

4. Willard Wattenburg v. CSU Chico RF
5. Monique Bennett v. San Diego AS
6. Apodaca v. ASI (San Marcos), et al.

E. GENERAL ADMINISTRATION

1. **FY 18/19 CSURMA AORMA Long Range Action Plan** A p. 28
The Committee will be asked to approve the FY 18/19 Long Range Action Plan
2. **Workers' Compensation Supplemental Actuarial Report (Experience Modification Factors) and the AORMA Class Code Rates** A p. 33
The Committee will be asked to review and accept the supplemental actuarial report
3. **Workers' Compensation Program Member Allocation for FY 19/20** A p. 41
The Committee will be asked to approve the member allocation for FY 19/20
4. **Liability Program Supplemental Actuarial Reports** A p. 52
The Committee will be asked to review and accept the supplemental actuarial reports
5. **Liability Program Member Allocation for FY 19/20** A p. 56
The Committee will be asked to approve the member allocation for FY 19/20
6. **Property Program Member Allocation for FY 19/20** A p. 66
The Committee will be asked to approve the member allocation for FY 19/20
7. **Crime Program Member Allocation for FY 19/20** A p. 74
The Committee will be asked to approve the member allocation for FY 19/20
8. **Unemployment Insurance Program Member Allocation for FY 19/20** A p. 82
The Committee will be asked to approve the member allocation for FY 19/20
9. **Liability and Workers' Compensation Dividends** A p. 88
The Committee will be asked to approve the allocation of the dividends to be paid in July, 2019
10. **Workers' Compensation Coverage for Volunteers** A p. 102
The Committee will be asked to discuss the different strategies proposed by Staff to address workers' compensation coverage for the Members' volunteers
11. **CSURMA AORMA Benefits Program Participation Agreement** A p. 115
The Committee will be asked to approve changes to the AORMA Benefits Program Participation Agreement

- 12. **Policy and Procedure UI-1 – Formula for Determining Unemployment Insurance Program Annual Deposit** A p. 119
The Committee will be asked to review and approve changes to Policy and Procedure UI-1, with additional modifications as necessary
- 13. **Good Practices for Electric Scooters on Campus** I p. 124
The Committee will be asked to discuss safety policies and procedures for electric scooters used by students on campus

F. INFORMATION ITEMS

- 1. CSURMA AORMA 2019 Meeting Calendar I p. 143
- 2. CSURMA AORMA Program Administrator’s Contact Lists I p. 145
- 3. AORMA’s Travel Reimbursement Policy I p. 158
- 4. AORMA Committee Members - Effective 7/01/18 I p. 161
- 5. CSURMA Administrative Service Calendar I p. 163

G. ADJOURNMENT

The next AORMA Committee meeting is scheduled for March 7, 2019, location TBD.

If you have questions regarding the agenda package, please contact

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

APPROVAL OF THE AGENDA

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

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

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES - SEPTEMBER 5-6, 2018

ISSUE: The Committee will be asked to review and approve the draft minutes of its September 5-6, 2018 meeting.

RECOMMENDATION: It is recommended that the Committee approve the minutes of its September 5-6, 2018 meeting, including corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA AORMA Committee Meeting Minutes – September 5-6, 2018

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

SEPTEMBER 5-6, 2018

ALLIANT INSURANCE SERVICES

2180 HARVARD STREET, SUITE 460 • SACRAMENTO, CA

10:00 AM

MEMBERS PRESENT (WEDNESDAY, SEPTEMBER 5, 2018)

Dwayne Brummett, Associated Students, Inc. at San Luis Obispo
Chuck Kissel, CSU Fullerton Auxiliary Services Corporation
Trina Knight, University Enterprises, Inc., CSU Sacramento
Starr Lee, The University Corporation at Monterey Bay
Leslie Levinson, San Diego State Research Foundation
Dave Nakamura, Humboldt State University Center
Bella Newberg, California State University San Marcos Corporation
Bill Olmsted, University Union Operation of CSU Sacramento
Cecilia Ortiz, Loker Student Union, CSU Dominguez Hills
Russ Wittmeier, The CSU, Chico Research Foundation

MEMBERS ABSENT

None

STAFF, GUESTS AND CONSULTANTS

Yumi Augustus, Carl Warren & Company (Day 2)
Amy Lightner, Alliant Insurance Services, Inc.
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Tom Quirk, Alliant Insurance Services, Inc. (Day 2)
John Owen, Alliant Risk Control Consulting. (Day 1)
Michael Simmons, Alliant Insurance Services, Inc. (Day 2)

A. CALL TO ORDER

The meeting was called to order by the Chair, Dwayne Brummett at 10:07 AM.

A1. Approval of the Agenda

A motion was made to approve the agenda.

Motion: Chuck Kissel

Second: Dave Nakamura

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

A2. Introduction of New Committee Members

The Committee members and Staff introduced themselves.

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. LONG RANGE ACTION ITEMS

C1. FY 17/18 AORMA Long Range Action Plan

Mimi Long provided a brief overview of the items on the current AORMA Long Range Action Plan.

The Committee directed Staff to send out additional information regarding the Club Liability Insurance Program.

C2. AORMA Officers’ Retreat Recap

Mimi Long provided a brief overview of the AORMA Officers Retreat which occurred in July, 2018.

C3. Draft FY 18/19 AORMA Long Range Action Plan

Based on the items discussed during the AORMA Officers’ Retreat, the Committee reviewed the draft FY 18/19 AORMA Long Range Action Plan. All new items within the FY 18/19 LRP will be discussed in detail during the meeting and the Committee will be asked to consider additional items to be added as well.

C4. Creation of a Fully Insured Primary Liability Program and Discussion of Opening the Program to Non-CSU CA Higher Education Auxiliary Organizations

As discussed by Daniel Howell, during the AORMA Officers Retreat, the officers discussed the possibility of creating a fully insured primary liability program for the smaller CSU auxiliary organizations, in particular, the philanthropic foundations. The current CSURMA AORMA liability program was created 20 years ago and at this point it may be prudent to see if the current program design is still relevant. Howell recommends exploring the option of creating a separate group purchase program. The benefit for the members joining the group purchase program is the elimination of the potential for an assessment; however, the disadvantages would be the loss of claims control, potential dividends and the mandatory use of a coverage form without the enhancements built into the AORMA liability memorandum of coverage. The benefit to the AORMA liability pool, is the removal of a potentially large claim from a member who is paying a minimum premium of approximately \$2,500.

Howell noted that Staff would have to check the market availability of such a produce that meets the needs of the auxiliary organizations.

The Committee directed staff to move forward with a feasibility study, including the following steps:

- 1. Identify potential insurers for this coverage program*
- 2. Review the insurer(s) coverage forms and provide a coverage comparison for the AORMA Committee's review in March, 2019*

The Committee members also discussed the workers' compensation coverage for volunteers of those auxiliary organizations with no employees and therefore do not purchase workers' compensation insurance.

The Committee directed Staff to add to the FY 18/19 LRP an item to address the issue of workers' compensation for volunteers. Staff will;

- 1. Confirm with all members within the AORMA workers' compensation program their current decision on file regarding workers' compensation coverage for volunteers,*
- 2. Discuss the reasoning to cover and/or not to cover volunteers for workers' compensation,*
- 3. Provide options to those members who have no employees and therefore do not purchase workers' compensation coverage to address the exposure to loss for their volunteers.*

The Committee also discussed the possibility of opening up the CSURMA AORMA liability program to non-CSU higher education entities. As an example, UC's Hastings College does not procure its insurance through the UC program and is purchasing insurance as a single entity. The UC also has separate non-profit philanthropic entities which may benefit from joining a pool. If AORMA decides to allow non-CSU entities to join the program, the benefit to CSURMA AORMA

would be the ability to spread administrative and excess insurance costs as well as diversifying its risks. There would be no risk sharing.

The Committee directed Staff to;

- 1. Obtain an inventory of other entities who may be candidates to join the program,*
- 2. Review CSURMA JPA Agreement and Bylaws to see if the expansion of the program to non-CSU entities is allowed.*

The Committee directed Staff to add both of these items to the FY 18/19 LRP and to split them into separate items.

C5. Recreation Center Good Practices

The current FY 17/18 AORMA Long Range Action Plan includes the creation of a Recreation Center good practices manual. John Owen, from Alliant Risk Control Consulting, provided an overview of the project.

The Committee directed Staff to;

- 1. Send out another request to all AORMA members to obtain copies of rec center practices currently in place. Staff will provide a detailed explanation as to why the information is being requested.*
- 2. Inventory all information obtained.*
- 3. Obtain the Rec Center Directors affinity group directory.*
- 4. Compile a complete directory of auxiliary and campus staff which shows who is overseeing the different Rec Center functions.*
- 5. At a future meeting, provide additional information regarding the Rec Center risk assessments available through SportRisk (Ian McGregor's Company).*

C6. Alliant Risk Control Consulting

John Owen from Alliant Risk Control Consulting provide a short presentation regarding its past, present and future activities for the AORMA members.

C7. CSURMA AORMA Benefits Program

This item was discussed out of order on day two.

C8. AORMA Committee, Standing Committees and 2019 Meeting Dates

The Committee discussed the recommendation to terminate the AORMA Programs Committee. The AORMA Committee has made several decisions which have helped streamline the administrative process and therefore Staff does not feel that the AORMA Committee needs to have a separate Programs Committee.

The Committee also discussed the 2019 and 2018 AORMA Committee dates and agreed to change the October meeting to a placeholder teleconference meeting to be held only if the Committee’s approval is required on items prior to December. The December meeting will be held in San Francisco as a fly-in / fly-out same day meeting. Staff will change the start time to 11:00 AM to accommodate travel schedules.

Policies and Procedures A-1 and A-2 were revised to remove the Programs Committee. Policy and Procedure A-7 Travel Reimbursement Policy was revised to allow reimbursement for travel expenses when an AORMA member attends the CSURMA Board meeting.

