income	118,735	118,735	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>118,735</u>	<u>118,735</u>	<u>0</u>
Net Surplus (Deficit)	<u>-772,640</u>	<u>-778,873</u>	
Beginning Retained Earnings	4,356,346	4,356,346	
Ending Retained Earnings	3,583,706	3,577,473	

Includes Cyber Risk Liability

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

<i>Adopted</i>	<i>Proposed</i>	
FY 14/15	FY 14/15	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	4,382,449	4,382,449	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,382,449</u>	<u>4,382,449</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	2,360,173	2,385,037	24,864
Deductible Recoveries	0	0	0
Claims Administrators	205,000	205,000	0
Claims Management Information System	0	0	0
Program Administrators	293,581	293,581	0
Brokerage Commissions & Fees	51,700	51,700	0
Insurance Premiums (net of brokerage)	465,300	1,707,007	1,241,707
Taxes, Assessments & Fees	35,000	63,003	28,003
Actuarial Services	6,000	6,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	8,071	10,671	2,600
Loss Control Expenses	146,399	146,399	0
Appraisals	0	0	0
Reinsurance Recovery	0	-224,632	-224,632
Program Committee	9,906	9,906	0
Dividend Distributions	845,387	845,387	0
Total Direct Program Expenses	<u>4,432,771</u>	<u>5,505,314</u>	<u>1,072,542</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	2,245	2,245	0
Executive Committee & Board Expenses	1,590	1,590	0
JPA Insurance	1,286	1,286	0
Memberships, Associations & Dues	348	348	0
Chancellor's Office Accounting Services	15,201	15,201	0
Chancellor's Office Risk Management Service	43,732	43,732	0
JPA Accreditation	0	0	0
JPA Legal	234	234	0
Miscellaneous Expenses	702	702	0
Total General & Administrative Expenses	<u>65,338</u>	<u>65,338</u>	<u>0</u>
Total Operating Expenses	<u>4,498,110</u>	<u>5,570,652</u>	<u>1,072,542</u>
Non-Operating Revenues			
Investment Income	177,657	177,657	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>177,657</u>	<u>177,657</u>	<u>0</u>
Net Surplus (Deficit)	<u>61,996</u>	<u>-1,010,546</u>	
Beginning Retained Earnings	4,800,263	4,800,263	
Ending Retained Earnings	4,862,259	3,789,717	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	3,179,019	3,179,019	0
Reinsurance Premiums	0	-1,546,476	-1,546,476
Total Operating Revenues	<u>3,179,019</u>	<u>1,632,543</u>	<u>-1,546,476</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	350,000	350,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	254,983	254,983	0
Brokerage Commissions & Fees	225,000	225,000	0
Insurance Premiums (net of brokerage)	2,275,000	728,524	-1,546,476
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	5,855	7,741	1,886
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	5,707	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>3,116,545</u>	<u>1,571,954</u>	<u>-1,544,590</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,629	1,629	0
Executive Committee & Board Expenses	1,154	1,154	0
JPA Insurance	933	933	0
Memberships, Associations & Dues	253	253	0
Chancellor's Office Accounting Services	11,027	11,027	0
Chancellor's Office Risk Management Service	31,723	31,723	0
JPA Accreditation	0	0	0
JPA Legal	170	170	0
Miscellaneous Expenses	509	509	0
 Total General & Administrative Expenses	 <u>47,396</u>	 <u>47,396</u>	 <u>0</u>
 Total Operating Expenses	 <u>3,163,941</u>	 <u>1,619,351</u>	 <u>-1,544,590</u>
Non-Operating Revenues			
Investment Income	16,143	16,143	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>16,143</u>	 <u>16,143</u>	 <u>0</u>
 Net Surplus (Deficit)	 <u>31,221</u>	 <u>29,335</u>	
 Beginning Retained Earnings	 896,974	 896,974	
Ending Retained Earnings	928,195	926,309	

* AORMA Property includes Cyber Risk and ID Fraud; AORMA Fidelity is Crime only.

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	337,000	337,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>337,000</u>	<u>337,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	25,295	25,295	0
Brokerage Commissions & Fees *	23,700	23,700	0
Insurance Premiums	213,300	213,300	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	621	821	200
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>313,310</u>	<u>313,509</u>	<u>200</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	173	173	0
Executive Committee & Board Expenses	122	122	0
JPA Insurance	99	99	0
Memberships, Associations & Dues	27	27	0
Chancellor's Office Accounting Services	1,169	1,169	0
Chancellor's Office Risk Management Service	3,363	3,363	0
JPA Accreditation	0	0	0
JPA Legal	18	18	0
Miscellaneous Expenses	54	54	0
 Total General & Administrative Expenses	 <u>5,024</u>	 <u>5,024</u>	 <u>0</u>
 Total Operating Expenses	 <u>318,334</u>	 <u>318,534</u>	 <u>200</u>
Non-Operating Revenues			
Investment Income	2,220	2,220	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>2,220</u>	 <u>2,220</u>	 <u>0</u>
 Net Surplus (Deficit)	 <u>20,886</u>	 <u>20,686</u>	
 Beginning Retained Earnings	 234,669	 234,669	
Ending Retained Earnings	255,555	255,355	

* AORMA Crime separated from AORMA Property beginning July 1, 2011

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	2,994,851	2,994,851	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,994,851</u>	<u>2,994,851</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,254,603	2,254,603	0
Deductible Recoveries	0	0	0
Claims Administrators	32,100	32,100	0
Claims Management Information System	0	0	0
Program Administrators	82,000	82,000	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	5,515	7,292	1,777
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	4,063	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,378,281</u>	<u>2,380,058</u>	<u>1,777</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 2

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,534	1,534	0
Executive Committee & Board Expenses	1,087	1,087	0
JPA Insurance	879	879	0
Memberships, Associations & Dues	238	238	0
Chancellor's Office Accounting Services	10,388	10,388	0
Chancellor's Office Risk Management Service	29,885	29,885	0
JPA Accreditation	0	0	0
JPA Legal	160	160	0
Miscellaneous Expenses	479	479	0
Total General & Administrative Expenses	<u>44,651</u>	<u>44,651</u>	<u>0</u>
Total Operating Expenses	<u>2,422,931</u>	<u>2,424,708</u>	<u>1,777</u>
Non-Operating Revenues			
Investment Income	40,971	40,971	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>40,971</u>	<u>40,971</u>	<u>0</u>
Net Surplus (Deficit)	<u>612,891</u>	<u>611,114</u>	
Beginning Retained Earnings	2,656,281	2,656,281	
Ending Retained Earnings	3,269,172	3,267,395	

FY 15/16 CSURMA OPERATING BUDGET

ISSUE: CSURMA's next fiscal year begins on July 1, 2015. The FY 15/16 operating budget is to be approved by the Board of Directors at its April 27, 2015 meeting. The Chancellor's Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 15/16 budget for the AORMA Committee's review. Major features of the proposed **AORMA Programs** budget include:

- Projected decrease in Total Contributions from \$14,716,434 to \$13,895,979.
- Projected decrease in Liability Contributions from \$3,823,115 to \$3,747,378 due to actuarial projected claim trend and projected reinsurance premiums.
- Projected increase in Workers' Compensation contributions from \$4,382,449 to \$4,486,750 due to actuarial projected claim trend and projected excess insurance premium.
- Projected decrease in Property Contributions from \$3,179,019 to \$2,357,000 due to expected insurance premiums.
- Projected decrease in Crime from \$337,000 to \$310,000.

Staff will be present at today's meeting to review the proposed budget.

RECOMMENDATION: The AORMA Committee is asked to review the draft proposed budget for FY 15/16 and recommend approval to the Executive Committee for adoption with changes as appropriate.

FISCAL IMPACT: The proposed AORMA programs operating budget would develop Total Operating Revenues of \$11,366,979 (net of reinsurance premiums), Total Operating Expenses of \$12,559,732, and Total Non-Operating Revenues of \$342,933, generating a deficit \$849,101 to be funded by retained earnings.

BACKGROUND: The proposed budget is detailed by program in the draft document included with the agenda packet.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 15/16 CSURMA Budget

CSURMA

Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

**Executive Committee
March 19, 2015**

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

TOTAL: AORMA PROGRAMS

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	14,716,434	13,895,979	-820,455
Reinsurance Premiums	-2,371,476	-2,529,000	-157,524
Total Operating Revenues	<u>12,344,958</u>	<u>11,366,979</u>	<u>-977,979</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	6,625,623	6,486,978	-138,645
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	252,100	249,488	-2,612
Claims Management Information System	0	0	0
Program Administrators	1,212,996	1,274,402	61,406
Brokerage Commissions & Fees	360,400	115,358	-245,042
Insurance Premiums (net of brokerage)	3,177,946	3,138,240	-39,706
Taxes, Assessments & Fees	63,003	83,306	20,303
Actuarial Services	11,000	11,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	35,833	26,246	-9,587
Loss Control Expenses	274,113	252,480	-21,633
Appraisals	0	0	0
Reinsurance Recovery	-224,632	-458,298	-233,667
Program Committee	28,688	28,688	0
Dividend Distributions	1,179,889	1,179,889	0
Total Direct Program Expenses	<u>12,965,715</u>	<u>12,356,532</u>	<u>-609,183</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

TOTAL: AORMA PROGRAMS

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	7,539	6,188	-1,351
Executive Committee & Board Expenses	5,340	4,893	-447
JPA Insurance	4,319	3,958	-362
Memberships, Associations & Dues	1,170	1,072	-98
Chancellor's Office Accounting Services	51,045	48,931	-2,114
Chancellor's Office Risk Management Service	146,854	134,560	-12,293
JPA Accreditation	0	0	0
JPA Legal	785	720	-66
Miscellaneous Expenses	2,356	2,159	-197
Total General & Administrative Expenses	<u>219,409</u>	<u>202,481</u>	<u>-16,928</u>
Total Operating Expenses	<u>13,185,124</u>	<u>12,559,013</u>	<u>-626,111</u>
Non-Operating Revenues			
Investment Income	355,726	342,933	-12,793
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>355,726</u>	<u>342,933</u>	<u>-12,793</u>
Net Surplus (Deficit)	<u>-484,440</u>	<u>-849,101</u>	
Beginning Retained Earnings	12,944,533	12,460,093	
Ending Retained Earnings	12,460,093	11,610,993	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,823,115	3,747,378	-75,737
Reinsurance Premiums	-825,000	-850,000	-25,000
Total Operating Revenues	<u>2,998,115</u>	<u>2,897,378</u>	<u>-100,737</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,585,983	1,443,702	-142,281
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	12,600	-2,400
Claims Management Information System	0	0	0
Program Administrators	557,137	596,230	39,093
Brokerage Commissions & Fees	60,000	39,939	-20,061
Insurance Premiums (net of brokerage)	529,115	404,339	-124,776
Taxes, Assessments & Fees	0	9,000	9,000
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	9,309	6,184	-3,125
Loss Control Expenses	127,714	126,240	-1,474
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	8,619	8,619	0
Dividend Distributions	464,087	464,087	0
Total Direct Program Expenses	<u>3,324,464</u>	<u>3,078,440</u>	<u>-246,024</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,959	1,669	-290
Executive Committee & Board Expenses	1,387	1,320	-68
JPA Insurance	1,122	1,067	-55
Memberships, Associations & Dues	304	289	-15
Chancellor's Office Accounting Services	13,261	13,195	-65
Chancellor's Office Risk Management Service	38,150	36,287	-1,863
JPA Accreditation	0	0	0
JPA Legal	204	194	-10
Miscellaneous Expenses	612	582	-30
Total General & Administrative Expenses	<u>56,999</u>	<u>54,604</u>	<u>-2,395</u>
Total Operating Expenses	<u>3,381,464</u>	<u>3,133,044</u>	<u>-248,420</u>
Non-Operating Revenues			
Investment Income	118,735	107,283	-11,452
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>118,735</u>	<u>107,283</u>	<u>-11,452</u>
Net Surplus (Deficit)	<u>-264,614</u>	<u>-128,383</u>	
Beginning Retained Earnings	4,356,346	4,091,732	
Ending Retained Earnings	4,091,732	3,963,349	

Includes Cyber Risk Liability

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,382,449	4,486,750	104,301
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,382,449</u>	<u>4,486,750</u>	<u>104,301</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,385,037	2,488,673	103,636
Deductible Recoveries	0	0	0
Claims Administrators	205,000	208,000	3,000
Claims Management Information System	0	0	0
Program Administrators	293,581	351,636	58,055
Brokerage Commissions & Fees	51,700	53,176	1,476
Insurance Premiums (net of brokerage)	1,707,007	2,483,349	776,342
Taxes, Assessments & Fees	63,003	65,500	2,497
Actuarial Services	6,000	6,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	10,671	8,071	-2,600
Loss Control Expenses	146,399	126,240	-20,159
Appraisals	0	0	0
Reinsurance Recovery	-224,632	-458,298	-233,667
Program Committee	9,906	9,906	0
Dividend Distributions	715,802	715,802	0
Total Direct Program Expenses	<u>5,375,729</u>	<u>6,064,310</u>	<u>688,581</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	2,245	1,998	-247
Executive Committee & Board Expenses	1,590	1,580	-10
JPA Insurance	1,286	1,278	-8
Memberships, Associations & Dues	348	346	-2
Chancellor's Office Accounting Services	15,201	15,799	598
Chancellor's Office Risk Management Service	43,732	43,447	-285
JPA Accreditation	0	0	0
JPA Legal	234	232	-2
Miscellaneous Expenses	702	697	-5
Total General & Administrative Expenses	<u>65,338</u>	<u>65,377</u>	<u>39</u>
Total Operating Expenses	<u>5,441,067</u>	<u>6,129,687</u>	<u>688,620</u>
Non-Operating Revenues			
Investment Income	177,657	172,862	-4,795
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>177,657</u>	<u>172,862</u>	<u>-4,795</u>
Net Surplus (Deficit)	<u>-880,961</u>	<u>-1,470,075</u>	
Beginning Retained Earnings	4,800,263	3,919,302	
Ending Retained Earnings	3,919,302	2,449,227	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,179,019	2,357,000	-822,019
Reinsurance Premiums	-1,546,476	-1,679,000	-132,524
Total Operating Revenues	<u>1,632,543</u>	<u>678,000</u>	<u>-954,543</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	350,000	250,000	-100,000
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	254,983	254,828	-155
Brokerage Commissions & Fees	225,000	0	-225,000
Insurance Premiums (net of brokerage)	728,524	21,000	-707,524
Taxes, Assessments & Fees	0	8,806	8,806
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	7,741	5,855	-1,886
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	5,707	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,571,954</u>	<u>546,196</u>	<u>-1,025,759</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

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AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,629	1,050	-579
Executive Committee & Board Expenses	1,154	830	-324
JPA Insurance	933	671	-262
Memberships, Associations & Dues	253	182	-71
Chancellor's Office Accounting Services	11,027	8,300	-2,727
Chancellor's Office Risk Management Service	31,723	22,824	-8,899
JPA Accreditation	0	0	0
JPA Legal	170	122	-48
Miscellaneous Expenses	509	366	-143
Total General & Administrative Expenses	<u>47,396</u>	<u>34,344</u>	<u>-13,052</u>
Total Operating Expenses	<u>1,619,351</u>	<u>580,540</u>	<u>-1,038,811</u>
Non-Operating Revenues			
Investment Income	16,143	17,283	1,140
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>16,143</u>	<u>17,283</u>	<u>1,140</u>
Net Surplus (Deficit)	<u>29,335</u>	<u>114,743</u>	
Beginning Retained Earnings	896,974	926,309	
Ending Retained Earnings	926,309	1,041,052	

* AORMA Property includes Cyber Risk and ID Fraud; AORMA Fidelity is Crime only.

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

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AORMA CRIME PROGRAM *

(Fund 24)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	337,000	310,000	-27,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>337,000</u>	<u>310,000</u>	<u>-27,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	25,295	24,432	-863
Brokerage Commissions & Fees *	23,700	22,243	-1,457
Insurance Premiums	213,300	229,552	16,252
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	821	621	-200
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>313,509</u>	<u>327,242</u>	<u>13,732</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA CRIME PROGRAM *

(Fund 24)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	173	138	-35
Executive Committee & Board Expenses	122	109	-13
JPA Insurance	99	88	-11
Memberships, Associations & Dues	27	24	-3
Chancellor's Office Accounting Services	1,169	1,092	-77
Chancellor's Office Risk Management Service	3,363	3,002	-361
JPA Accreditation	0	0	0
JPA Legal	18	16	-2
Miscellaneous Expenses	54	48	-6
 Total General & Administrative Expenses	 <u>5,024</u>	 <u>4,517</u>	 <u>-507</u>
 Total Operating Expenses	 <u>318,534</u>	 <u>331,759</u>	 <u>13,225</u>
 Non-Operating Revenues			
Investment Income	2,220	3,437	1,217
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>2,220</u>	 <u>3,437</u>	 <u>1,217</u>
 Net Surplus (Deficit)	 <u>20,686</u>	 <u>-18,322</u>	
 Beginning Retained Earnings	 234,669	 255,355	
Ending Retained Earnings	255,355	237,033	

* AORMA Crime separated from AORMA Property beginning July 1, 2011

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,994,851	2,994,851	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,994,851</u>	<u>2,994,851</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,254,603	2,254,603	0
Deductible Recoveries	0	0	0
Claims Administrators	32,100	28,888	-3,212
Claims Management Information System	0	0	0
Program Administrators	82,000	47,276	-34,724
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	7,292	5,515	-1,777
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	4,063	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,380,058</u>	<u>2,340,345</u>	<u>-39,713</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2015 to June 30, 2016

Draft 2

AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Revised</i> FY 14/15 <u>Budget</u>	<i>Proposed</i> FY 15/16 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,534	1,334	-201
Executive Committee & Board Expenses	1,087	1,055	-32
JPA Insurance	879	853	-26
Memberships, Associations & Dues	238	231	-7
Chancellor's Office Accounting Services	10,388	10,546	158
Chancellor's Office Risk Management Service	29,885	29,000	-885
JPA Accreditation	0	0	0
JPA Legal	160	155	-5
Miscellaneous Expenses	479	465	-14
Total General & Administrative Expenses	<u>44,651</u>	<u>43,639</u>	<u>-1,012</u>
Total Operating Expenses	<u>2,424,708</u>	<u>2,383,983</u>	<u>-40,725</u>
Non-Operating Revenues			
Investment Income	40,971	42,068	1,097
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>40,971</u>	<u>42,068</u>	<u>1,097</u>
Net Surplus (Deficit)	<u>611,114</u>	<u>652,936</u>	
Beginning Retained Earnings	2,656,281	3,267,395	
Ending Retained Earnings	3,267,395	3,920,331	

REVIEW OF AUXILIARY SERVICE PROVIDER REPORT

ISSUE: CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA AORMA members who regularly use vendor services and asks them to complete an on-line vendor survey. For 2014 the following vendors and service providers were listed on the survey:

AUXILIARY VENDORS:

<i>Alliant (Program Admin)</i>	<i>Sedgwick CMS (W/C claims)</i>
<i>Alliant (Insurance Broker)</i>	<i>E-Group (UI claims)</i>
<i>CO Risk Management (Consulting)</i>	<i>Alliant (Loss control & safety)</i>
<i>Employers Group (HR consulting)</i>	<i>Target Safety (Web-based training)</i>
<i>Alliant (Claims – property/crime)</i>	<i>CO Enterprise Accounting</i>
<i>Carl Warren & Co. (Liability claims)</i>	

RECOMMENDATION: This is an information only item; no action is recommended at this time.

FISCAL IMPACT: None.

BACKGROUND: The Service Provider Performance evaluation will assist CSURMA AORMA with additional information to support strategic planning. The evaluation is tailored to maintain respondent confidentiality in order to produce candid comments.

PUBLICATION: The complete 2014 Vendor Survey Report will be posted on the CSURMA website.

ATTACHMENT(S):

- a) CSURMA 2014 Annual Vendor Survey Report



CSURMA 2014 Annual Vendor Survey Report

CSURMA Executive Committee Meeting

March 19, 2015

Alliant Insurance Services – Newport Beach, CA

A foundation of CSURMA has been the concept of consistency and reliability over time. One key component to accomplishing this foundational element is evaluating those organizations that provide service to CSURMA. As such, on an annual basis the vendor survey is deployed and please allow this as our report regarding the outcome of the 2014 Annual CSURMA Vendor Survey.

The CSU Systemwide Risk Management annually contacts CSURMA/AORMA members who regularly use vendor services and ask that they complete the on-line survey. For 2014 the following vendors and service providers were listed on the campus survey:

CAMPUS VENDORS:

Alliant (Program Admin)

Alliant (Insurance Broker)

Alliant (W/C consulting)

CO Risk Management (Consulting)

A-G Admin (AIME)

Equifax-TALX (UI claims)

Sedgwick CMS (W/C claims)

Alliant (Claims – property/crime/GL-2011)

CO Risk Management (liability claims)

AON e-Solutions (iVOS – W/C & Liability)

*Workplace Answers (web-based training)**

CO Enterprise Accounting

Belfor (property restoration)

*Har-bro (property restoration)**

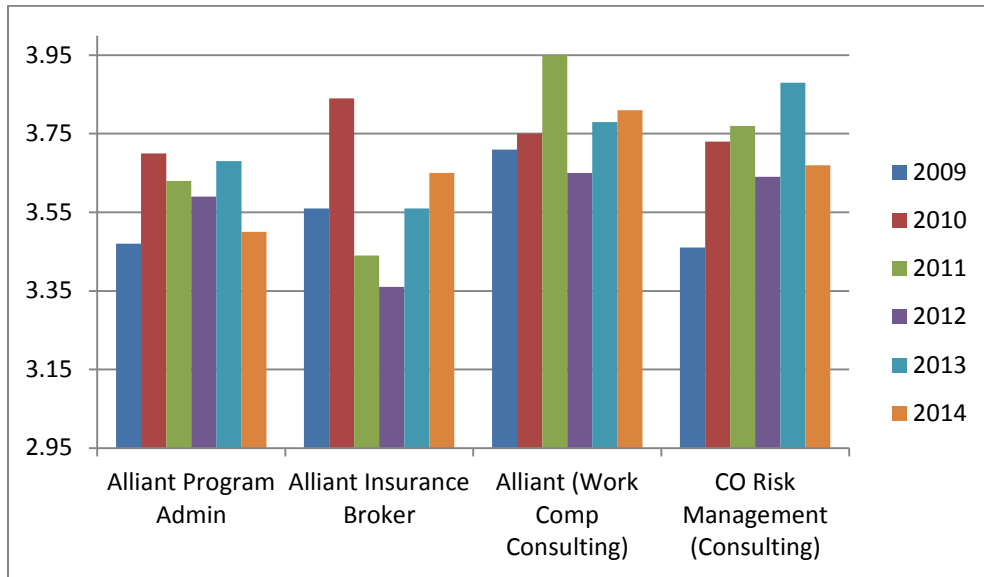
*Note: Next year we will remove Workplace Answers and replace with LawRoom for web-based compliance training. We will also remove Har-bro and add Praesidium as a new service (minors on campus). Finally, Aon eSolutions was sold in September and a new company called Ventiv Technology was formed to continue to host and upgrade the iVOS claims systems.