A motion was made to;

1. Terminate the AORMA Programs Committee and inform the current members,
2. Approve changes to Policy and Procedure A-1 (Composition, Election and Term Limits), A-2 (AORMA Committee and Standing Committee Roles and Responsibilities) and A-7 (Travel Reimbursement Policy),
3. Adopt the CSURMA AORMA 2019 Meeting Calendar with changes as discussed above,
4. Revise the CSURMA AORMA 2018 Meeting Calendar as discussed above.

Motion: Bill Olmsted
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

C9. Workers’ Compensation Payroll – Automatic 6% Increase

Annually in July, members report their actual payroll for the fiscal year ending on June 30. In August/September, members report their estimated payroll for the upcoming fiscal year. In order to eliminate one of the two payroll requests, Staff is suggesting that the final payroll for the ending fiscal year can be trended up by 6% and used for the estimated payroll for the upcoming fiscal year. As an example, in July, 2019, members will report their actual payroll for FY 18/19. The actual payroll for FY 18/19 will be trended up by 6% and used as the estimated payroll for FY

20/21. Members will be given the opportunity to provide an estimate other than the trended payroll if they submit it prior to a cut-off date.

A motion was made to accept the new practice of trending up the audit payroll by 6% as explained above and using the revised Self-Report of Actual Payroll form.

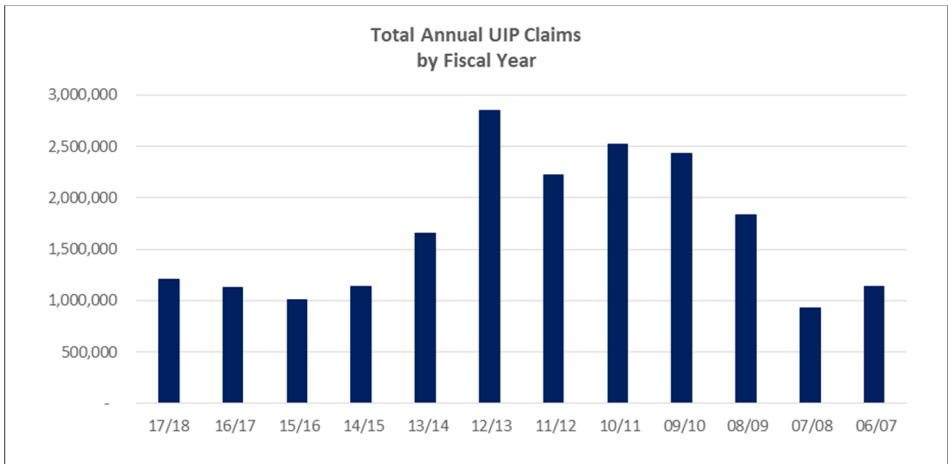
Motion: Cecilia Ortiz
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

C10. Unemployment Insurance Program Member Excess Funds

The Committee reviewed the formula for determining the Unemployment Insurance Program (UIP) annual deposit, as well as the necessity for each member to maintain a fund balance of two times its average annual claims. The below chart shows how the UIP claims are trending up slightly.



Policy and Procedure UI-1 – Formula for Determining UIP Annual Deposit, states the following:

“Minimum Fund Balance - Each MEMBER must maintain in the AORMA UIP a minimum fund balance of two times its average annual losses.

This requirement was put into place to prevent the UIP fund from going into a negative position should multiple auxiliaries have significant workforce layoffs during the same fiscal year. The Policy and Procedure also states;

“At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year rather than estimates. If the MEMBER’s fund balance exceeds the minimum fund balance required (two times annual average losses) then the MEMBER can request that the excess funds be returned or retained on account with CSURMA to be used to lower contributions for the upcoming fiscal year.”

Out of the 37 UIP members, 26 have a fund balance in excess of the required two times average annual losses. Only one member has a negative fund balance. The Policy and Procedure also stipulates how excess funds can be treated for those Members with federal sponsored programs.

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

The Committee directed Staff to:

- 1. Maintain the same Minimum Fund Balance requirement of two times the member’s average annual claims.*
- 2. For all members, use excess funds to reduce the members’ deposit premium for the upcoming term,*
- 3. Allow those members engaged in federal sponsored programs to make a one-time transfer of funds from the UI program to the workers’ compensation program (if their excess funds exceed the UI deposit premium for the upcoming year.)*
- 4. Allow those members not engaged in sponsored programs to make a one-time transfer of funds from the UI program to any other CSURMA AORMA program (if their excess funds exceed the UI deposit premium for the upcoming year.)*
- 5. Allow members to keep excess funds on account if they don’t want to transfer them to a different program.*

A motion was made to revise Policy and Procedure UI-1 based on the discussion above.

Motion: Leslie Levinson
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

C11. Human Subject Research Injury Claims Program

The Committee discussed the idea of creating a medical expense program to provide an injured human subject medical treatment for injury or illness suffers as a direct result of participation in an authorized CSU research project.

Depending on the activity, some Federal sponsored programs require the purchase of workers’ compensation or similar coverage to cover the human subjects. The SJSU Research Foundation has a program with NASA and hires all of the participants as employees in order comply with the requirement.

The UC created a separate self-insured program for their human subjects – Professional Medical Liability and General Liability Self-Insurance Program for Human Subject Research Injury Claim.

Staff was directed to;

1. *Gather more exposure information from the Members, and*
2. *Investigate whether the CSU auxiliary organization could participate in the UC’s medical expense program.*

C12. AORMA Historical Premium Payments, Dividends and Loss Ratios Report

The Committee reviewed the AORMA Historical Premium Payments, Dividends and Loss Ratio report.

D. STANDING COMMITTEE REPORTS

D1. Programs Committee Report

Mimi Long provided a brief report of the Program Committee’s recent activities.

D2. AOA Executive Committee Report

No report was given.

G. GENERAL ADMINISTRATION

Items G6, G7, and G8 were discussed out of order.

G7. Employment Practices Liability Member Deductibles for FY 19/20

The Committee reviewed the minimum EPL deductible calculation for FY 19/20. Seven auxiliary organizations are subject to an EPL deductible higher than the minimum of \$25,000. According to Policy & Procedure L-7, the Programs Committee is responsible for approving the EPL deductible calculation; therefore, the Policy and Procedure was amended in response to the Committee’s approval to terminate the Programs Committee.

Below are the proposed FY 19/20 EPL deductibles.

Campus	Auxiliary Organization	FY 19/20	FY 18/19	FY 17/18	FY 16/17	FY 15/16
Dominguez Hills	California State University, Dominguez Hills Foundation	50,000	25,000	25,000	25,000	25,000
Long Beach	Associated Students, California State University, Long Beach	50,000	25,000	25,000	25,000	25,000
Pomona	The Cal Poly Pomona Foundation, Inc.	50,000	100,000	100,000	100,000	100,000
San Diego	Associated Students, San Diego State University	50,000	50,000	50,000	25,000	25,000
San Diego	San Diego State University Research Foundation	100,000	100,000	100,000	100,000	100,000
San Jose	San Jose State University Research Foundation	100,000	100,000	100,000	100,000	75,000
San Marcos	California State University, San Marcos Corporation	50,000	25,000	25,000	25,000	25,000

A motion was made to approve the EPL deductible calculation as well as revisions to Policy & Policy L-7.

Motion: Dave Nakamura
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

G6. AORMA Workers’ Compensation Program Claims Administration Audit Report

Zachary Gifford provided a summary of the claims administration audit report. CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers’ Compensation Risk Pool claims. Pursuant to CSURMA Policy and Procedure No. 5, a regular performance audit is performed to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements outlined in the Service Agreement between CSURMA and Sedgwick CMS. A service performance audit was completed in May/June, 2018 by Jacki Graf, CSURMA’s Workers’ Compensation Claims Consultant. This is the 5th audit of the AORMA workers’ compensation program. A brief summary of the audit findings follows:

1. A 17.5% sample of the open indemnity/future medical inventory was reviewed.
2. Overall score 86%. This is a 2% decrease compared to the 2016 result.
3. Category results - Initial Contact/Documentation: 84%, Claims Management: 86%, Process Control 87%.

A motion was made to accept the audit report.

Motion: Cecilia Ortiz
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

G8. Discussion of AORMA’s Continuity Plan

As shown on the attached AORMA Committee roster, all members on the AORMA Committee are on their first term; therefore, no members will term out on June 30, 2019. In April, 2019, three incumbent members will be up for reelection for a second term July 1, 2019 to June 30, 2021 and one member, Ortiz who is completing an odd term, will be up for election for her first term July 1,

2019 to June 30, 2021. These three members affirmed their intention to run for reelection; therefore, the Chair did not appoint a Nominations Committee.

The AORMA Committee meeting was adjourned at for the day at 2:21 PM. The meeting reconvened at 9:30 AM on September 6, 2018.

The meeting was called to order by the Chair, Dwayne Brummett at 9:30 AM on Thursday, September 6, 2018. Chuck Kissel, attending the meeting via teleconference, expressed his desire to abstain from voting on all action items.

E. CONSENT CALENDAR

E1. Approval of Minutes – March 8, 2018

A motion was made to approve the meeting minutes.

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

This item was discussed out of order.

C7. CSURMA AORMA Benefits Program

Tom Quirk from the Alliant Insurance Services, Inc. Benefits Team provided a presentation of the coverage programs available through the AORMA Benefits Program via CSAC EIA.

All program costs will paid directly by the members. However, CSURMA may be asked to front partial payment should a member pay its benefits invoice late. Therefore, each AORMA member will be required to execute the CSURMA AORMA Benefits Program Participation Agreement prior to joining the program. The Committee reviewed the draft agreement.

Alliant Insurance Services, Inc. as the AORMA Benefits Program Broker/Administrator will receive compensation as the Broker/Administrator of the AORMA Benefits Program and therefore an addendum to the Broker/Consultant Services Agreement dated January 1, 2016 between Alliant Insurance Service, Inc. and the California State University Risk Management Authority was reviewed by the Committee.

A motion was made to approve the CSURMA AORMA Benefits Program participation agreement and to recommend approval to the Executive Committee of the addendum to the Alliant Broker/Consultant Services Agreement.

Motion: Bill Olmsted
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

G4. Target Surplus Funding Report and Dividend Calculation

Mike Simmons presented the findings from his target surplus funding analysis. Staff prepared this analysis to provide guidance to the Committee for development of annual funding, dividends and assessment decisions. The Committee has adopted three benchmark ratios which measure the program’s financial stability.

Gross Premium to Surplus Ratio. The gross premium to surplus ratio is a measure of how the programs surplus is leveraged against possible pricing inaccuracies. A favorable goal is anything below 150%. The ratio on the liability program is 41% and on the workers’ compensation program 49%. Simmons noted that a typical insurance industry ratio would be great at 3 to 1; however, self-insured pools need to be more conservative. Therefore, AORMA selected half of the insurance industry standard – 1.5 to 1. AORMA is in a very positive position, which is significantly lower than the 1.5 to 1 threshold. Both programs have excellent ratios but it’s important to watch the trend line. Eroding surplus could become a problem.

Surplus to Pool Retention Ratio. The surplus to pool retention ratio is a measure of the maximum amount that surplus could decline due to a single loss. A favorable goal is 5 to 10 time the maximum program retention. The ratio on the liability program is 13 times the maximum retention and on the workers’ compensation programs, it’s 7 times. Simmons reminded the members that

three bad unexpected losses in the same year within the liability or workers’ compensation programs could erode the surplus by \$1.5MM or \$2.25MM, respectively. Because of the pooled layer change within the workers’ compensation program from \$500,000 to \$750,000, this ratio is creeping closer to the maximum threshold of 5:1. Two big losses and the program immediately drops to within the ratio threshold. A pool wants to plan for volatility in the future and should always maintain a strong surplus to retention ratio.

Outstanding Reserves to Surplus Ratio. The outstanding reserves to surplus ratio is a measure of how the surplus is leveraged against possible reserve inaccuracies. A favorable goal is anything below 150%. The ratio on the liability program is 29% and on the workers’ compensation program, it’s 54%. Everything is positive. Until the surplus is erode, this ratio isn’t that important, but we watch it to assure no cataclysmic losses change the condition of the program.

Simmons recommended adopting other ratios for future Target Surplus Funding analysis.

The Committee reviewed the AORMA Historical Funding exhibit and discussed its historical funding philosophy and the factors involved in its decision making process.

The Committee reviewed Policy and Procedure A-2 Target Surplus Funding Policy which was revised to include a statement that the Committee will make sure the pooled programs maintain enough surplus to transition to or from a fully insured/reinsured program without caused financial hardship to the program members.

The Committee reviewed the recommended dividends for the July, 2019 distribution.

A motion was made to approve a dividend, for distribution in July, 2019, in the amount of \$942,030 from the Liability Program, \$393,680 from the Workers’ Compensation Program which is 25% of the maximum dividend available as well as the recommended revisions to Policy and Procedure A-3.

Motion: Starr Lee
Second: Cecilia Ortiz

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura	X			
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

Dave Nakamura left the meeting at 10:55.

G2. AORMA Liability and Workers' Compensation Program Actuarial Reports Valued at June 30, 2018

The Committee reviewed the actuarial reports and some of the key findings and exhibits. The information provided by the actuary is used to establish fiscal year-end financial reports, and as the starting point in consideration of rates and funding for FY 19/20 as well as evaluating potential dividends. The Actuary's findings and recommendations are shown below:

Table 1

Estimated Outstanding Losses at an "expected" confidence level, undiscounted for investment income, including unallocated loss adjustment expenses			
Liability		Workers' Compensation	
At June 30, 2017	\$1,447,703	At June 30, 2017	\$3,875,940
At June 30, 2018	\$1,790,144	At June 30, 2018	\$2,888,491
Change	24%	Change	-25%

As shown in Table 1, the estimated outstanding losses at June 30, 2018 (within the liability program) increased 24%. This is mainly due to an increase in case reserves of about \$347,000 from July 1, 2017 to June 30, 2018. The estimated outstanding losses at June 30, 2018 within the workers' compensation program decreased by 25% primarily due to the first dollar reinsurance agreement with CSAC EIA. Effective January 1, 2015, the AORMA workers' compensation program is fully reinsured; therefore, all outstanding liabilities between January 1, 2015 and June 30, 2018 are retained by CSAC EIA.

Table 2

Workers' Compensation		
Projected Ultimate Net Limited Losses, Discounted		
Term	Funding	Rate
80% Confidence Level		
FY 18/19	\$3,428,000	1.02
FY 19/20	\$3,734,000	0.99
Change	9%	-3%
75% Confidence Level		
FY 18/19	\$3,263,000	0.97
FY 19/20	\$3,525,000	0.93
Change	8%	-4%

70% Confidence Level		
FY 18/19	\$3,098,000	0.92
FY 19/20	\$3,345,000	0.89
Change	8%	-3%

As shown in Table 2, even though the workers' compensation rate decreased, the overall projected funding increased due to an increase in the estimated payroll for FY 19/20.

Table 3

Liability		
Projected Ultimate Net Limited Losses, Discounted		
Term	Funding	Rate
80% Confidence Level		
FY 18/19	\$1,939,584	0.43
FY 19/20	\$2,140,600	0.44
Change	10%	2%
75% Confidence Level		
FY 18/19	\$1,764,006	0.39
FY 19/20	\$1,957,120	0.40
Change	11%	3%
70% Confidence Level		
FY 18/19	\$1,585,685	0.35
FY 19/20	\$1,758,350	0.36
Change	11%	3%

A motion was made to accept the Liability and Workers' Compensation draft actuarial reports.

Motion: Trina Knight
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

G3. Estimated Pool Layer Funding Exhibit

Daniel Howell provided a brief overview of the estimated fund balance exhibits for both the Liability and Workers’ Compensation Programs. These reports show a comparison of the program assets, outstanding liabilities and estimated fund balances at June 30, 2018, as well as historical estimated fund balance and dividend information.

F. CLOSED SESSION

A motion was made to enter closed session at 11:25 am

Motion: Bill Olmsted
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

1. Cadrena Heard v. Long Beach, ASI
2. Jose Casillas v. Pomona, Foundation
3. Mary O’Shea v. San Diego, Research Foundation
4. Willard Wattenburg v. Chico Research Foundation
5. Monique Bennett v. San Diego, ASI

A motion was made to exit closed session at 11:47 am

Motion: Starr Lee
Second: Cecilia Ortiz

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			

Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

Chair reported that no action was taken during closed session.

G. GENERAL ADMINISTRATION

G1. Insurance Renewals Report

Daniel Howell provided a brief overview of the CSURMA major renewals.

Program	AORMA Percent Change	Campus Percent Change
Excess Liability	8%	13%
Property	19%	14%
Worker’s Compensation	-7%	3%
Builder’s Risk	N/A	Flat
Fine Arts	N/A	10%
SPLIP & SAFECLIP	N/A	Flat
FTIP	18%	18%
Aviation	Flat	Flat
Medical Malpractice	Flat	Flat
Fidelity	Flat	Flat
Trustees E&O / Fiduciary	6%	71%
Cyber	-32%	-32%

G5a. Review and Approval of the FY 19/20 – Total Funding - Liability Program

The Committee reviewed the three Liability Program funding options for FY 19/20 below in Table 1, which show the pooled layer funding options at a 70%, 75% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance. Currently, the liability program is being funded at a 75% confidence level.

Table 1			
Liability Program			
70% Confidence Level (Discounted)			
Expense Item	FY 18/19 Program Costs 75% CL	FY 19/20 Program Costs 70% CL	% Change
Pool Layer Funding	1,764,006	1,758,350	0%
Claims Administration	15,000	16,000	7%
Program Administration	770,000	770,000	0%
Reinsurance / Excess Insurance	1,718,961	1,890,857	10%
Total Costs	4,267,967	4,435,207	4%
75% Confidence Level (Discounted)			
Expense Item	FY 18/19 Program Costs 75% CL	FY 19/20 Program Costs 75% CL	% Change
Pool Layer Funding	1,764,006	1,957,120	11%
Claims Administration	15,000	16,000	7%
Program Administration	770,000	770,000	0%
Reinsurance / Excess Insurance	1,718,961	1,890,857	10%
Total Costs	4,267,967	4,633,977	9%
80% Confidence Level (Discounted)			
Expense Item	FY 18/19 Program Costs 75% CL	FY 19/20 Program Costs 80% CL	% Change
Pool Layer Funding	1,764,006	2,140,600	21%
Claims Administration	15,000	16,000	7%
Program Administration	770,000	770,000	0%
Reinsurance / Excess Insurance	1,718,961	1,890,857	10%
Total Costs	4,267,967	4,817,457	13%

The current program is funded at a 75% confidence level and is discounted for investment value. The discount rate is calculated based on a 2% yield on investments.

A motion was made to approve the FY 19/20 Liability Program total funding of \$4,633,977 which includes the pooled layer funding at a 75% confidence level.

Motion: Starr Lee
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			

Trina Knight	X		
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MOTION CARRIED

G5b. Review and Approval of the FY 19/20 – Total Funding - Workers’ Compensation Program

The Committee reviewed the Workers’ Compensation Program funding option for FY 19/20 shown below, which shows the pooled layer funding requirements at a 70%, 75% and 80% confidence level along with the costs for the claims administration, program administration and excess insurance. Table 1 below compares the three options to the current program.