The type of vendor has been grouped into three categories for multi-year comparison:

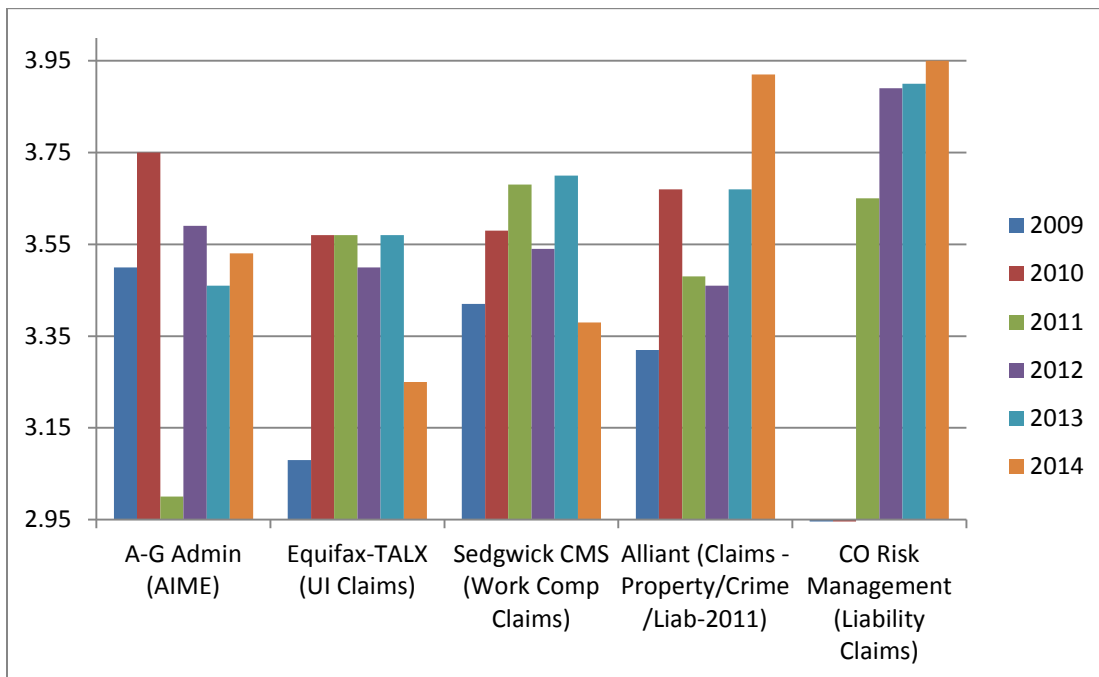
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

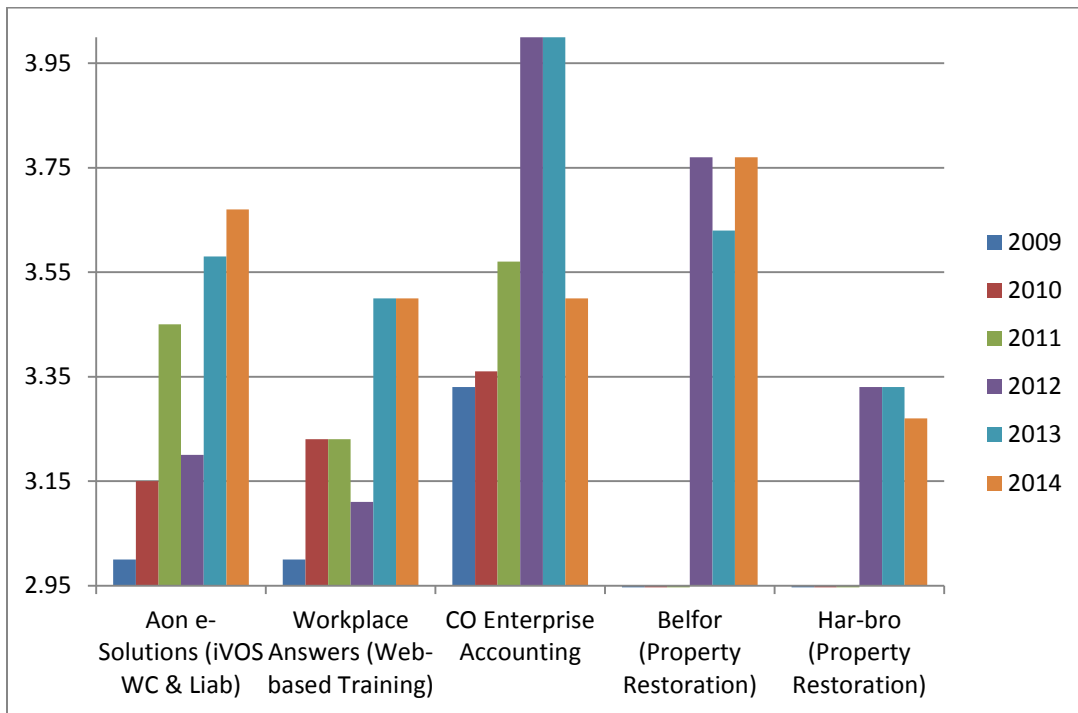
Administration/Consulting



Claims



Miscellaneous Services



For 2014 the following vendors and service providers were listed on the auxiliaries' survey:

AUXILIARY VENDORS:

Alliant (Program Admin)
Alliant (Insurance Broker)
CO Risk Management (Consulting)
Employers Group (HR consulting)
Alliant (Claims – property/crime)
Carl Warren & Co. (Liability claims)

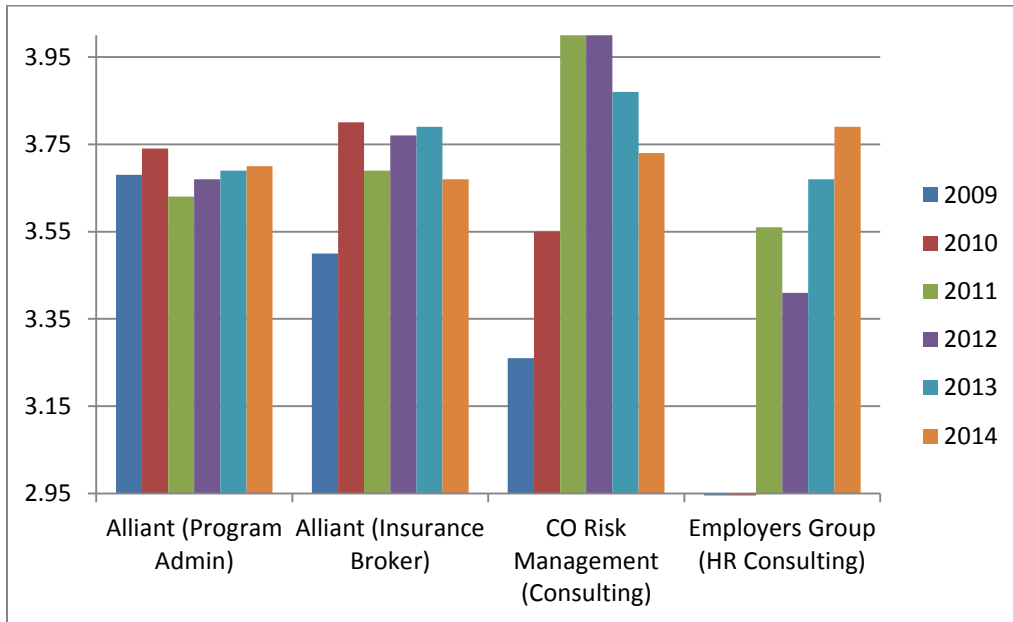
Sedgwick CMS (W/C claims)
E-Group (UI claims)
Alliant (Loss control & safety)
Target Safety (Web-based training)
CO Enterprise Accounting

As with the campuses, we have grouped the type of vendor into three categories for multi-year comparison:

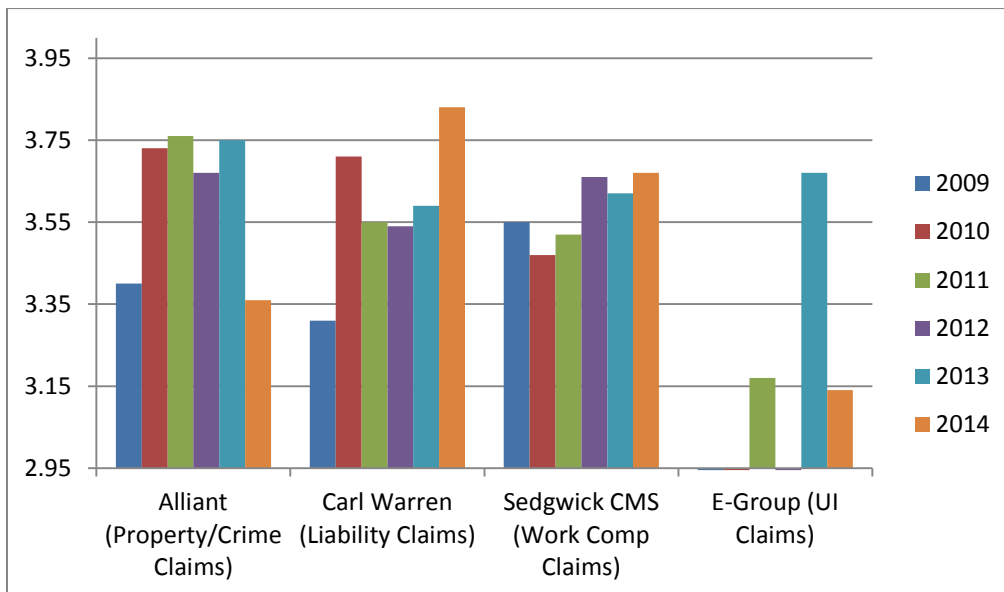
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

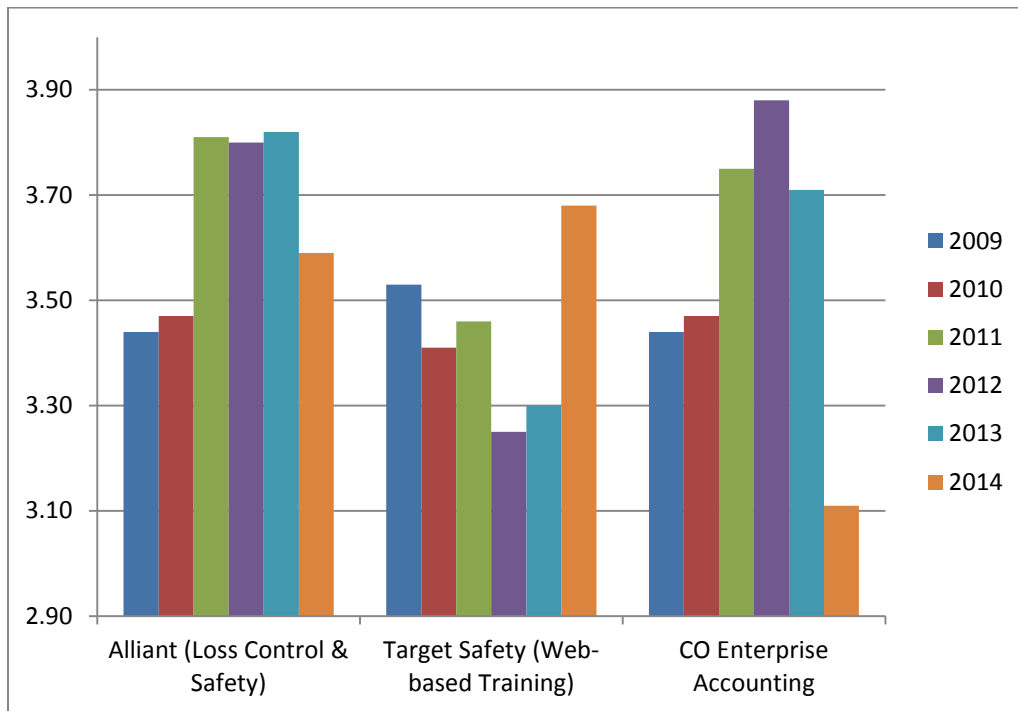
Administration/Consulting



Claims



Miscellaneous Services



Survey information

- **Campus Survey**

- Sent out January 20, 2015 to 216 campus personnel.
- Respondents could limit response to the vendors they worked with.
- Reminders Sent out January 26th and February 2nd.
- Survey closed February 6th.
- 66 Responses – 31% (2013 = 64 Responses – 33%)

- **Auxiliary Survey**

- Sent out January 20, 2015 to 282 auxiliary personnel.
- Respondents could limit response to the vendors they worked with.
- Reminders Sent out January 26th and February 2nd.
- Survey closed February 6th.
- 66 Responses - 23% (2013 = 71 Responses – 25%)



Overall the vendors and those who provide services to CSURMA continue to score well with no results falling below the 80 percentile (3.2/4.0). If it is the desire of the CSURMA Executive Committee, we can request that vendors and service providers deliver a response to the vendor in time for the May 8, 2015 CSURMA Executive Committee meeting.

The complete survey responses will be posted at the CSURMA shared documents site at; <http://www.csurma.org/shared/programs/Pages/default.aspx> or e-mail Zachary Gifford at zgifford@calstate.edu

FY 14/15 AORMA LIABILITY PROGRAM MEMORANDUM OF COVERAGE

ISSUE: The AORMA Committee is being asked to consider the following changes to the AORMA Liability Program Memorandum of Coverage (MOC):

1. The AORMA Liability Program was designed to provide Broadcaster's and Publisher's Liability coverage. The coverage has existed within the liability program because it was not specifically excluded. In order to further clarify the intent of the liability MOC, a definition of media wrongful act, as well as specific exclusions, has been included in the MOC.
2. The Medical Malpractice Exclusion was revised so that the exclusion does not apply to phlebotomists.
3. Exclusion A, within the Domestic Hired Automobile Physical Damage endorsement, was revised to remove 15-Passenger Vans as an excluded type of vehicle. The liability MOC does not exclude auto liability coverage when driving a 15-Passenger Van; however, the Domestic Hired Automobile Physical Damage endorsement excludes physical damage coverage for any rented 15-Passenger Van.
4. The Domestic Hired Automobile Physical Damage endorsement was revised as follows:
 - a. Exclusion G was revised as follows:

CSURMA AORMA will not pay for loss arising out of any violation of the rental car agreement. **This exclusion does not apply to operation of an auto on non-paved roads.**

- b. Exclusion N was revised as follows:

CSURMA AORMA will not cover loss due to ~~off-road~~ operation of the rented **auto on non-paved roads**, except when (1) the operation is authorized by a Covered Party ~~and is used~~ for an appropriate business operation, and (2) **the rented auto is appropriate for the condition of the non-paved road.**

Steven Karp, who is a part of the AOA Research Administration Committee (RAC), asked that the AORMA Committee reconsider coverage for off-road operation of a rented vehicle in violation of the rental car agreement. At HSU, vehicles are rented and driven

on non-paved roads to conduct required research or campus field trips. Based on Steven's discussions with the RAC, this appears to be a CSU systemwide practice. Jun Reina, a Programs Committee member also indicates that his staff may at times be required to drive vehicles on non-paved private roads.