Table 1			
Workers' Compensation Program			
70% Confidence Level (Discounted)			
Expense Item	FY 18/19 Program Costs 70% CL	FY 19/20 Program Costs 70% CL	% Change
Pool Layer Funding	3,583,727	3,664,712	2%
Claims Administration	235,368	235,368	0%
Program Administration	625,210	626,000	0%
Reinsurance / Excess Insurance	485,365	485,365	0%
Estimated Audit Premium	73,945	75,172	2%
Total Costs	5,003,615	5,086,617	2%
Actuary's Original Rate (used to establish funding)	92%	89%	-3%
75% Confidence Level (Discounted)			
Expense Item	FY 18/19 Program Costs 70% CL	FY 19/20 Program Costs 75% CL	% Change
Pool Layer Funding	3,583,727	3,829,418	7%
Claims Administration	235,368	235,368	0%
Program Administration	625,210	626,000	0%
Estimated Audit Premium	485,365	485,365	0%
Reinsurance / Excess Insurance	73,945	75,172	2%
Total Costs	5,003,615	5,251,323	5%
Actuary's Original Rate (used to establish funding)	92%	93%	1%
80% Confidence Level (Discounted)			
Expense Item	FY 18/19 Program Costs 70% CL	FY 19/20 Program Costs 80% CL	% Change
Pool Layer Funding	3,583,727	4,076,477	14%
Claims Administration	235,368	235,368	0%
Program Administration	625,210	626,000	0%
Estimated Audit Premium	485,365	485,365	0%
Reinsurance / Excess Insurance	73,945	75,172	2%
Total Costs	5,003,615	5,498,382	10%
Actuary's Original Rate (used to establish funding)	92%	99%	8%

The current program is funded at a 70% confidence level and is discounted for investment value. The discount rate is calculated based on a 2% yield on investments.

A motion was made to approve the FY 19/20 workers’ compensation program costs for the Claims Administration, JPA Program Administration and Excess Insurance as presented above and the rate of .93 for the Pooled Layer Funding – 75% confidence level.

Motion: Bill Olmsted
Second: Trina Knight

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

G5c. Review and Approval of the FY 19/20 – Total Funding - Property Program

The Committee reviewed the FY 19/20 Property Program costs of \$2,371,095 which is a 7% increase over the FY 18/19 program costs.

A motion was made to approve the FY 19/20 Total Property Program costs of \$2,371,095.

Motion: Leslie Levinson
Second: Starr Lee

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

G5d. Review and Approval of the FY 19/20 – Total Funding - Crime Program

The Committee reviewed the FY 19/20 Crime Program costs of \$230,000 which is a .26% increase compared to the FY 18/19 program costs.

A motion was made to approve the FY 19/20 Crime Program costs of \$230,000.

Motion: Bill Olmsted
Second: Bella Newberg

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg	X			
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel		X		
Dave Nakamura				X
Leslie Levinson	X			
Russell Wittmeier	X			
Starr Lee	X			
Trina Knight	X			

MOTION CARRIED

G9. Development of the Long Range Action Plan Items for FY 18/19

The Committee Members discussed the suggested long range goals for FY 18/19 and directed Staff to add the following:

1. Target Surplus Analysis Ratio Review
2. Workers' Compensation Program Volunteer Coverage
3. Workers' Compensation Program Growth (continue from FY 17/18)
4. Creation of a Fully Insured Primary Liability Program
5. Expansion of the Liability Program to include non-CSU higher education entities
6. Evaluation of Participation in the CSU Captive Insurance Vehicle (continue from FY 17/18)
7. Development of Recreation Center Good Practices (continued from FY 17/18)
8. Formation of the AORMA Benefits Program (continued from FY 17/18)
9. Theatre Inspection Common Findings Report
10. Verify and/or Place Coverage for CSU Alumni Associations
11. Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

DRAFT

H. INFORMATION ITEMS

- H1. CSURMA AORMA 2018 Meeting Calendar
- H2. CSURMA AORMA Program Administrator's Contact Lists
- H3. AORMA's Travel Reimbursement Policy
- H4. AORMA Committee Members - Effective 7/01/18
- H5. CSURMA Administrative Service Calendar

I. ADJOURNMENT

The meeting was adjourned at 12:25 PM.

FY 18/19 CSURMA AORMA LONG RANGE ACTION PLAN

ISSUE: At its September, 2018 Long Range Planning meeting, the AORMA Committee reviewed the long range goals of AORMA. The Committee proposed the following items for the FY 18/19 long range action plan:

1. Workers' Compensation Program Growth (*continued from FY 17/18*)
2. Creation of a Fully Insured Primary Liability Program
3. Evaluation of Participation in the CSU Captive Insurance Vehicle (*continued from FY 17/18*)
4. Development of Recreation Center Good Practices (*continued from FY 17/18*)
5. Formation of the AORMA Benefits Program (*continued from FY 17/18*)
6. Theatre Inspection Common Findings Report
7. Verify and/or Place Coverage for CSU Alumni Associations
8. Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs
9. Review and Adopt Updated Target Surplus Analysis Ratios
10. Address the Issue of Workers' Compensation Coverage for the Members' Volunteers
11. Explore the Option of Expanding the AORMA Liability Program to Include Non-CSU Higher Education Entities

RECOMMENDATION: The Committee will be asked to approve its FY 18/19 Long Range Action Plan, making revisions as necessary.

FISCAL IMPACT: None.

BACKGROUND: Staff will provide an update during the meeting.

PUBLICATION: The long range action plan will be included in each AORMA Committee agenda.

ATTACHMENT(S):

- a. FY 18/19 Long Range Action Plan - DRAFT

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
LRP-1	Workers' Compensation Program Growth				
	1	Obtain underwriting information to finalize coverage and/or funding options for Members	PA	Jan-19	
	2	Present Member funding options to AORMA Committee for approval	PA, AORMA	Feb-19	
	3	Present final quotes to Members	PA	Mar-19	
	4	Provide underwriting information to CSAC EIA for approval	PA	Apr-19	
	5	Bind coverage within the AORMA Workers' Compensation Program	PA	Jun-19	
LRP-2	Creation of Fully Insured Primary Liability Program				
	1	Discuss concept with AORMA Committee	PA, AORMA	Sep-18	Completed
	2	Compile information for those auxiliary organizations that are paper entities only or have no or very few employees	PA	Nov-18	Completed
	3	Identify potential insurers for this coverage program and request coverage forms	PA	Nov-18	
	4	Provide update to AORMA Committee, as appropriate	PA	Dec-18	
	5	Prepare marketing specifications	PA	Jan-19	
	6	Submit marketing specifications to the commercial insurers	PA	Feb-18	
	7	Provide coverage comparison for the AORMA Committee's review	PA, AORMA	Mar-18	
	8	Send out quotes to interested auxiliary organizations	PA	May-19	
	9	Bind coverage	PA	Jun-19	
LRP-3	Evaluation of Participation in the CSU Captive Vehicle				
	1	Oversee formation of captive	PA, SRM	Continuous	In Process
	2	Determine which insurance products can be marketed by the auxiliary organizations	PA, SRM, EC, AORMA	Sep-19	
	3	Design marketing plan	PA, SRM, AORMA	Dec-19	
LRP-4	Development of Recreation Center Good Practices				
	1	Survey Campus and Auxiliary members to see what is currently in place	PA	Nov-17	Completed
	2	Research standards and guidelines published by industry experts	PA	Nov-17	In Process
	3	Identify Recreation Center Good Practices	PA, PC	Jun-18	In Process
	4	Send out another request to all AORMA members to obtain copies of rec center practices currently in place - Staff will provide a detailed explanation as to why the information is being requested	PA	Nov-18	Completed
	5	Inventory all information obtained	PA	Feb-19	
	6	Obtain the Rec Center Directors affinity group directory	PA	Mar-19	
	7	Compile a complete directory of auxiliary and campus staff which shows who is overseeing the different Rec Center functions	PA	Mar-19	

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	8	Provide additional information regarding the Rec Center risk assessments available through SportRisk (Ian McGregory's Company)	PA	Mar-19	
	9	Chair to appoint ad hoc committee to review good practices providing input for updates as appropriate	PA, AORMA	May-19	
	10	Approval of final Recreation Center Good Practices	AORMA	Sep-19	
	11	Disseminate information to all Campus and Auxiliary Members	PA	Oct-19	
	12	Upload information onto the CSURMA website	PA	Oct-19	
LRP-5 Formation of the CSURMA AORMA Benefits Program					
	1	Authorize formation of AORMA Benefits Program	AORMA, EC	Sep-17	Completed
	2	Authorize formation of AORMA Benefits Program	BOD	Oct-17	Completed
	3	Secure underwriting information and prepare renewal specifications	PA	Jun-18	Completed
	4	Submit underwriting information for a quote through the CSAC EIA benefits program	PA	Jun-18	Completed
	5	Approve CSURMA AORMA Benefits Program Participation Agreement	PA, AORMA	Sep-18	Completed
	6	Approve accounting procedures with CSU Accounting	PA, AORMA, CSU Accounting	Jan-19	
	7	Approve amendments to brokerage agreement with Alliant	PA, AORMA, EC	Sep-18	Completed
	8	Forward benefits pricing to the existing members as well as those members not participating in the AOA Benefits Program	PA	Nov-18	Completed
LRP-6 Theatre Inspection Common Findings Report					
	1	Receive copies of all theatre inspection reports completed	PA	Aug-19	Completed
	2	Review reports for common findings and distribute to members and post on CSURMA website	PA	Jan-19	
LRP-7 Verify and/or Place Coverage for CSU Alumni Associations					
	1	Gather information for all CSU Alumni Associations to confirm that they are all insured appropriately	PA	Oct-18	
	2	Provide applications for coverage under the Special Liability Insurance Program (SLIP)	PA	Dec-18	
	3	Obtain quotes and forward to Alumni Associations	PA	Feb-19	
LRP-8 Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs					
	1	Obtain information regarding the different federal program classifications	PA	Sep-18	In Process
	2	Request for the AOA Research Administration Committee (RAC) additional information regarding the number of AO's involved in research projects with human subjects	PA	Oct-18	Completed