RECOMMENDATION: The Programs Committee reviewed the revisions to the Liability Program Memorandum of Coverage and recommends that the AORMA Committee approve the revisions as presented.

FISCAL IMPACT: Unknown at this time. These revisions broaden the coverage within the AORMA Liability Program and therefore, claims may be paid under these coverage extensions.

BACKGROUND: None.

PUBLICATION: The revised Memorandum of Coverage will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. FY 14/15 Liability Memorandum of Coverage (with suggested revisions)



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

Throughout this Memorandum, words and phrases that appear in **boldface** type have special meanings. They are defined in SECTION VI, **DEFINITIONS** and/or with respect to **Covered Parties** in Section IV - **Covered Parties**.

The California State University Risk Management Authority Auxiliary Organizations Risk Management Alliance (hereinafter called CSURMA AORMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA AORMA, and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA AORMA.

In consideration of payment of the contribution and subject to the limit of liability set forth in the Declarations and other terms of this Memorandum, as follows:

SECTION I - COVERAGES

Subject to the **Member's retained limit**, the CSURMA AORMA agrees:

To pay on behalf of any **Covered Party** those sums for **ultimate net loss** which the **Covered Party** shall become obligated to pay as **damages**, by reason of liability imposed by law, because of **bodily injury, property damage, errors and omissions, unfair employment practices liability, and personal injury or media wrongful act**, to which this Memorandum applies, caused by an **occurrence**.

SECTION II - DEFENSE AND SETTLEMENT

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

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

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

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

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

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

No claim, suit or proceeding shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **ultimate net loss** exceeds the **retained limit**, without the prior written consent of the CSURMA AORMA.

SECTION III - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

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

The CSURMA AORMA’s liability for **damages** shall only be for the **ultimate net loss** less the amount of the **Member’s Retained Limit** not to exceed the limit of coverage shown in Item 1 of the Declarations, as the result of any one **occurrence** or the amount shown in Item 4 because of all **occurrences** for any one **Member** during each **coverage period**.

However, in the event of an **occurrence**, which involves more than one CSURMA AORMA **Member**, only one **retained limit** and one limit of liability shall apply to such **occurrence**, irrespective of the number of CSURMA AORMA **Members** involved in that **occurrence**. Liability for the **retained limit** shall be apportioned among all of the involved **Members** according to the amounts of their respective **retained limits** under this Memorandum.

For the purpose of determining the CSURMA AORMA limit of liability and the **retained limit** of the **Member**, all **damages** arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

This Memorandum applies to **occurrences**, which take place anywhere during the specified **coverage period** stated in the Declarations of this Memorandum. An **occurrence** with duration of more than one **coverage period** shall be treated as a single **occurrence** arising during the **coverage period** when the **occurrence** ends (which shall in no event be deemed later than the date on which the claimant files suit), and under no

circumstances shall the fact that said **occurrence** has a duration of more than one **coverage period** entitle a **Covered Party** to more than one limit of coverage.

With respect to liability for **damages** of the **Covered Party** arising from the conduct or activities of a third party, as between the **Member** and the CSURMA AORMA, the amount of the **Member's retained limit** as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for **damages** of the **Covered Party**. If such third-party insurance coverage exceeds the **Member's retained limit**, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.

Bodily injury or **personal injury** damages resulting from **non-employment harassment** will be deemed to have occurred at the time of the last **non-employment harassment** and all such **bodily injury** or **personal injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **non-employment harassment** taking place thereafter, (2) victims of **non-employment harassment**, or (3) locations where the **non-employment harassment** took place. Only the Memorandum of Coverage in effect during which such **non-employment harassment** last occurred will apply to such single occurrence of **non-employment harassment**. Coverage does not apply to any **covered party** who is found by a court of law to have committed a criminal act of **non-employment harassment**.

SECTION IV - COVERED PARTIES

The parties covered by this Memorandum are:

- A. The **Member** is a signatory to the CSURMA Joint Powers Authority and is named on the Declarations Page.
- B. The following individually and collectively are covered parties, when acting solely within the scope of their duties, office, or employment for the named **Member**:
 - 1. The governing board;
 - 2. Officers;
 - 3. **Employees**; and
 - 4. Authorized Individuals acting as volunteers.
- C. Any person while using an **owned automobile**, or **non-owned automobile**, or a **hired automobile** and any person or organization legally responsible for the use thereof, including garage operations, provided the actual use of the **automobile** is by or with permission of the named **Member**.

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

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

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

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

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

SECTION V – EXCLUSIONS

The coverage provided by this Memorandum does not apply to any of the following:

A. Aircraft

To any liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight, airfields, runways, hangers, buildings or other property in connection with aviation activities. This exclusion does not apply to static aircraft, or to an **unmanned aerial vehicle**.

B. Asbestos

To any liability for **damages** arising, in whole or in part, out of actual or alleged, threatened or suspected, inhalation of, ingestion or, contact with, exposure to, existence or, or presence of asbestos; or

Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of or in any way responding to or assessing the effects of asbestos by any **Covered Party** or by any other person or entity.

C. Assault and Battery

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

D. Aviation Activities

To liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any:

1. **Aircraft**
2. Airfields;
3. Runways;
4. Hangars; or
5. Buildings of other properties in connection with aviation activities.

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

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

E. Contractual Obligations

1. To any liability for **damages** of non-tort causes of action related to breach of contract proceedings; or
2. To any liability for which the **Member** is obligated to pay **damages** by reason of assumption of liability in any contract or agreement. This exclusion does not apply to liability for **damages**:
 - a. Assumed in a contract or agreement that is an executed **Member** contract as that term is defined herein, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement; or
 - b. Liability for **damages** that the **Member** would have in the absence of the contract or agreement.

F. Cyber Liability

Damages, or loss, costs or expenses because of **bodily injury, personal injury, property damage, ~~or~~ errors and omissions** or media wrongful act arising directly or indirectly out of:

1. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

2. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, costs or expenses incurred by any **covered party** or others arising out of that which is described in Paragraphs 1 and 2 above.

G. Electronic Communication

1. Arising out of electronic or other publication, transmission, dissemination or storage of material, if done by or at the direction of the **Member** with knowledge of its falsity;
2. Arising out of electronic or other publication, transmission, dissemination or storage of material whose first publication, transmission, dissemination or storage took place before the beginning of the policy period; or,
3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **Member**.

This exclusion does not apply to:

1. Personal injury arising from a **Member's** broadcasting activities; or,
2. Liability arising from the managerial, advisory, supervisory or controlling obligation of one **Covered Party** over the actions of another **Covered Party**.

H. Employment Benefit

To any obligation for which the **Member** may be held liable under any Workers' Compensation or disability benefits law or under any similar law, plan or agreement; except as provided within the Fiduciary Liability Coverage endorsement.

I. Employment Liability

To **bodily injury**, to any **employee** of the **Member** arising out of and in the course of his/her employment by any **Member**; but this exclusion does not apply to liability assumed by any **Member** under any written contract.

J. ERISA

To any obligation of the **Member** under the "Employment Retirement Income Security Act of 1974" and any law amendatory thereto or any similar federal, state or local statute; except as provided within the Fiduciary Liability Coverage endorsement.

K. Fiduciary Liability

To liability arising out of;

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

Except as provided within the Fiduciary Liability Coverage endorsement.

L. Funds, Grants or Appropriations

To any liability for **damages** for either the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations, nor for the return of such funds, grants, or appropriations for any reason(s).

However, CSURMA AORMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment, subject to the CSURMA AORMA SIR program sublimit of \$250,000 per **occurrence**.

M. Intentional Conduct

Any liability arising out of criminal, fraudulent, known false or dishonest acts or omissions committed by or at the direction of the **Covered Party**. CSURMA AORMA may at its sole discretion, agree to waive this exclusion in order to supply certain payments under Section II. Defense and Settlements if the judgment or final adjudication is adverse to the participating **Covered Party**, the **Covered Party** will reimburse CSURMA AORMA for all defense costs.

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

N. Lack of Occurrence

To injuries or **damages** which do not arise out of an **occurrence** as defined in this Memorandum.

O. Land Use

To any liability for **damages** arising from any claim, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA AORMA shall defend the **Covered Party** up to an amount not exceeding \$250,000 **ultimate net loss** for such liability.

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

P. Lead

Any loss or liability arising out of, or contributed to or caused by lead as described below:

1. **Bodily injury, property damage or personal injury** arising out of , resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
2. Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts 1 or 2 above; or
4. Any obligation to share damages with or repay someone else who much pay damages in connection with parts 1, 2 or 3 above.

Q. Medical Malpractice

Liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Member** including individuals providing professional medical services (Professional Medical Services include anyone engaged in the practice of medicine and whose operations are not exempted elsewhere in this exclusion). This includes, but is not limited to:

1. The rendering or failure to render:
 - a. Medical, surgical, dental, x-ray or nursing services or treatment, or the furnishing of food or beverages in connection therewith;
 - b. Any service or treatment related to physical or mental health or of a professional nature; or
 - c. Any cosmetic or tonsorial service or treatment.
2. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to any liability arising out of:

1. Ambulance operations, occupational physical examinations, student nursing programs, other student medical training programs, infirmaries, non-clinic nursing services or services of the **Member's employees** who are nurses, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomist, or physical therapists;
2. **Unfair employment practices** liability;
3. First Aid to any person;
4. Any medical services clinic that does not perform invasive surgery of any kind; or
5. Operations performed by coroners.

R. Mold

Any **bodily injury, personal injury, advertising injury or property damage** arising directly or indirectly out of, resulting from, caused by or contributed to by:

1. Any fungus(es) or spore(s);
2. Any solid, liquid, vapor, or gas produced by or arising out of any fungus(es) or spore(s);
3. Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
4. Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for fungus(es) or spore(s);
5. The actual or threatened abatement, mitigation, removal or disposal of fungus(es) or spore(s) or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
6. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with subparagraphs 1, 2, 3, 4 or 5 above; or

For the purpose of this exclusion fungus(es) includes, but is not limited to, any form or type of mold, mushroom or mildew and spore(s) include any reproductive body produced by or arising out of any fungus(es).

However, CSURMA AORMA will provide coverage up to an amount not exceeding \$600,000 each occurrence and each **Member**, subject to an \$850,000 aggregate limit, per **Member**.

S. Nuclear Material

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

1. With respect to which a **Member** is insured under a nuclear energy liability memorandum issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be a **Covered Party** under any such memorandum but for its termination upon exhaustion of its limit of liability; or
2. Resulting from the hazardous properties of nuclear material and with respect to which:
 - a. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
3. Resulting from the hazardous properties of nuclear material, if:

- a. The nuclear material is at any nuclear facility owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
- b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Member**; or
- c. The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such nuclear facility.

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

T. Pollution

To any liability for **damages**, loss, cost or expense:

1. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** anywhere in the world;
2. Arising out of any claim, suit, governmental direction or request, demand or order, whether by or on behalf of a governmental direction that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **pollutants**; or
3. Arising from the cost of investigation or attorney's fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize, or in any way respond to **pollutants**.

However, this exclusion does not apply to liability arising out of:

- a. Water, whether recycled, reconditioned or reclaimed;
- b. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism, or malicious mischief, riot and civil commotion, flood, collision, or upset of a motor vehicle, railroad vehicle, mobile equipment, automatic sprinkler leakage or **aircraft**;
- c. Any liability arising out of police use of mace, oleoresin capsicum (o.c.), pepper gas or tear gas;
- d. Any liability arising from weed abatement or spraying;
- e. The products hazard or the completed operations hazard; and

- f. Any discharge, dispersal, seepage, migration, release or escape of **pollutants** that meets all of the following conditions:
 - i. It was accidental and neither expected nor intended by the **Covered Party**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of **pollutants** was a result of an attempt by any **Covered Party** to mitigate or avoid a situation where substantial third party **bodily injury, property damage** or **personal injury** could occur; and
 - ii. It was demonstrated as having commenced on a specific date during the **coverage period**; and
 - iii. Its commencement became known to any **Covered Party** within seven (7) calendar days and was further reported to the person responsible for risk management at the **Member** within a reasonable time frame; and
 - iv. Its commencement was reported in writing to CSURMA AORMA within forty (40) calendar days of becoming known to the person responsible for risk management for the **Member**; and
 - v. Reasonable effort was expended by the **Member** to terminate the situation as soon as conditions permitted.

However, nothing contained in this provision f., shall operate to provide any coverage with respect to:

- a. Any site or location principally used by any **Member**, or by others on the **Member's** behalf, for the handling, storage, disposal, dumping, processing, or treatment of waste material;
- b. Any fines or penalties;
- c. Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusions simply because of the involvement of a governmental authority;
- d. Acid rain;
- e. Clean up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Member** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
- f. Water pollution caused by oil or its derivatives.

U. Silica

Any loss or liability arising out of, or contributed to or caused by silica as described below:

1. Bodily injury, property damage or personal injury arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica;
2. Any damages or any loss, cost or expense arising out of any (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or (2) request, demand, order or statutory or regulatory requirement that any covered party or any other person or entity should be, or should be responsible for:
 - a. Assessing the presence, absence or amount or effects of silica;
 - b. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
 - c. Responding to silica in any way other than as described in (a) or (b) above;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
4. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

V. Subsidence

To **property damage** arising out of subsidence for any reason.

W. War

Any loss or damage arising directly or indirectly, out of war, including undeclared civil war; warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

X. Watercraft

For liability for **damages** arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Member**, but this exclusion does not apply to:

1. Watercraft while ashore; or
2. Watercraft less than fifty (50) feet in length at the waterline.

Y. Under Errors and Omissions Liability

1. **Bodily injury** or **property damage** or **unfair employment practices** or **personal injury** as defined in the Memorandum;
2. The refund of taxes, fees or assessments;

3. a. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- b. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.

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

4. Liability for any **Member** arising out of estimates of probable costs or cost estimates being exceeded or faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids;
5. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof; or
6. Liability arising out of the failure to perform or breach of a contractual obligation.

Nothing contained in this exclusion shall limit the **Covered Party's** right of recovery, where applicable, under **bodily injury, property damage, unfair employment practices liability, and personal injury** coverages as provided in this Memorandum.

Z. Under Media Wrongful Acts

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

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

SECTION VI – DEFINITIONS

- A. **Additional Covered Party** means any person(s), entity(ies), or organization(s) to whom the **Member** is obligated by virtue of any written contract to provide coverage solely with respect to **bodily injury**,

property damage and **personal injury** arising out of the **Member's** operations or premises owned by or rented to the **Member**; and

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

The coverage provided does not apply to any **occurrence** taking place:

1. Prior to the **Members'** operations or occupation of the premises; or
2. After the **Members'** operations have been completed or occupation of the premises has ceased.

The limits of coverage will be limited to the limits required within the terms of the written contract of the limits of liability of this Memorandum, whichever is less, and will apply in excess of the **Members' retained limit** shown in the Declarations. CSURMA AORMA will not be obligated for limits of coverage shown in the written contract that are greater than the limits of liability of this Memorandum.

- B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but does not include **unmanned aerial vehicle**.
- C. **Automobile** or **Auto** shall mean a land motor vehicle, trailer, or semi-trailer, subject to motor vehicle registration, including any attached machinery or equipment and including Mobile Equipment.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;

6. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

D. Bodily Injury means bodily harm, sickness, disability or disease. **Bodily injury** shall also mean mental injury, mental anguish, humiliation, shock or death if directly resulting from **bodily injury**, sickness, disability or disease. **Bodily injury** shall include cause and loss of services resulting at any time from the **bodily injury** of any person or persons.

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

1. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
2. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed; or
3. When the portion of the work out of which the injury or **damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations as a part of the same project.

Operations with may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The completed operations hazard does not include liability arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

F. Coverage Period means the period beginning with the effective date shown in the Declarations and ending on the expiration date shown in the Declarations, unless terminated.

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

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

Damages shall not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish

practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

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

H. Discrimination, as respects **unfair employment practices**, means the actual or alleged failure to employ, failure to promote, or transfer, or the suspension, demotion or termination of, any **employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.

I. Employee, as respects **unfair employment practices** and when appearing in boldface type in this Memorandum, means any present or former **employee** of the ~~named~~ **Member** or any applicant for employment by the named **Member**, including independent contractors and /or persons working on retainer, while acting for or on behalf of the ~~named~~ **Member** but only as respects unfair employment practices.

J. Errors and Omissions means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty including misfeasance, malfeasance or nonfeasance by any **Covered Party** individually or collectively in the discharge of their duties with the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.

K. Hired Automobile shall mean an **automobile** used under contract on behalf of the **Member** provided such **automobile** is not owned in full or in part by or registered in the name of (1) the **Member**, or (2) any **Covered Party** who is granted an operating allowance of any sort for the use of such **automobile**.

L. Media Wrongful Act means any actual or alleged:

1. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
2. wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
3. libel, slander, disparagement, or any other form of defamation or harm to the character or reputation of any person or entity;
4. outrage, infliction of emotional distress or prima facie tort;
5. infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name;
6. copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
7. breach of a promise of confidentiality or anonymity;
8. error or omission in content;

9. unfair competition or conspiracy

10. breach of an indemnification or hold harmless agreement relating to claims arising out of the media, but only when such claims allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by an **Covered Party** in his, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.

Member Contract means:

1. A contract for a lease of premises including but not limited to premises rented or loaned to you;
2. A sidetrack agreement;
3. Any easement or license agreement;
4. An obligation, as required by ordinance;

5. An elevator maintenance agreement;

5-6. Any indemnification or hold harmless agreement entered into by a **covered party** in connection with the distribution of media; or

6-7. That part of any contract or agreement pertaining to the **Member's** business under which the **Member** assumes tort liability of another party to pay for **bodily injury, property damage, ~~or~~ personal injury or media wrongful act** to a third party or organization or **unfair employment practices**. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.

However, it does not include that part of any contract or agreement:

- a. That indemnifies an architect, engineer, or surveyor, his agents or “**employees**”, for injury or damage arising out of preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications or giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- b. To any claim, judgment or agreement from any arbitration proceeding wherein CSURMA AORMA is not entitled to exercise with the **Covered Party**, the **Covered Party's** rights in the choice of arbitrators, and in the conduct of such proceedings.

K.M. Non-Owned Automobile shall mean an **automobile** not owned by or furnished for the regular use of the **Member**.

L.N. Non-employment harassment means actual or alleged unwelcome or offensive;

1. Physical conduct, including sexual molestation; or

2. Verbal or written conduct or conduct using visual images, including such conduct by electronic means,

against anyone other than a present or former employee of, or an applicant for employment with, the **Member** and shall include any actual or alleged breach of duty by a **covered party** causing, contributing or leading to such **non-employment harassment**.

M.O. Occurrence means an accident or event, during the **coverage period** including continuous or repeated exposure to conditions, which result in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the **Member**.

With respect to **personal injury**, "**occurrence**" means an offense described in the definition of that term in this "Section VI - Definitions," that is committed during the **coverage period**.

With respect to **Errors & Omissions**, "**occurrence**" means an offense described in the definition of that term in this "Section - VI Definitions" that is committed during the **coverage period**, provided that the injury is neither expected nor intended from the standpoint of the **Member**.

N.P. Owned Automobile shall mean an **automobile** owned in full or in part by or registered in the name of the **Member**. **Automobile** furnished by the **Member** for driver education purposes shall be considered an **owned automobile**.

O.Q. Personal Injury means:

1. False arrest, detention, or imprisonment or malicious prosecution;
2. Publication or utterance of libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
3. Wrongful entry or eviction or other invasion of the right of private occupancy;
4. **Discrimination** or violation of civil rights other than **unfair employment practices**, not intentionally committed by or at the direction of the **Member**;
5. Sexual harassment not intentionally committed by or at the direction of the **Member**; or
6. **Unfair Employment Practices**.

P.R. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. The term **pollutants** as used herein are not defined to mean potable water or agricultural water or water furnished to commercial users.

Q.S. Property Damage means:

1. Physical injury to or destruction of tangible property which occurs during the **coverage period**, including the loss of use thereof at any time resulting there from; or

2. Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the **coverage period**.

R.T. Retained Limit, as contained in the Declarations of this Memorandum, means the amount of paid claim liability for **damages** covered by this Memorandum, for which the **Member** is responsible on a per **occurrence** basis, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. The **Member's retained limit** also includes defense fees and costs expended by the **Member** in defense of a claim to the extent that the claim is potentially covered under this Memorandum, and also includes court costs, allocated loss adjustment expenses and other associated costs and expenses, but does not include any salaries of the **Member's** regular **employees**, nor any defense fees or costs incurred in the defense of claims for which there was never any potential for coverage under this Memorandum.

S.U. Ultimate Net Loss as contained in the Declarations of this Memorandum, means the amount of paid claims liability for **damages** for which the **Covered Party** is liable, on a per **occurrence** basis, either by (1) adjudication, or (2) compromise with the prior written consent of the CSURMA AORMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. The **ultimate net loss** also includes defense fees and costs incurred by the **Member** in defense of the claim and also includes court costs, allocated loss adjustment expenses, and other associated costs and expenses, but does not include any salaries of the **Member's** regular **employees**. **Ultimate net loss** shall not include any **damages** recovered against a **Member** or defense expenses incurred because of liability that is not covered by this Memorandum.

F.V. Unfair Employment Practices means:

1. Any circumstance relating to a past, present or prospective **employee** of the **Member** (and the spouse, child, parent, brother or sister of that person as a consequence of **unfair employment practices** that person at whom any of the employment-related practices described below is directed) for or arising out of any actual or alleged wrongful dismissal, discharge, or termination either actual or constructive, of employment, employment related misrepresentation, retaliation, wrongful failure or refusal to employ or promote, wrongful deprivation of career opportunity or reassignment, wrongful discipline, failure to grant tenure or negligent **employee** evaluations; or
2. Sexual or workplace harassment or humiliation of any kind, including but not limited to, the alleged operation of a workplace harassing workplace environment, or
3. Actual or alleged negligence resulting in **damages** to a person that is a “whistle blower”, unlawful **discrimination**, whether direct, indirect, intentional or unintentional, or
4. Failure to provide adequate **employee** policies and procedures.

Unfair employment practices shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated there under:

1. Americans with Disabilities Act of 1992 (ADA);
2. Civil Rights Act of 1991;

3. Age **Discrimination** in Employment Act of 1967 (ADEA), including the Older Workforce Benefit Protection Act of 1990;
4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
5. Civil Rights Act of 1866, Section 1981; and
6. Fifth and Fourteenth Amendments of the U.S. Constitution.

U.W. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment and weighing no more than 100 lbs maximum take-off weight.

V.X. The following definitions are applicable only to Exclusion I:

Hazardous properties include radioactive, toxic or explosive properties;

Nuclear material means source material, special nuclear material or byproduct material;

Source material, special nuclear material and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;

Spent fuel means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

Waste means any **waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any nuclear facility included within the definition of **nuclear facility** under paragraph a. or b. thereof:

Nuclear Facility means:

- a. Any **nuclear reactor**;
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging **waste**;
- c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- d. Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

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

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

SECTION VII – CONDITIONS

- A. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA’s rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
- B. Termination: Coverage provided under this Memorandum, may be terminated by the CSURMA Board of Directors at any time in accordance with the JPA Agreement Section 23 Termination.
- C. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.
- D. Other Coverage: If other valid and collectible coverage is available to the **Covered Party** for a covered claim, CSURMA AORMA’s obligations are limited as follows:

- 1. Primary Coverage

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

- 2. Excess Coverage:

- a. With respect to liability for **damages** of the **Covered Party** arising from the conduct or activities of a third party, as between the **Member** and the CSURMA AORMA, the amount of the **Member's retained limit** as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for **damages** of the **Covered Party**. If such third-party insurance coverage exceeds the **Member's retained limit**, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.
- b. When this coverage is excess, CSURMA AORMA will have no duty to defend the **Covered Party** against any suit if any other coverage provider has a duty to defend the **Covered Party** against that suit. If no other coverage provider defends, CSURMA AORMA will undertake to do so, but CSURMA AORMA will be entitled to the **Covered Party's** rights against all those other coverage providers.