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	3	Research the availability of a primary Participant Accident Insurance (PAI) policy which would provide medical expense coverage with a limit of \$5MM	PA	Oct-18	
	4	Confirm if excess insurers can schedule the primary PAI policy as an underlying policy within the liability program	PA	Nov-18	
LRP-9 Review and Adopt Updated Target Surplus Analysis Ratios					
	1	Review all target surplus analysis ratio as recommended by CAJPA	PA, AORMA	Jan-19	
	2	Present recommendations for change to the AORMA Committee	PA, AORMA	Mar-19	
	3	Revise and approve changes to Policy and Procedure A-2 Target Surplus Funding Policy accordingly	PA, AORMA	May-19	
	4	Receive the revised Target Surplus Funding presentation and review the new ratios.	PA, AORMA	Sep-19	
LRP-10 Address the Issue of Workers' Compensation Coverage for the Members' Volunteers					
	1	Confirm with all members within the AORMA workers' compensation program their current decision on file regarding workers' compensation coverage for volunteers	PA	Nov-18	Completed
	2	Provide to members the reasoning to cover and/or not to cover volunteers for workers' compensation	PA	Nov-18	Completed
	3	Discuss with the AORMA Committee coverage options for those members with no employees and therefore no workers' compensation coverage	PA, AORMA	Dec-18	In Process
	4	Provide coverage options for those members with no employees and therefore no workers' compensation coverage	PA	Jan-19	
LRP-11 Explore the Option of Expanding the AORMA Liability Program to include non-CSU higher education entities					
	1	Review CSURMA JPA Agreement and Bylaws to see if the expansion of the program to non-CSU entities is allowed	PA	Oct-18	Completed
	2	Obtain an inventory of other entities who may be candidates to join the program	PA	Nov-18	In Process
	3	Provide update to the AORMA Committee	PA, AORMA	Dec-18	In Process
	4	<i>If AORMA Committee approval to move forward is received, the following steps will be completed:</i>	AORMA	Dec-18	In Process
	5	Discuss change with excess reinsurers/insurers	PA	Jan-19	
	6	Modify the CSURMA JPA Agreement and Bylaws, the AORMA Participation Agreement, and the AORMA Liability Program Participation Agreement	PA, AORMA, EC, BOD	May-19	
	7	Update AORMA Liability Memorandum of Coverage as appropriate	PA	May-19	
	8	Send out program information to the identified candidates and request underwriting information	PA	May-19	

FY 2018/19 CSURMA AORMA LONG RANGE ACTION PLAN

Goal	#	Action / Task	Responsible Entity	Deadline	Status
	9	Complete rating process and send out quotes	PA	Jun-19	
<p>BOD: CSURMA Board of Directors PC: AORMA Programs Committee CABO: CSU Chief Administrators and Business Officers CO: Chancellor's Office AORMA: AORMA Committee</p> <p>EC: CSURMA Executive Committee OGC: CSU Office of General Counsel PA: CSURMA Program Administrator SRM: CSU Systemwide Risk Management</p>					

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

ISSUE: CSURMA's retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2018, and (2) Projected Ultimate Limited Losses for FY 19/20. These reports were approved by the AORMA Committee in September, 2018. The actuary also calculates each member's experience modification factor (EMF). The Committee will be asked to accept the supplemental EMF report to be used in the FY 19/20 Workers' Compensation Program Member Allocation.

RECOMMENDATION: Staff recommends that the Committee accept the Workers' Compensation 19/20 EMF supplemental report dated November 21, 2018 to be used in the FY 19/20 Workers' Compensation Program Member Allocation.

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

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

PUBLICATION: Each member will receive its EMF calculation once the Committee accepts this supplemental report. The EMF's will also be included in the budgeting letter which will be sent to all members in January, 2019.

ATTACHMENT(S):

- a. Workers' Compensation 19/20 Experience Modification Factors supplemental report dated November 21, 2018 *(complete report provided as a handout)*
- b. Historical Member EMF's.
- c. Policy and Procedure W-1 – Workers' Compensation Program Member Allocation Formula

**CSURMA - AORMA Workers' Compensation Program
Historical Experience Modification Factors**

Campus	Auxiliary Organization	Cert #	Loss Information Valuation Date				
			6/30/18 FY 19/20	6/30/17 FY 18/19	6/30/16 FY 17/18	6/30/15 FY 16/17	6/30/14 FY 15/16
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	5558-047	0.92	0.94	0.97	0.94	0.95
Bakersfield	California State University, Bakersfield Foundation	5558-012	1.01	1.07	1.01	1.19	1.40
Channel Islands	CI University Auxiliary Services, Inc.	5558-041	0.8	1.06	1.12	1.06	0.92
Chico	Associated Students of California State University, Chico	5558-004	0.8	0.92	0.83	0.93	0.94
Chico	The CSU, Chico Research Foundation	5558-013	0.94	0.96	0.86	0.90	0.78
Dominguez Hills	Associated Students, California State University, Dominguez Hills	5558-014	1.03	1.09	1.08	0.94	1.11
Dominguez Hills	California State University, Dominguez Hills Foundation	5558-015	1.09	1.08	0.94	0.81	0.96
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	5558-009	1.42	1.25	1.04	0.91	1.07
East Bay	Associated Students, California State University, East Bay	5558-030	1.07	1.11	1.13	1.03	1.21
Fresno	The California State University, Fresno Athletic Corporation	5558-040	0.95	0.89	0.75	0.65	0.67
Fresno	California State University, Fresno Association, Inc.	5558-016	0.78	0.65	0.73	0.69	0.74
Fullerton	Associated Students, California State University, Fullerton, Inc.	5558-005	0.69	0.75	0.84	0.98	1.03
Fullerton	CSU Fullerton Auxiliary Services Corporation	5558-036	0.86	1.00	0.99	0.86	0.91
Humboldt	Associated Students, Humboldt State University	5558-049	1.38	1.15	0.96	0.88	0.95
Humboldt	Humboldt State University Center	5558-001	1.5	1.42	1.18	1.13	1.09
Humboldt	Humboldt State University Sponsored Programs Foundation	5558-037	1.16	1.00	1.10	1.29	1.52
Long Beach	Associated Students, California State University, Long Beach	5558-017	0.74	0.87	1.03	0.97	0.91
Long Beach	California State University Long Beach Research Foundation	5558-011	0.87	0.72	0.98	1.15	1.00
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	5558-018	1.32	1.10	1.04	1.22	1.44
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	5558-044	0.92	0.96	0.89	0.93	0.88
Los Angeles	University-Student Union Board, California State University, Los Angeles	5558-019	0.75	0.78	0.80	0.86	1.01
Monterey Bay	The University Corporation at Monterey Bay	5558-020	0.81	0.68	0.89	0.90	1.05
Northridge	Associated Students, California State University, Northridge, Inc.	5558-021	1.31	1.09	1.01	1.04	0.94
Northridge	The University Corporation, CSU Northridge	5558-022	1.2	1.04	1.28	1.14	0.99
Northridge	University Student Union of California State University, Northridge	5558-023	1.32	1.10	0.91	0.83	0.87
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	5558-024	0.9	1.09	0.97	0.90	0.85
Pomona	The Cal Poly Pomona Foundation, Inc.	5558-025	1.46	1.31	1.20	1.19	1.37

		<i>Loss Information Valuation Date</i>	<i>6/30/18</i>	<i>6/30/17</i>	<i>6/30/16</i>	<i>6/30/15</i>	<i>6/30/14</i>
Campus	Auxiliary Organization	Cert #	FY 19/20	FY 18/19	FY 17/18	FY 16/17	FY 15/16
Sacramento	Associated Students of California State University, Sacramento	5558-026	1.41	1.33	1.11	1.03	1.01
Sacramento	Capital Public Radio	5558-051	1.5	1.25	1.04	0.91	0.79
Sacramento	University Enterprises, Inc., CSU Sacramento	5558-048	0.9	0.90	0.86	1.02	1.20
San Bernardino	Associated Students Inc., California State University, San Bernardino	5558-031	1.38	1.15	0.96	0.89	0.89
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	5558-027	0.84	1.29	1.23	1.45	1.49
San Bernardino	University Enterprises Corporation at CSUSB	5558-042	1.48	1.72	1.44	1.25	1.09
San Diego	Associated Students, San Diego State University	5558-002	1	1.10	1.07	1.09	1.08
San Diego	Aztec Shops, Ltd.	5558-053	0.96	0.89	0.63		
San Francisco	Associated Students, Inc., San Francisco State University	5558-029	0.71	0.78	0.91	1.07	1.26
San Francisco	The University Corporation, San Francisco State	5558-038	0.89	0.87	0.86	0.88	1.04
San Jose	Associated Student, San Jose State University	5558-032	0.79	0.90	0.92	1.03	1.22
San Jose	San Jose State University Research Foundation	5558-034	0.7	0.78	0.81	0.78	0.74
San Jose	Spartan Shops, Inc., San Jose State University	5558-007	0.91	0.86	0.95	1.02	0.95
San Jose	The Student Union of San Jose State University	5558-035	1.02	1.09	0.90	0.80	0.78
San Jose	The Tower Foundation, San Jose State University	5558-050	1.06	0.94	0.86	0.78	0.81
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	5558-006	0.8	0.89	1.19	1.40	1.22
San Luis Obispo	Cal Poly Corporation	5558-003	0.99	1.17	1.11	1.02	0.89
San Marcos	California State University San Marcos Corporation	5558-010	0.98	1.12	1.11	1.03	0.96
Sonoma	Associated Students of Sonoma State University	5558-039	1.36	1.41	1.86	2.19	2.57
Stanislaus	Associated Students, Inc., California State University, Stanislaus	5558-045	1.02	1.07	0.95	0.89	0.90
Stanislaus	University Student Union of California State University, Stanislaus	5558-046	1.39	1.46	1.21	1.13	1.07



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT: WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA

ADOPTED: MAY 15, 2008

EFFECTIVE: JULY 1, 2018

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

PURPOSE:

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

PROCEDURE:

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

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

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

ALLOCATION FORMULA:

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

than the approved minimum premium.

**** Example ****

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

ANNUAL PAYROLL AUDIT:

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

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

MEMBER APPEAL PROCESS:

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

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

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

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

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

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

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

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

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

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



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

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

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

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

**WORKERS' COMPENSATION PROGRAM MEMBER ALLOCATION
FOR FY 2019/20**

ISSUE: At its September, 2018 meeting, the AORMA Committee approved the overall FY 19/20 Workers' Compensation Program funding. The AORMA Committee must now (1) approve the FY 19/20 workers' compensation rates and (2) approve the allocation of the total program costs to the workers' compensation program members. Costs are allocated to the members based on their estimated payroll for FY 19/20 and their experience modification factor (EMF) as determined by the CSURMA actuary.

RECOMMENDATION: Staff recommends that the Committee approve the FY 19/20 rates shown below, as well as the FY 19/20 Workers' Compensation Program Member Allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated member payroll information as appropriate.

AORMA Class Code	1001	1002	1004	1005	1006	1007
FY 19/20 Rates	.26	.67	1.44	1.88	2.94	5.13

FISCAL IMPACT: The total funding required for the FY 19/20 program is \$5,026,242. As compared to the premium collected for FY 18/19 of \$4,731,203, the total premium costs have increased by \$295,039 or 6%. This increase is due primarily to the increase in payroll of 5% and a slight increase to the pooled layer rate of 1%.

BACKGROUND: In order to establish rate stability, the AORMA workers' compensation program rates are determined by starting with the corresponding WCIRB rate approved for use as the AORMA class code rate and then applying a normalization factor to develop the total amount of funding required. TABLE 1 below demonstrates how each WCIRB rate was reduced by 4% or 5% in order to establish the proposed AORMA FY 19/20 rates.

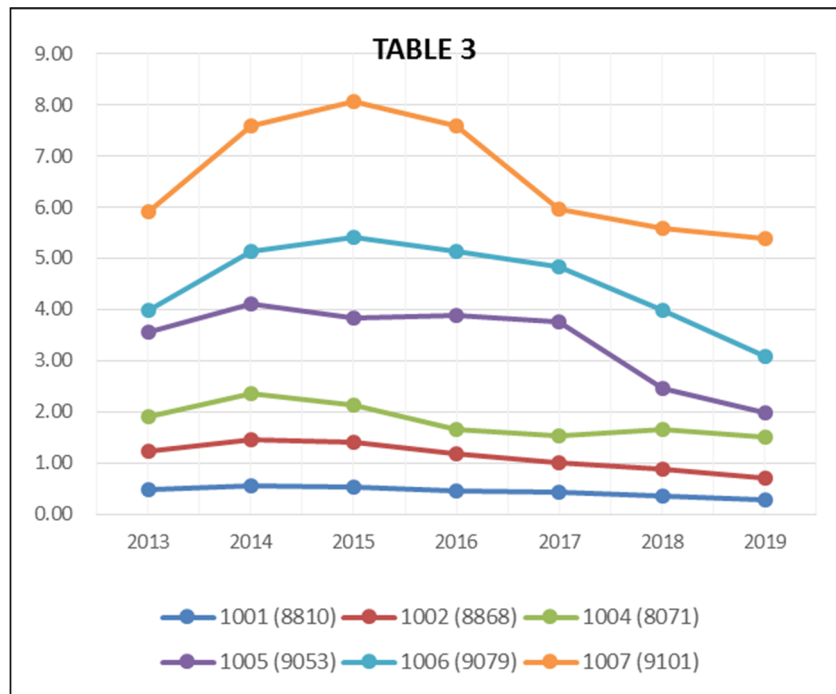
TABLE 1						
Normalization Calculation						
AORMA Class Codes	1001	1002	1004	1005	1006	1007
WCIRB Class Codes	8810	8868	8071	9053	9079	9101
WCIRB FY 19/20 Rates	0.27	0.70	1.51	1.98	3.09	5.40
Normalization Factor	-4%	-4%	-5%	-5%	-5%	-5%
AORMA FY 19/20 Rates (Proposed)	0.26	0.67	1.43	1.88	2.94	5.11

The goal of rate setting is to keep the rate changes to within a 10% increase or decrease; however, this year because of the continued decrease to the WCIRB rates as well as the prior year's normalization factors of between +4% to -9% (to keep rates within a 10% change), Staff is unable to keep the rate change to a maximum of 10%. Rather than having the AORMA rates float further away from the WCIRB rates, Staff is proposing the same normalization factor for all rates. This results in substantial rate increases to Class Code 1004 and 1007. Staff reviewed several other rate options; however, each option moved AORMA's rate further away from the base WCIRB rate.

Table 2 below shows a comparison of the approved rates for FY 18/19 and the proposed rates for FY 19/20.

TABLE 2						
Comparison of FY 18/19 and FY 19/20 Rates						
AORMA Class Codes	1001	1002	1004	1005	1006	1007
AORMA FY 18/19 Rates (Approved)	0.28	0.67	1.08	2.30	3.18	3.97
AORMA FY 19/20 Rates (Proposed)	0.26	0.67	1.44	1.88	2.94	5.13
Difference	-8%	-1%	33%	-18%	-8%	29%

Table 3 below demonstrates the downward trend of the WCIRB rates.



As shown below in Table 4, all of the WCIRB base rates will decrease effective January 1, 2019 by between 3% and 23%.

Comparison of WCIRB and AORMA Rates						
AORMA Class Codes	1001	1002	1004	1005	1006	1007
WCIRB Class Codes	8810	8868	8071	9053	9079	9101
WCIRB Rates at 1/01/2018	0.35	0.88	1.66	2.47	3.98	5.59
WCIRB Rates at 1/01/2019	0.27	0.70	1.51	1.98	3.09	5.40
Difference	-23%	-20%	-9%	-20%	-22%	-3%

TABLE 5 below shows a comparison of the program's historical rates.

Coverage Term	AORMA Workers' Compensation Class Code					
	1001	1002	1004	1005	1006	1007
FY 14 15	0.56	1.43	2.36	3.27	5.15	3.89
FY 15 16	0.36	0.94	1.38	2.53	3.47	5.00
Diff	-36%	-34%	-42%	-23%	-33%	29%
FY 15 16	0.36	0.94	1.38	2.53	3.47	5.00
FY 16 17	0.30	0.76	1.07	2.50	3.32	4.90
Diff	-17%	-19%	-22%	-1%	-4%	-2%
FY 16 17	0.30	0.76	1.07	2.50	3.32	4.90
FY 17 18	0.29	0.69	1.04	2.54	3.28	4.02
Diff	-3%	-9%	-3%	2%	-1%	-18%
FY 17 18	0.29	0.69	1.04	2.54	3.28	4.02
FY 18 19	0.28	0.67	1.08	2.30	3.18	3.97
Diff	-3%	-3%	4%	-9%	-3%	-1%
FY 18 19	0.28	0.67	1.08	2.30	3.18	3.97
FY 19 20	0.26	0.67	1.44	1.88	2.94	5.13
Diff	-8%	-1%	33%	-18%	-8%	29%

PUBLICATION: The final approved premiums, rates and experience modification factors for FY 19/20 will be sent out to the program members at the end of January, 2019.

ATTACHMENT(S):

- a. FY 19/20 Workers' Compensation Program Member Allocation (*comparison section only*)
- b. FY 19/20 – Total Funding Approved
- c. Policy and Procedure W-1 – Workers' Compensation Program Member Allocation Formula

**CSURMA AORMA Workers' Compensation Insurance Program
FY 19/20 Rating Allocation - Comparison**

Member Information		Ex Mods			Payroll			Premium			
Campus	Auxiliary Organization	FY 18/19	FY 19/20	% Diff	FY 18/19	FY 19/20	% Diff	FY 18/19	FY 19/20	\$ Diff	% Diff
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.94	0.92	-2%	1,373,000	1,376,421	0%	11,328	8,767	(2,561)	-23%
Bakersfield	California State University, Bakersfield Foundation	1.07	1.01	-6%	7,000	0	-100%	1,000	0	(1,000)	-100%
Channel Islands	CI University Auxiliary Services, Inc.	1.06	0.80	-25%	3,243,586	2,918,146	-10%	70,301	43,805	(26,496)	-38%
Chico	Associated Students of California State University, Chico	0.92	0.80	-13%	8,637,850	9,405,414	9%	178,768	166,491	(12,277)	-7%
Chico	The CSU, Chico Research Foundation	0.96	0.94	-2%	14,174,383	15,017,911	6%	117,165	115,727	(1,438)	-1%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	1.09	1.03	-6%	626,641	964,124	54%	7,125	8,215	1,090	15%
Dominguez Hills	California State University, Dominguez Hills Foundation	1.08	1.09	1%	7,906,071	7,800,000	-1%	64,972	66,820	1,848	3%
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	1.25	1.42	14%	1,145,871	1,129,818	-1%	17,423	33,095	15,672	90%
East Bay	Associated Students, California State University, East Bay	1.11	1.07	-4%	543,598	579,767	7%	2,251	2,770	519	23%
Fresno	The California State University, Fresno Athletic Corporation	0.89	0.95	7%	6,651,821	6,925,000	4%	119,890	113,458	(6,432)	-5%
Fresno	California State University, Fresno Association, Inc.	0.65	0.78	20%	6,780,000	6,830,000	1%	75,370	93,670	18,300	24%
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.75	0.69	-8%	6,310,917	6,696,203	6%	80,549	78,631	(1,918)	-2%
Fullerton	CSU Fullerton Auxiliary Services Corporation	1.00	0.86	-14%	17,459,265	17,459,265	0%	136,721	121,263	(15,458)	-11%
Humboldt	Associated Students, Humboldt State University	1.15	1.38	20%	122,000	122,000	0%	1,000	1,054	54	5%
Humboldt	Humboldt State University Center	1.42	1.50	6%	4,355,000	4,567,000	5%	156,602	174,258	17,656	11%
Humboldt	Humboldt State University Sponsored Programs Foundation	1.00	1.16	16%	10,546,044	10,467,464	-1%	102,423	130,805	28,382	28%
Long Beach	Associated Students, California State University, Long Beach	0.87	0.74	-15%	6,776,510	6,979,804	3%	103,622	102,131	(1,491)	-1%
Long Beach	California State University Long Beach Research Foundation	0.72	0.87	21%	17,210,619	16,461,082	-4%	56,675	66,285	9,610	17%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	1.10	1.32	20%	10,473,400	11,060,000	6%	224,097	285,002	60,905	27%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	0.96	0.92	-4%	9,770,000	11,020,000	13%	128,367	144,201	15,834	12%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.78	0.75	-4%	3,013,800	3,058,673	1%	36,746	37,753	1,007	3%
Monterey Bay	The University Corporation at Monterey Bay	0.68	0.81	19%	11,813,500	12,055,776	2%	66,772	78,087	11,315	17%
Northridge	Associated Students, California State University, Northridge, Inc.	1.09	1.31	20%	4,275,000	4,655,000	9%	69,935	83,483	13,548	19%
Northridge	The University Corporation, CSU Northridge	1.04	1.20	15%	20,616,750	21,477,070	4%	231,844	275,698	43,854	19%
Northridge	University Student Union of California State University, Northridge	1.10	1.32	20%	8,077,523	8,624,469	7%	125,142	180,555	55,413	44%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	1.09	0.90	-17%	7,091,364	6,527,818	-8%	132,666	102,189	(30,477)	-23%
Pomona	The Cal Poly Pomona Foundation, Inc.	1.31	1.46	11%	19,862,374	20,612,565	4%	359,540	457,540	98,000	27%
Sacramento	Associated Students of California State University, Sacramento	1.33	1.41	6%	4,935,209	5,134,185	4%	79,004	80,375	1,371	2%