- c. CSURMA AORMA will share the remaining **ultimate net loss**, if any, with any other coverage that is not described in this provision and was not bought specifically to apply in excess of the limits of liability shown in the Declarations.
3. Method of Sharing:
- a. If all of the other coverage permits contribution by equal shares, CSURMA AORMA will also permit contribution by equal shares. Under this approach, each coverage provider contributes equal amounts until the applicable limit of liability has been paid or none of the **ultimate net loss** remains, whichever comes first; or
 - b. If any of the other coverage providers does not permit contribution by equal shares, CSURMA AORMA will contribute by limits. Under this method, each coverage provider's share is based on the ratio of its applicable limit of liability to the total applicable limits of liability of all coverage providers.
- E. Duties in the Event of an Accident, **Occurrence**, Offense, Claim, Suit or Proceeding: The following provisions and the provisions of the CSURMA AORMA Memorandum and Policy and Procedure on claims reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
- 1. In the event of any **occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to the Third Party Claims Administrator (TPA) as soon as practicable.
 - 2. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
 - a. How, when and where the **occurrence** or offense took place;
 - b. The names and addresses of any injured persons and witnesses;
 - c. The nature and location of any injury or damage arising out of the **occurrence** or offense;
 - d. Incident reports;
 - e. Investigation reports;
 - f. Police reports;
 - g. Claim notices and **Member** and any other involved **Covered Party** response(s);
 - h. Medical reports; and
 - i. Other information helpful to CSURMA AORMA.

3. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the TPA and authorize CSURMA AORMA to obtain records and other information;
 - a. Late Reporting Penalties
 - i. If an **occurrence**, offense, claim, suit or proceeding is not reported by the **Member** to the TPA within the timeframes set below; the following late reporting schedule shall apply;
 - ii. If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
 - iii. If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
 - iv. If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.
4. The **Member** and any other involved **Covered Party** will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.

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

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

Moreover, no settlement of any claim shall be paid by CSURMA AORMA without prior written authorization of the Liability Claims Administrator.

- G. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder.
- H. Separation of Insureds: Except with respect to the Section III – Limitations Upon CSURMA AORMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
1. As if each **Covered Party** were the only **Covered Party**; and

2. Separately to each **Covered Party** against whom the claim is made or suit is brought.

I. Limit of Liability: As provided in the Declarations.

J. Assignment: No purported assignment of rights or interests under this Memorandum shall bind CSURMA AORMA without its written consent.

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

L. Transfer of Rights of Recovery Against Others to CSURMA AORMA: If the **Member** or any other **Covered Party** has rights to recover all or part of any payment CSURMA AORMA has made under this coverage, those rights are transferred to CSURMA AORMA. The **Member** or any other **Covered Party** shall do nothing after the loss to impair the recovery. At CSURMA AORMA's request, the **Member** or any other **Covered Party** will bring suit or transfer the rights to CSURMA AORMA and help CSURMA AORMA enforce them.

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

1. Claim Settlement Authority

The following guidelines apply to settlement authority of CSURMA AORMA, within this Memorandum:

a. \$0 to 25,000 – Claims Administrator

The Liability Claims Administrator has authority to settle claims up to, and including, \$25,000 per claim.

b. Up to the **Pooled Layer Limit** – AORMA Committee

The AORMA Committee has authority to authorize claims settlement up to the **Pooled Layer Limit**.

2. Claims Settlement Responsibility:

AORMA Committee shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, AORMA Committee shall give notice to the **Member** of the terms of the proposed settlement.

3. **Member** Appeal Process:

First Level Appeal

If a **Member** wishes to appeal a decision regarding whether or not coverage is provided or to appeal a settlement decision, the **Member** must present an appeal in writing to the AORMA Committee within thirty (30) days of the disputed decision. The AORMA Committee will review the appeal at its next regularly scheduled meeting and inform the **Member** within five (5) business days of its final decision.

Second Level Appeal

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

- N. Action Against CSURMA AORMA: No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum or until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal is prosecuted there from, until the suit has been finally determined on appeal. Any person or organization or legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Memorandum to the extent of the coverage afforded by this Memorandum. Nothing contained in this Memorandum shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.



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

**DOMESTIC HIRED AUTOMOBILE PHYSICAL DAMAGE
AMENDATORY ENDORSEMENT - #1**

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

The term “auto(s)” as used in this endorsement means a land motor vehicle designed for travel on public roads, but does not refer to those types of automobiles excluded under Exclusion # 1 below or to mobile equipment.

The term “loss” as used in this endorsement means direct and accidental loss or damage.

SECTION I - COVERED AUTOS

Domestic Hired Autos Only – Only “autos” the **Covered Party may** hire, lease, rent or borrow for no more than thirty (30) consecutive days by execution of a contract within the coverage territory. This does not include any **automobile** a **Covered Party** may lease, hire, rent or borrow from any of **Member employees** or **members** of their household.

SECTION 2 - PHYSICAL DAMAGE COVERAGE

A. Coverage Extensions

1. CSURMA AORMA will pay for “loss” to a covered auto or its equipment under Comprehensive and Collision coverage.
2. The coverage provided by this Endorsement is excess over any other collectible coverage
3. For **Hired Auto** Physical Damage, CSURMA AORMA will pay expenses for which a **Covered Party** becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. However, the most CSURMA AORMA will pay for any expenses for loss of use is \$60 per day, to a maximum of \$1,800.

CSURMA AORMA will pay up to the limits shown in the Declarations for towing and labor costs incurred each time a covered auto of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

B. Limit of Coverage

1. The most CSURMA AORMA will pay for “loss” in any one “accident” is the lesser of:
 - (1) The actual cash value of the damaged or stolen property at the time of the “loss”; or
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

C. Deductible

For each covered auto, CSURMA AORMA’s obligation to pay for repair, return or replace damaged or stolen property will be reduced by the applicable deductible of \$1,000.

D. Coverage Territory

Under this Endorsement, CSURMA AORMA will cover accidents and losses occurring:

1. During the Memorandum period shown in the Declarations Page.
2. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America; and Puerto Rico.

SECTION 3 – EXCLUSIONS

- A. CSURMA AORMA will not pay for loss to any expensive, exotic or antique automobile, ~~15-passenger vans~~; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique automobile is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded expensive or exotic automobiles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maaserati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
- B. CSURMA AORMA will not pay for loss to any covered auto while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will also not pay for loss to any covered auto while that covered auto is being prepared for such contest or activity.
- C. CSURMA AORMA will not pay for loss caused by or resulting from any of the following unless caused by other loss that is covered by this coverage:

1. Wear and tear, freezing or mechanical or electrical breakdown; or
2. Blowouts, punctures or other road damage to tires.

D. CSURMA AORMA will not pay for loss to any of the following:

1. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
2. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
3. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
4. Any accessories used with the electronic equipment described in Paragraph c. above Exclusions 2.c. and 2.d. do not apply to:
 - a. Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered auto at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered auto at the time of loss, and such equipment is designed to be solely operated by use of the power from the auto's electrical system, in or upon the covered auto
 - b. Any other electronic equipment that is:
 - 1) Necessary for the normal operation of the covered auto or the monitoring of the covered auto's operating system
 - 2) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered auto normally used by the manufacturer for installation of a radio.

E. CSURMA AORMA will not pay for loss to a covered auto due to diminution of value.

F. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.

G. CSURMA AORMA will not pay for loss arising out of any violation of the rental car agreement. This exclusion does not apply to off-road operation of an **auto** -vehicle on non-paved, dirt or gravel official city, county, state or federal roads.

H. CSURMA AORMA will not cover damage to **autos** that are hired, rented or borrowed for more than thirty (30) consecutive days.

I. CSURMA AORMA will not pay for loss or theft of personal belongings.

J. CSURMA AORMA will not pay for loss caused by or resulting from the use of **auto** by **Member** volunteers.

K. CSURMA AORMA will not pay for damages resulting from any **Covered Party's** personal liability.

L. CSURMA AORMA will not pay for depreciation of the rental **auto** caused by loss or damage including but not limited to "diminished value".

- M. CSURMA AORMA will not pay for loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- N. CSURMA AORMA will not cover loss due to ~~off-road~~ operation of the rented **auto on non-paved roads**, except when (1) the ~~off-road~~ operation is authorized by a **Covered Party** ~~and is used~~ for an appropriate business operation, and (2) the rented auto is appropriate for the condition of the non-paved road.-
- O. CSURMA AORMA will not pay for confiscation by authorities.
- P. CSURMA AORMA will not pay for **autos** that do not meet the definition of covered **autos**.
- Q. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

All other terms and conditions in the Memorandum remain unchanged.

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

**MEDICAL PAYMENTS
AMENDATORY ENDORSEMENT - #2**

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

It is agreed that this Memorandum will pay medical expense limit of \$5,000 per any one person as described below for **bodily injury** caused by an accident:

1. On premises the **Member** owns or rents,
2. On ways next to premises the **Member** owns or rents, or
3. Because of the **Member's** operations;
4. Provided that:
 - a. The accident takes place in the covered territory and during the **coverage period**;
 - b. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
 - c. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.

CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:

1. First aid administered at the time of an accident;
2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
3. Necessary ambulance, hospital, professional nursing and funeral services.

The Program will not pay expenses for **bodily injury**:

1. To any **Member**;
2. To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
3. To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

4. To a person, whether or not an employee of any **Member**, if benefits for **bodily injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;
5. To a person injured while taking part in athletics;
6. To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
7. Included with the products-completed operations hazard; and
8. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

All other terms and conditions in the Memorandum remain unchanged.



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

**CALIFORNIA UNINSURED OR UNDERINSURED MOTORISTS
COVERAGE BODILY INJURY
AMENDATORY ENDORSEMENT - #3**

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

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

Bodily injury to which this additional coverage applies.

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

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

A. Coverage

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

B. Exclusions

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

1. Punitive or exemplary **damages**.

2. Any claim settled without consent of the CSURMA AORMA. However, this exclusion does not apply to a settlement made with the insurer of an **auto** described in Paragraph b. of the definition of **uninsured or underinsured motor vehicle**.
3. The direct or indirect benefit of any insurer or self-insurer under any worker's compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. **Bodily injury** sustained by any **Covered Party** while occupying or when struck by any **auto** owned by that **Covered Party** that is not a covered **automobile** for **uninsured or underinsured motorists** Coverage under this Coverage Form;
 However, Exclusion 4 shall not apply to **bodily injury** sustained by any **Covered Party** when struck by an **auto** owned by the **Member** and operated or caused to be operated by a person without that **Member's** consent in connection with criminal activity that has been documented in a police report and to which that **Covered Party** is not a party to.
5. Anyone using an **automobile** without a reasonable belief that the person is entitled to do so.
6. **Bodily injury** sustained by a **Covered Party** while occupying any **automobile** that is rented or leased to that **Covered Party** for use as a public or livery conveyance.
7. **Bodily injury** arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Limit of Liability

1. Regardless of the number of covered **automobiles**, the **Member**, premiums paid, claims made or **automobiles** involved in the **occurrence**, the most CSURMA AORMA will pay for all damages resulting from any one **occurrence** is the limit of liability for **uninsured or underinsured motorists** coverage shown in the schedule of declarations.
2. For an **automobile** described in Paragraph b. of the definition of **uninsured motor vehicle**, our limit of liability shall be reduced by all sums paid because of **bodily injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.
3. No one will be entitled to receive duplicate payment under this coverage for any element of **damages** for which payment has been made by or for anyone who is legally responsible.
4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **damages** for which payment has been made by or for anyone who is legally responsible.
5. CSURMA AORMA will not pay for any element of **damages** if a person is entitled to receive payment for the same element of **damages** under any workers' compensation, disability benefits or similar law.

D. Changes in Conditions

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

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

2. Action Against CSURMA AORMA is replaced by the following:

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

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

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

4. Other Insurance is replaced by the following:

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

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

E. Additional Definitions

1. **Occupying** means in, upon, getting in, on, out or off.
2. **Uninsured or underinsured motor vehicle** means a land motor **automobile** or trailer:
 - a. For which no liability bond or policy at the time of an **occurrence** provides at least the amounts required by the applicable law where a covered **automobile** is principally garaged;
 - b. That is an **underinsured motor vehicle**. An **underinsured motor vehicle** is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **occurrence** provides at least the amounts required by the applicable law where a covered **automobile** is principally garaged but that sum is less than the limit of liability for this coverage;
 - c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;
 - d. That is a hit-and-run **automobile** and neither the driver nor owner can be identified. The **automobile** must make physical contact with a **Covered Party**, a covered **automobile** or an **automobile** a **Covered Party** is occupying; or
 - e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, **uninsured motor vehicle** does not include any **automobile**:

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

All other terms and conditions in the Memorandum remain unchanged.