**CSURMA AORMA Workers' Compensation Insurance Program
FY 19/20 Rating Allocation - Comparison**

Member Information		Ex Mods			Payroll			Premium			
Campus	Auxiliary Organization	FY 18/19	FY 19/20	% Diff	FY 18/19	FY 19/20	% Diff	FY 18/19	FY 19/20	\$ Diff	% Diff
Sacramento	Capital Public Radio	1.25	1.50	20%	4,748,300	4,890,479	3%	16,619	19,073	2,454	15%
Sacramento	University Enterprises, Inc., CSU Sacramento	0.90	0.90	0%	34,584,576	39,400,517	14%	277,731	299,319	21,588	8%
San Bernardino	Associated Students Inc., California State University, San Bernardino	1.15	1.38	20%	466,884	552,728	18%	1,877	3,003	1,126	60%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	1.29	0.84	-35%	2,685,588	3,046,880	13%	43,256	32,531	(10,725)	-25%
San Bernardino	University Enterprises Corporation at CSUSB	1.72	1.48	-14%	11,070,110	12,128,165	10%	113,653	93,502	(20,151)	-18%
San Diego	Associated Students, San Diego State University	1.10	1.00	-9%	11,538,720	10,628,148	-8%	219,557	179,552	(40,005)	-18%
San Diego	Aztec Shops, Ltd., San Diego State University	0.89	0.96	8%	15,050,171	16,101,658	7%	245,438	288,341	42,903	17%
San Francisco	Associated Students, Inc., San Francisco State University	0.78	0.71	-9%	4,469,402	4,773,559	7%	26,666	28,479	1,813	7%
San Francisco	The University Corporation, San Francisco State	0.87	0.89	2%	2,000,000	1,900,000	-5%	18,035	18,505	470	3%
San Jose	Associated Student, San Jose State University	0.90	0.79	-12%	3,480,000	3,541,620	2%	34,894	27,680	(7,214)	-21%
San Jose	San Jose State University Research Foundation	0.78	0.70	-10%	25,074,826	26,485,572	6%	121,384	123,936	2,552	2%
San Jose	Spartan Shops, Inc., San Jose State University	0.86	0.91	6%	12,229,307	397,832	-97%	288,205	10,409	(277,796)	-96%
San Jose	The Student Union of San Jose State University	1.09	1.02	-6%	4,235,559	5,926,276	40%	93,515	141,635	48,120	51%
San Jose	The Tower Foundation, San Jose State University	0.94	1.06	13%	3,337,684	4,005,221	20%	12,340	15,094	2,754	22%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	0.89	0.80	-10%	6,545,019	6,741,370	3%	97,997	99,888	1,891	2%
San Luis Obispo	Cal Poly Corporation	1.17	0.99	-15%	24,925,000	25,550,000	3%	561,970	516,550	(45,420)	-8%
San Marcos	California State University San Marcos Corporation (UARSC)	1.12	0.98	-13%	7,970,500	8,224,642	3%	64,980	64,417	(563)	-1%
Sonoma	Associated Students of Sonoma State University	1.41	1.36	-4%	750,886	773,411	3%	7,103	7,343	240	3%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	1.07	1.02	-5%	331,619	342,319	3%	1,978	1,905	(73)	-4%
Stanislaus	University Student Union of California State University, Stanislaus	1.46	1.39	-5%	242,315	310,745	28%	1,719	2,471	752	44%
Totals	49				388,162,562	395,646,117		5,006,215	5,025,761	19,546	0%

CSURMA AORMA
FY 2019/2020 Workers' Compensation Program
75% Confidence Level
\$750,000 Pooled Layer

Table 1

Expense Item	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Total Estimated Funding - CSAC EIA Reinsurance Program Costs					
Pooled Layer Funding	-	-	-	-	-
CSAC-EIA Reinsurance	2,900,599	3,153,341	4,302,129	3,998,043	4,117,653
Claims Administration	215,456	219,765	224,160	235,368	235,368
JPA Program Administration	552,131	590,100	564,065	565,000	565,000
Excess Insurance	Included	Included	Included	Included	Included
Mid-Term Changes	34,444				
Payroll Audit	196,058	465,697	64,287	59,966	61,765
Total Program Costs:	3,898,688	4,428,903	5,154,641	4,858,377	4,979,786
Difference from prior year:	-3.33%	13.60%	16.39%	-5.75%	2.50%
CSAC EIA Rate	0.97	1.04	1.18	1.00	1.00
CSAC EIA - Total Program Rate	1.29	1.46	1.42	1.22	1.21
Estimated Payroll (#3)	302,998,904	303,772,228	363,201,571	399,772,184	411,765,350
Actual Payroll (#2)	325,493,578	350,552,313	368,649,595	405,768,767	417,941,830
Difference (#4)	22,494,674	46,780,085	5,448,024	5,996,583	6,176,480

#2 - The actual payroll for FY 17/18 is an estimate.

#3 - The estimated payroll for FY 18/19 was provided by the members.

#4 - The actual payroll for FY 18/19 and FY 19/20 was trended up 1.5% from the estimated payroll for the same fiscal year.

Table 2

Total Estimated Funding - AORMA Funding at a 75% Confidence Level					
Expense Item	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Pooled Layer	\$500,000	\$500,000	\$750,000	\$750,000	\$750,000
Pooled Layer Funding	3,208,750	3,236,000	3,486,735	3,583,727	3,829,418
Claims Administration	215,456	219,765	224,160	235,368	235,368
JPA Program Administration	552,131	590,100	564,065	625,210	626,000
Excess Insurance	485,365	485,365	485,365	485,365	485,365
Audit and Mid-Year Payroll Changes (#2)	176,081	632,080	64,287	73,945	75,172
Total Program Costs	4,637,783	4,736,572	4,824,612	5,003,615	5,251,323
Difference from prior year:	3.24%	2.13%	1.86%	3.71%	4.95%
Actuary's Original Rate (used to establish funding)	1.08	1.08	0.96	0.92	0.93
AORMA - Total Program Rate	1.42	1.35	1.33	1.25	1.28
Estimated Payroll (#3)	302,998,904	324,612,400	363,201,571	399,772,184	411,765,350
Actual Payroll (#2 and #4)	325,493,578	350,552,313	368,649,595	405,768,767	417,941,830
Difference	22,494,674	46,780,085	5,448,024	5,996,583	6,176,480

#2 - The actual payroll for FY 17/18 is an estimate.

#3 - The estimated payroll for FY 18/19 was provided by the members.

#4 - The actual payroll for FY 18/19 and FY 19/20 was trended up 1.5% from the estimated payroll for the same fiscal year.

Table 3

Cost Comparison CSAC EIA Reinsurance Program Costs vs. AORMA Funding at a 70% Confidence Level					
Fiscal Period	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Total CSAC-EIA Costs	3,898,688	4,428,903	5,154,641	4,858,377	4,979,786
Total AORMA Funding	4,637,783	4,736,572	4,824,612	5,003,615	5,251,323
Savings between CSAC-EIA and AORMA Total Program Costs:	(739,095)	(307,669)	330,029	(145,238)	(271,536)



CSURMA AORMA

POLICY AND PROCEDURE NO. W - 1

SUBJECT: WORKERS' COMPENSATION MEMBER ALLOCATION FORMULA

ADOPTED: MAY 15, 2008

EFFECTIVE: JULY 1, 2018

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

PURPOSE:

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

PROCEDURE:

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

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

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

ALLOCATION FORMULA:

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

than the approved minimum premium.

**** Example ****

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

ANNUAL PAYROLL AUDIT:

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

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

MEMBER APPEAL PROCESS:

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

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

DEFINITIONS:

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

AORMA COMMITTEE – The governing body of AORMA.

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

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

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

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

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

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

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



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

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

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

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

LIABILITY PROGRAM SUPPLEMENTAL ACTUARIAL REPORTS

ISSUE: CSURMA’s retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2018, and (2) Projected Ultimate Limited Losses for FY 19/20. These reports were approved by the AORMA Committee in September, 2018. The actuary also provides the following supplemental reports:

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

The Committee will be asked to accept the supplemental reports to be used in the FY 19/20 Liability Program Member Allocation.

RECOMMENDATION: Staff recommends that the Committee accept the Liability Program 19/20 Rates and Experience Modification Factors report dated November 19, 2018.

FISCAL IMPACT: The EMF’s and the four exposure rates are used in the Liability Program Member Allocation and will have a direct fiscal impact on the Members’ allocation of the total FY 19/20 liability premium.

BACKGROUND: TABLE 1 and 2 below show the actuary’s historical recommended rates for the four exposure categories as well as the percentage change year over year.

TABLE 1					
Actuary's Recommended Rates (Present Value)					
Exposure	FY 16/17	FY 17/18	FY 17/18	FY 18/19	FY 19/20
Auto Liability	151	143	143	161	172
Premises Liability	40	38	38	35	41
Other Liability	134	168	168	124	169
EPL	2,219	2,052	2,052	1,800	2,043

Actuary's Recommended Rates - Comparison (Present Value)									
Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

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

To provide greater stability, the minimum and maximum EMF's are limited to between .50 and 2.00.