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

**NON-SALARIED EMPLOYEE AUTO LIABILITY
AMENDATORY ENDORSEMENT - #4**

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

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

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

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

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

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

2420 MOTOR VEHICLE LIABILITY SELF-INSURANCE PROGRAM (Revised 12/04)

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

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
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**FIDUCIARY LIABILITY
AMENDATORY ENDORSEMENT - #5**

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

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

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

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

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

B. LIMIT OF LIABILITY: \$350,000 ANY ONE CLAIM

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

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

C. EXCLUSIONS

Exclusions H - Employee Benefits; J – ERISA; and L - Fiduciary Liability do not apply to the **administration** of the **Covered Party's Employee Benefit Plans or Covered Party's Trusts**, but only up to the limit of liability stated above for CSURMA AORMA .

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

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

D. DEFINITIONS

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

1. **Administration** means:

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

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

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

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

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

All other terms and conditions in the Memorandum remain unchanged.

POLICY AND PROCEDURE A-7 – TRAVEL REIMBURSEMENT POLICY

ISSUE: Staff has reviewed Policy and Procedure A-7 – Travel Reimbursement and is recommending the following changes:

1. AORMA Committee Member and Covered Traveler has been changed to AUTHORIZED TRAVELER to be consistent with the definition provided within the Policy and Procedure
2. P&P was spelled out as Policy and Procedure to be consistent with AORMA's other Policies and Procedures

RECOMMENDATION: Staff recommends that the Committee review and approve the recommend changes to Policy and Procedure A-7, with revisions as appropriate.

FISCAL IMPACT: None.

BACKGROUND: The AORMA Committee has agreed to review all of its Policies and Procedures every two years. Policy and Procedure A-7 was last reviewed on March 21, 2013.

PUBLICATION: The revised Policy and Procedure will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a) Policy and Procedure A-7, with recommended revisions



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 AUHORIZED TRAVELER’s member auxiliary organization accounting department for reimbursement. The member auxiliary organization’s accounting department should then seek reimbursement from CSURMA.
2. The ~~AORMA Committee Member’s~~ AUTHORIZED TRAVELER’s accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
 - a) Invoices for all reasonable expenses
 - b) Completed State of California (or AUTHORIZED TRAVELER’s member auxiliary organization) – Travel Expense Claim form



- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the ~~COVERED~~-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 P&P 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 P&P 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 ~~traveler's~~-AUTHORIZED TRAVELER's CSURMA-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.

POLICY AND PROCEDURE L-5 – GUIDELINES FOR EXTENDING LIABILITY COVERAGE TO NON-AUXILIARY ORGANIZATIONS

ISSUE: Staff has reviewed Policy and Procedure L-5 – Guidelines for Extending Liability Coverage to Non-Auxiliary Organizations:

1. AORMA Self Insured Liability Program was changed to AORMA Liability Program to be consistent with the current name of the program.
2. The Policy section was changed so it is clear that a member may request to have coverage extended, and that the extension of coverage may be acceptable. These changes were made to reiterate that the extension of coverage is not automatic.
3. The Policy and Procedure specifically notes that coverage has been extended to AOA and the Auxiliaries Multiple Employer VEBA. These two entities were specifically added to the Policy and Procedure because coverage is not being extended from one particular member.
4. Item 1 of the Procedures section was revised to reiterate that the extension of coverage is not automatic and that there is an approval process.
5. Item e was revised to note that appropriate underwriting information will be provided which may not be a liability application.
6. Item f was revised to delete the reference to the AORMA liability underwriter because Phil Lendaris is now retired. The Policy and Procedure now stipulates that the underwriting information will be reviewed by the Program Administrator and, if necessary, the Systemwide Director of Risk Management and CSURMA Legal Counsel.
7. Item g was revised to show that the AORMA Programs Committee will make the final determination.

RECOMMENDATION: Staff recommends that the Committee review and approve the recommended changes to Policy and Procedure L-5, with revisions as appropriate.

FISCAL IMPACT: None.

BACKGROUND: The AORMA Committee has agreed to review all of its Policies and Procedures every two years. Policy and Procedure L-5 was last reviewed on March 21, 2013.

PUBLICATION: The revised Policy and Procedure will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a) Policy and Procedure A-7, with recommended revisions



CSURMA AORMA

POLICY AND PROCEDURE NO. L-5

SUBJECT: GUIDELINES FOR EXTENDING LIABILITY COVERAGE TO NON-AUXILIARY ORGANIZATIONS

ADOPTED: AUGUST 19, 2003

EFFECTIVE: JULY 1, 2003

**AMENDED: NOVEMBER 20, 2003
OCTOBER 8, 2009
DECEMBER 6, 2012
MARCH 21, 2013
MARCH 19, 2015**

POLICY & PROCEDURE NO.: (FORMERLY) 5-AORMA

PURPOSE:

The purpose of this Policy and Procedure is to describe the conditions under which Auxiliary Organizations (Members) may extend Liability coverage to student groups, alumni organizations, booster clubs and other related entities.

Coverage provided under the CSURMA AORMA ~~Self-Insured~~-Liability ~~p~~Program is governed solely by the Liability Memorandum of Coverage and excess insurance policies providing coverage under that program. This Policy and Procedure shall not be construed to broaden or restrict coverage in any way. Rather, this Policy and Procedure is intended to guide Members as respects coverage.

POLICY:

It is the policy of the CSURMA AORMA ~~Self-Insured~~-Liability Program that Members will protect CSURMA program assets by fully implementing the guidelines found in the Insurance Requirements in Contracts Manual prepared by CSURMA’s Program Administrator. It is understood that from time-to-time, Members may ~~choose~~-request to extend Liability coverage for certain student group activities, booster club activities, alumni organization activities or operations of other related entities that benefit the member Auxiliary Organization, and this extension of coverage ~~is~~-may be acceptable provided that the member Auxiliary ~~o~~Organization exercises substantial control over the activities or organizations to which coverage is extended.

It is the intention of this Policy ~~&~~-and Procedure that the Auxiliary Organizations Association (AOA) ~~and the Auxiliaries Multiple Employer VEBA~~ be considered ~~a~~-mMember organizations for purposes of insurance coverage through the CSURMA AORMA ~~Self-Insured~~-Liability Program.

PROCEDURE:

Members are expected to adhere to the following procedures:

Members shall fully implement the guidelines of the Insurance Requirements in Contracts Manual prepared by the CSURMA Program Administrator. This means that Members will require third party contractors and vendors to provide appropriate indemnification, insurance and documentation of coverage.

1. ~~From time to time, a Member may choose~~In order to extend liability coverage to student groups, alumni organizations, booster groups or other related entities, the following conditions must be met: ~~upon confirmation of the following:~~
 - a. The Member must ~~exercises~~ substantial control over all events, activities and operations. By this, it is meant that the Member is directly involved in all planning of the activities and is in a position to exercise management control.
 - b. The Member will hold substantial financial control.
 - c. A risk analysis has been performed by the Member to determine that the extension of coverage does not generate unnecessarily high risks.
 - d. The Member will participate in the planning and oversight of activities or events so that risk is minimized. The requirements for drivers described in Policy and Procedure AORMA # L-4 will be applicable to those groups to whom coverage is extended. Special Events coverage shall be purchased when the coverage extension is deemed to generate significant additional risk.
 - e. The Member will provide to the CSURMA AORMA Program Administrator appropriate underwriting information. A Liability application will be completed.
 - f. The ~~completed Liability application~~ underwriting information will be reviewed by the CSURMA AORMA Program Administrator and may also ~~will~~ be reviewed by the Systemwide Director of Risk Management and/or CSURMA's legal counsel and the CSURMA AORMA liability underwriter who will provide the Programs Committee with a recommendation as to whether coverage should be extended.
 - g. The Member will consult with the Program Administrator prior to extending coverage and the Program Administrator shall refer requests for coverage extensions along with the completed liability application to the The AORMA Programs Committee will make the final determination if the Member's coverage can be extended. for coverage approval.



CSURMA AORMA

POLICY AND PROCEDURE NO. L-5

- h. After approval of the coverage extension, the student group, alumni association, booster club or other related entity will be listed on the CSURMA AORMA ~~Self-Insured-Retention~~ Liability Program Memorandum of Coverage Declarations Page ~~for the Member~~.

**POLICY AND PROCEDURE L-7 – EMPLOYMENT PRACTICES
DEDUCTIBLE OPTIONS**

ISSUE: Staff has reviewed Policy and Procedure L-7 – Employment Practices Liability Deductible Options and recommends adding the following statement:

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

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

After reviewing the EPL deductible calculation, a Member noted that after making the final loss payment to the plaintiff, a claim can stay open for several months while the expenses are finalized and closed out. This means that some of the claim costs are included in the EPL deductible calculation for an additional fiscal year. In the example below, this claim would not be included in the FY 18/19 EPL deductible calculation as the expense payments of \$16,564 were made in the fiscal year subsequent to the loss payment to the plaintiff of \$230,000.

Fiscal Year Calculation	Payment Period	Fiscal Period of Payment	Expense Payments	Loss Payments	Total
FY 15/16	FY 09/10 - FY 13/14	FY 11/12	83,777	230,000	313,777
FY 16/17	FY 10/11 - FY 14/15	FY 11/12	83,777	230,000	313,777
FY 17/18	FY 11/12 - FY 15/16	FY 11/12	83,777	230,000	313,777
FY 18/19	FY 12/13 - FY 16/17	FY 12/13	16,564	-	16,564

RECOMMENDATION: Staff recommends that the Committee review and approve the recommend change to Policy and Procedure L-7, with revisions as appropriate.

FISCAL IMPACT: This could have a positive effect on a member’s EPL deductible calculation.

BACKGROUND: Shown below are the actual payments for the claim example noted above.

Fiscal Year of Payment	Payee	Expense Payments	Loss Payments	Total
FY 11/12	Carl Warren	597	-	597
FY 11/12	Defense Attorney	12,673	-	12,673
FY 11/12	Carl Warren	218	-	218
FY 11/12	Carl Warren	709	-	709
FY 11/12	Defense Attorney	4,000	-	4,000
FY 11/12	Defense Attorney	14,329	-	14,329
FY 11/12	Carl Warren	470	-	470
FY 11/12	Defense Attorney	20,117	-	20,117
FY 11/12	Plaintiff	-	230,000	230,000
FY 11/12	Carl Warren	674	-	674
FY 11/12	Defense Attorney	13,075	-	13,075
FY 11/12	Carl Warren	232	-	232
FY 11/12	Carl Warren	77	-	77
FY 11/12	Carl Warren	42	-	42
Total Within FY 11/12		67,212	230,000	297,212
FY 12/13	Defense Attorney	5,149	-	5,149
FY 12/13	Defense Attorney	11,240	-	11,240
FY 12/13	Carl Warren	84	-	84
FY 12/13	Carl Warren	91	-	91
Total Within FY 12/13		16,564	-	16,564
Total Claims Payments		83,777	230,000	313,777

The AORMA Committee has agreed to review all of its Policies and Procedures every two years. Policy and Procedure L-7 was last reviewed on December 5, 2013.

PUBLICATION: The revised Policy and Procedure will be uploaded to the CSURMA website.

ATTACHMENT(S):

- a) Policy and Procedure L-7, with recommended revisions



CSURMA AORMA

POLICY AND PROCEDURE NO. L-7

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

ADOPTED: MAY 12, 2011

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

EFFECTIVE: JULY 1, 2011

POLICY:

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

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

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

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

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

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

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

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

PROCEDURE:

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

DEFINITIONS:

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

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

EPL: Employment Practices Liability.



Consent to Change Employment Practices Liability Deductible

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

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

CLAIMS REPORTING PROVISIONS

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

LATE REPORTING PENALTIES

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

DEFENSE COVERAGE PROVISIONS

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

CLAIMS SETTLEMENT PROVISIONS

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

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

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

Auxiliary Organization

Signed

Name

Title

Date

**REVIEW OF THE SLATE OF NOMINEES FOR THE
AORMA COMMITTEE**

ISSUE: Effective July 1, 2015, one at-large seat will be vacant and four at-large seats are up for re-election. The Nomination Committee will provide a verbal report at the meeting with regard to the slate of nominees to fill the one vacant seat.

AORMA Committee Roster – Effective July 1, 2015				
Seat	Committee Member	Term	Term	Date Appointed
Chair	Frank Mumford	7/01/15 - 16	N/A	7/01/12
Vice Chair	Guy Dalpe	7/01/15 - 16	N/A	7/01/11
Past Chair	Robert de Wit	7/01/15 - 16	N/A	7/01/10
Ex Officio	Dwayne Brummett	7/01/15 - 16	N/A	7/01/09
At Large	Brian Nowlin *	7/01/15 - 17	Third	3/24/11
At Large	Gigi Kiama *	7/01/15 - 17	Third	3/24/11
At Large	Leslie Davis	7/01/14 - 16	Second	7/01/12
At Large	Keith Kompsi	7/01/14 - 16	Second	7/01/12
At Large	Haleh Minakary *	7/01/15 - 17	Second	7/01/13
At Large	Melinda Coil *	7/01/15 - 17	Second	7/01/13
At Large	Mark Day	7/01/14 - 16	First	7/01/14
Open Seat		7/01/15 - 17	First	7/01/15

*** Up for re-election.**

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: Per AORMA’s policy and procedure, the slate of nominees will be given to the AOA Executive Committee for review at its March, 2015 meeting.

ATTACHMENT(S):

- a) 2014 AORMA Committee and Standing Committee Roster

AORMA Committee

Ten voting members - two alternates - twelve members total

Effective at July 1, 2014

Committee	Seat	Member	Position	Campus	Location	Size of Campus	Type of Campus	Term	1st, 2nd or Final Term	Date Appointed
AORMA	Chair	Robert de Wit	Chief Financial Officer	Long Beach	South	Large	Urban	7/1/14 - 6/30/15	N/A	7/1/2010
AORMA	Vice Chair	Frank Mumford	Executive Director	Fullerton	South	Large	Urban	7/1/14 - 6/30/15	N/A	7/1/2012
AORMA	Past Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Central	Medium	Urban	7/1/14 - 6/30/15	N/A	7/1/2009
AORMA	Ex Officio	Kurt Borsting	Director, Titan Student Centers	Fullerton	South	Large	Urban	7/1/14 - 6/30/15	N/A	5/16/2006
AORMA	At Large	Brian Nowlin	Chief Operating Officer	Long Beach	South	Large	Urban	7/1/13 - 6/30/15	Second	3/24/2011
AORMA	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	North	Small	Rural	7/1/13 - 6/30/15	Second	3/24/2011
AORMA	At Large	Guy Dalpe	Managing Director	San Francisco	North	Large	Urban	7/1/13 - 6/30/15	Second	7/1/2011
AORMA	At Large	Haleh Minakary	General Business Manager	Pomona	South	Medium	Urban	7/1/13 - 6/30/15	First	7/1/2013
AORMA	At Large	Keith Kompsi	Director, Foundation Financial Services	Fresno	Central	Medium	Rural	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Leslie Davis	Executive Director	Sacramento	North	Large	Urban	7/1/14 - 6/30/16	Second	7/1/2012
AORMA	At Large	Mark Day	Executive Director	San Bernardino	South	Medium	Urban	7/1/14 - 6/30/16	First	7/1/2014
AORMA	At Large	Melinda Coil	Chief Financial Officer	San Diego	South	Large	Urban	7/1/13 - 6/30/15	First	7/1/2013

Member Services, Loss Control & Training Committee

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

Committee	Seat	Member	Position	Campus	Location	Size of Campus	Type of Campus	Term	1st, 2nd or Final Term	Date Appointed
MSLCTC	Chair	Melinda Coil	Chief Financial Officer	San Diego	South	Large	Urban	7/1/13 - 6/30/15	First	7/1/2013
MSLCTC	At Large	Arnecia Bryant	Associate Director, Operations	Dominguez Hills	South	Medium	Urban	7/1/13 - 6/30/15	Second	5/2/2011
MSLCTC	At Large	Debbie Adishian-Astone	Executive Director	Fresno	Central	Medium	Rural	7/1/13 - 6/30/15	First	7/1/2013
MSLCTC	At Large	Dennis Miller	Director, Employment Services	Pomona	South	Medium	Urban	7/1/13 - 6/30/15	Second	7/1/2011
MSLCTC	At Large	Kristin Kelly	Associate Director	San Jose	North	Large	Urban	7/1/14 - 6/30/16	Third	
MSLCTC	At Large	Leslie Davis	Executive Director	Sacramento	North	Large	Urban	7/1/14 - 6/30/16	First	7/1/2014
MSLCTC	At Large	Raven Tyson	Contracts & Risk Management Coordinator	San Diego	South	Large	Urban	7/1/13 - 6/30/15	First	7/1/2013

Programs Committee

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

Committee	Seat	Member	Position	Campus	Location	Size of Campus	Type of Campus	Term	1st, 2nd or Final Term	Date Appointed
PC	Chair	Guy Dalpe	Managing Director	San Francisco	North	Large	Urban	7/1/14 - 6/30/16	Third	
PC	At Large	Gigi Kiama	Human Resources Manager	Monterey Bay	North	Small	Rural	7/1/13 - 6/30/15	Third	
PC	At Large	Haleh Minakary	General Business Manager	Pomona	South	Medium	Urban	7/1/14 - 6/30/16	Third	
PC	At Large	Mark Day	Executive Director	San Bernardino	South	Medium	Urban	7/1/14 - 6/30/16	Second	4/28/2011
PC	At Large	Jun Reina	Chief Operations Officer/ Chief Financial Officer	Sacramento	North	Large	Urban	7/1/15 - 6/30/17	First	9/15/2014
PC	At Large	Jason Porth	Executive Director	San Francisco	North	Large	Urban	2/13/14 - 6/30/17	First	2/13/2015

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

DELEGATION OF AUTHORITY TO RENEW INSURANCE PROGRAMS

ISSUE: AORMA’s insurance and reinsurance programs renew on July 1st. The Program Administrator is actively marketing the programs to ensure competitive rates and terms. The CSURMA Program Director will provide a verbal status report at today’s meeting.

RECOMMENDATION: It is recommended that the AORMA Committee delegate authority to the CSURMA Secretary-Auditor to negotiate and bind insurance renewals as appropriate and within the budgeted amounts of the FY 15/16 Budget to be adopted by the Board of Directors in at their April, 2015 meeting.

FISCAL IMPACT: No direct fiscal impact is expected from action at today’s meeting. The negotiated insurance and reinsurance costs will be included in the FY 15/16 CSURMA budget which will be an action item for the CSURMA Board of Directors at their April, 2015 meeting.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

FY 14/15 AORMA LONG RANGE ACTION PLAN

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. FY 14/15 AORMA Long Range Action Plan

CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
AORMA COMMITTEE				
A-1	WORKERS' COMPENSATION POLICIES AND PROCEDURES			
	Staff (Alliant)	Review all workers' compensation policies and procedures and recommend revisions as necessary.	January, 2014	Completed
	PC	Review all workers' compensation policies and procedures and recommend approval to the AORMA Committee, with revisions as appropriate. All workers' compensation policies and procedures have been reviewed.	February 2, 2014	Completed
	AORMA Committee	Review and approve revisions to the workers' compensation policies and procedures.	March 20, 2014	Completed
A-2	CLOSED SESSION POLICY AND PROCEDURE			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed
A-3	MEMBER ALLOCATION FORMULA – RATING PLAN REVIEW POLICY AND PROCEDURE			
	AORMA Committee	Review and approve the new policy and procedure	October 23, 2014	Completed

CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
PROGRAMS COMMITTEE				
P-1	LIABILITY PROGRAM MEMBER ALLOCATION FORMULA (for FY 15/16 term)			
	PC	Discuss current liability program member allocation formula and alternative allocation formulas	December 12, 2013	Completed
	PC	Review alternative member allocation formula (first review)	February 6, 2014	Completed
	PC	Review alternative member allocation formula (second review)	April 10, 2014	Completed
	AORMA Officers	Review alternative member allocation formula	July, 2014	Completed
	PC	Receipt of supplemental actuarial reports – based rates and experience modification factors. Review draft alternative member allocation formula with actuarial factors included.	August 28, 2014	Completed
	AORMA Committee	Discuss modifications to the liability program member allocation formula.	September 10, 2014	Completed
	PC	Approval of FY 15/16 liability program member allocation formula	November, 2014	Completed
	AORMA Committee	Approval of FY 15/16 liability program member allocation formula	January, 2015	Completed
P-2	EARTHQUAKE COVERAGE FOR CONDOMINIUM OWNERS (WHEN HOA DOES NOT PURCHASE EARTHQUAKE COVERAGE)			
	Staff	Secure exposure information from the members	November, 2014	This item was closed out by the AORMA Committee.
	Staff	Obtain and review earthquake proposals	February, 2015	
	Programs Committee	Review and recommend revisions, as required	February, 2015	
	AORMA Committee	Review final earthquake proposals	March 19, 2015	

CSURMA AORMA FY 14/15 - LONG RANGE ACTION PLAN

#	RESPONSIBLE ENTITY	ACTION/RESPONSIBILITY	DEADLINE	STATUS
MEMBER SERVICES, LOSS CONTROL AND TRAINING COMMITTEE				
M-1	RISK REDUCTION INNOVATIVE MATCHING GRANT PROGRAM			
	MSLCT Committee	Review revisions to grant criteria within policy and procedure A-6; recommend approval to the AORMA Committee	November, 2014	Completed
	AORMA Committee	Review and approve revisions to grant criteria within policy and procedure A-6	December, 2014	Completed
M-2	AORMA INSURANCE HANDBOOK – IS THIS COVERED?			
	Staff	Complete the AORMA – Is This Covered Handbook	January, 2015	Completed
	MSLCT Committee	Review handbook and recommend revisions as appropriate	January, 2015	N/A
	Staff	Present the handbook during the AOA Session – AORMA What’s Covered and What’s Not	February 9, 2015	Completed
M-3	REAL PROPERTY ACQUISITIONS - CHECKLIST			
	Staff	Complete the AORMA Real Property Acquisitions - Checklist	January, 2015	
	MSLCT Committee	Review checklist and recommend revisions as appropriate	February, 2015	
	AORMA Committee	Review final checklist	March, 2015	
M-4	KEEPING MINORS SAFE WHILE ON CAMPUS - HANDBOOK			
	Staff	Complete the Keeping Minors Safe While on Campus Handbook. The scope of this project was changed by the MSLCTC.	January, 2015	Completed
	MSLCT Committee	Review handbook and recommend revisions as appropriate. The project timeline was changed by the MSLCTC. Each year two or three minor projects will be suggested by the MSLCTC for completion and addition to the handbook. The MSLCTC chose Traveling with Minors and Overnight Wilderness Activities with Minors	February, 2015	Completed
	AORMA Committee	Review final handbook. Review completed sections of the handbook.	June, 2015	

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

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	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, TBD		9 AORMA New Member Orientation: 9 AORMA LRP: Newport Beach: 10:00 a.m. 10 AORMA: Newport Beach: 9:00 a.m. 10 EC Orientation: Newport Beach: 4:00 pm 11 EC: Newport Beach: 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. <i>AIME: TBD – 10:30 a.m.</i>		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
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	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

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
Account Manager	Ashley Cole Clair Miller	ashley.cole@targetsolutions.com claire.miller@targetsolutions.com	858-638-7176 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
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	jgarcia@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 COMMITTEE MEMBERS ROSTER

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 7-01-14

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2014

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Robert de Wit	Chief Financial Officer	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	rdewit@csulb.edu	562-985-5549
AORMA	Vice Chair	Frank Mumford	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	fmumford@fullerton.edu	657-278-4101
AORMA	Past Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Associated Students, Inc., Cal Poly San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	Ex Officio	Kurt Borsting	Director, Titan Student Centers	Fullerton	Associated Students, California State University, Fullerton, Inc.	kborsting@fullerton.edu	657-278-4214
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	Gigi Kiama	Human Resources Manager	Monterey Bay	The University Corporation at Monterey Bay	gkiama@csumb.edu	831-582-4301
AORMA	At Large	Guy Dalpe	Managing Director	San Francisco	Associated Students, Inc., San Francisco State University	gdalpe@sfsu.edu	415-338-1044
AORMA	At Large	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910
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.	leslied@saclink.csus.edu	916-278-2904
AORMA	At Large	Mark Day	Executive Director	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	mday@csusb.edu	909-537-7201
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	Haleh Minakary	General Business Manager	Pomona	The Cal Poly Pomona Foundation, Inc.	hminakary@csupomona.edu	909-869-2910
PC	At Large	Mark Day	Executive Director	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	mday@csusb.edu	909-537-7201
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 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

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 AORMA Committee Member's accounting department should send the following documents to CSURMA c/o the Systemwide Office of Risk Management:
 - a) Invoices for all reasonable expenses
 - b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form
 - c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the COVERED TRAVELER attended.



DEFINITIONS:

AUTHORIZED TRAVELERS – 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 P&P No. A-7 as agreed under separate agreement in advance of the travel. Independent consultants shall not be considered **AUTHORIZED TRAVELERS** under this P&P 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 traveler's CSURMA 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.