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

ATTACHMENT(S):

- a. TABLE 3 – Historical Member EMF's
- b. Liability Program 19/20 Rates and Experience Modification Factors report dated November 19, 2018 *(included as a separate handout)*

**CSURMA AORMA
FY 19/20 Liability Program
Member Allocation**

Member Information **TABLE 3 - Actuary's Experience Modification Factors**

Campus	Auxiliary Organization	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	% Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	0.973	0.988	0.985	0.987	0.983	0%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	0.881	0.858	0.874	0.886	0.881	-1%
Bakersfield	California State University, Bakersfield Foundation	0.892	0.908	0.905	0.915	0.924	1%
Bakersfield	California State University, Bakersfield Student Union, Inc.	0.898	0.897	0.890	0.900	0.900	0%
Chancellor's Office	California State University Foundation	0.993	0.987	0.979	0.979	0.976	0%
Chancellor's Office	California State University Institute	0.990	0.990	0.988	0.991	0.988	0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	0.986	0.967	0.965	0.961	0.961	0%
Channel Islands	California State University Channel Islands Foundation	0.988	0.990	0.988	0.985	0.986	0%
Channel Islands	CI Auxiliary Services Corporation, Inc. (University Glen Corp)	1.935	1.857	0.811	0.816	0.804	-1%
Chico	Associated Students of California State University, Chico	0.750	0.750	0.750	0.571	0.577	1%
Chico	Auxiliary Organization Associations	0.998	0.998	0.997	0.998	0.997	0%
Chico	The CSU, Chico Research Foundation	2.000	2.000	2.000	2.000	2.000	0%
Chico	The University Foundation, California State University, Chico	0.962	0.956	0.920	0.922	0.921	0%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	0.961	0.953	0.951	0.947	0.948	0%
Dominguez Hills	California State University, Dominguez Hills Foundation	0.784	0.945	0.875	2.000	2.000	0%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	0.952	0.941	0.903	0.907	0.873	-4%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	1.000	1.000	0.998	0.997	0.994	0%
East Bay	Associated Students, California State University, East Bay	0.856	0.930	0.930	0.957	0.947	-1%
East Bay	Cal State East Bay Educational Foundation	1.000	0.992	0.990	0.992	0.987	-1%
East Bay	California State University, East Bay Foundation, Inc.	0.881	0.838	0.859	0.901	0.916	2%
Fresno	Associated Students, Inc. of California State University, Fresno	0.986	0.940	0.935	0.930	0.931	0%
Fresno	Fresno State Programs for Children, Inc.	0.940	0.913	0.912	0.907	0.908	0%
Fresno	The Agricultural Foundation of California State University, Fresno	0.954	0.953	0.958	1.098	1.333	21%
Fresno	The California State University, Fresno Athletic Corporation	0.816	0.861	0.766	0.880	0.813	-8%
Fresno	California State University, Fresno Association, Inc.	0.767	0.750	0.750	0.750	0.510	-32%
Fresno	California State University, Fresno Foundation	1.676	1.053	1.145	0.500	0.500	0%
Fullerton	Associated Students, California State University, Fullerton, Inc.	0.750	0.750	0.750	0.929	1.275	37%
Fullerton	Cal State Fullerton Philanthropic Foundation	0.973	0.972	0.970	0.967	0.960	-1%
Fullerton	CSU Fullerton Auxiliary Services Corporation	0.750	1.124	1.247	1.364	0.562	-59%
Humboldt	Associated Students, Humboldt State University	0.973	0.974	0.972	0.975	0.973	0%
Humboldt	Humboldt State University Advancement Foundation	0.906	0.997	0.996	0.976	1.007	3%
Humboldt	Humboldt State University Center Board of Directors	0.750	0.837	0.781	0.785	0.784	0%
Humboldt	Humboldt State University Sponsored Programs Foundation	0.928	0.930	0.750	0.753	0.698	-7%
Long Beach	Associated Students, California State University, Long Beach	1.368	1.537	1.475	0.743	1.755	136%
Long Beach	California State University, Long Beach Research Foundation	1.590	1.499	1.084	0.500	0.500	0%
Long Beach	CSULB 49er Foundation	0.993	1.019	0.987	0.999	1.118	12%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	0.750	0.838	0.793	0.870	0.724	-17%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	1.101	1.006	1.007	0.991	0.990	0%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	0.750	0.750	0.750	0.551	0.553	0%
Los Angeles	California State University, Los Angeles Foundation	0.995	0.991	0.990	0.992	0.989	0%
Los Angeles	University-Student Union Board, California State University, Los Angeles	0.773	0.750	0.750	0.724	0.738	2%
Maritime	California Maritime Academy Foundation, Inc.	0.998	0.995	0.998	0.993	0.997	0%
Maritime	The Associated Students of the California Maritime Academy	1.000	0.998	0.995	0.998	0.992	-1%
Monterey	Foundation of California State University, Monterey Bay	1.000	0.999	0.999	0.999	0.998	0%
Monterey	The University Corporation at Monterey Bay	0.750	0.750	1.041	0.500	0.500	0%
Monterey	Otter Student Union at CSU Monterey Bay	1.000	1.000	1.000	0.998	0.996	0%
Northridge	Associated Students, California State University, Northridge, Inc.	1.223	1.197	0.887	0.814	0.797	-2%
Northridge	California State University, Northridge Foundation	0.980	0.972	0.963	0.964	0.950	-1%
Northridge	North Campus University Park Development Corporation	0.996	0.999	0.999	0.999	0.998	0%
Northridge	The University Corporation, CSU Northridge	0.934	0.750	0.750	0.555	0.500	-10%
Northridge	University Student Union of California State University, Northridge	2.000	2.000	2.000	1.752	1.478	-16%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	0.867	0.863	1.333	1.737	1.477	-15%
Pomona	The Cal Poly Pomona Foundation, Inc.	1.443	1.752	1.961	1.399	1.588	14%
Sacramento	Associated Students of California State University, Sacramento	0.868	0.923	1.053	2.000	2.000	0%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	0.944	0.937	0.943	1.539	1.327	-14%
Sacramento	The University Foundation at Sacramento State	0.995	0.990	0.989	0.987	0.987	0%
Sacramento	University Enterprises, Inc., CSU Sacramento	0.750	0.786	0.831	0.500	0.500	0%
Sacramento	University Union Operation of CSUS, Inc.	0.872	0.790	0.806	0.748	0.771	3%
San Bernardino	Associated Students Inc., California State University, San Bernardino	0.970	0.973	0.970	0.966	0.962	0%
San Bernardino	CSUSB Philanthropic Foundation	0.863	0.990	0.983	0.972	0.963	-1%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	0.814	1.819	1.538	1.919	1.693	-12%
San Bernardino	University Enterprises Corporation at CSUSB	0.750	0.750	0.750	0.619	0.583	-6%
San Diego	Associated Students, San Diego State University	1.292	1.029	1.516	1.323	2.000	51%
San Diego	Aztec Shops, Ltd., San Diego State University	0.750	0.750	0.750	1.070	0.658	-39%
San Diego	San Diego State University Research Foundation	1.234	1.025	1.083	0.618	1.231	99%
San Francisco	Associated Students, Inc., San Francisco State University	0.864	0.828	0.794	0.806	0.819	2%
San Francisco	San Francisco State University Foundation	0.950	0.947	0.996	0.996	0.996	0%
San Francisco	The University Corporation, San Francisco State	1.380	0.982	1.010	1.105	0.805	-27%
San Jose	Associated Student, San Jose State University	0.935	0.947	0.996	1.098	1.035	-6%
San Jose	San Jose State University Research Foundation	1.155	1.002	0.750	0.661	0.500	-24%
San Jose	Spartan Shops, Inc., San Jose State University	0.854	0.825	0.854	0.798	0.756	-5%
San Jose	The Student Union of San Jose State University	0.750	0.970	1.512	1.676	1.373	-18%
San Jose	The Tower Foundation, San Jose State University	0.814	0.793	0.800	0.799	0.778	-3%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	1.244	1.031	0.750	0.567	0.569	0%
San Luis Obispo	Cal Poly Corporation	0.750	0.750	0.750	0.500	0.500	0%
San Luis Obispo	California Polytechnic State University Foundation	0.942	0.951	0.909	0.917	0.887	-3%
San Marcos	California State University San Marcos Foundation	0.994	0.987	0.980	0.981	0.975	-1%
San Marcos	The Associated Students of California State University, San Marcos	0.985	0.988	0.986	0.985	2.000	103%

**CSURMA AORMA
 FY 19/20 Liability Program
 Member Allocation**

Member Information TABLE 3 - Actuary's Experience Modification Factors

Campus	Auxiliary Organization	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	% Diff
San Marcos	California State University San Marcos Corporation	0.750	1.343	1.433	2.000	2.000	0%
Sonoma	Associated Students of Sonoma State University	0.991	1.004	1.008	0.950	0.948	0%
Sonoma	Sonoma State Enterprises, Inc.	0.882	0.798	0.840	0.836	0.839	0%
Sonoma	Sonoma State University Foundation (<i>Ademnic Foundation</i>)	0.750	0.985	0.984	0.984	0.984	0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	0.970	0.982	0.983	0.968	0.970	0%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	0.959	0.990	0.986	0.975	0.961	-1%
Stanislaus	California State University, Stanislaus Foundation	0.961	0.977	0.988	0.990	0.989	0%
Stanislaus	University Student Union of California State University, Stanislaus	0.930	0.964	0.961	0.956	0.958	0%

LIABILITY PROGRAM MEMBER ALLOCATION FOR FY 19/20

ISSUE: In September, 2018, the AORMA Committee approved the total costs for the Liability Program. The AORMA Committee must now approve the Liability Program Member Allocation and the allocation factors for FY 19/20. The total Liability Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure L-8.

RECOMMENDATION: Staff recommends that the AORMA Committee approve (1) the FY 19/20 Liability Program Member Allocation and (2) the allocation factors allowing Staff to revise the allocation with updated exposure information as appropriate.

FISCAL IMPACT: The total funding required for the FY 19/20 program is \$4,635,117. As compared to the premium collected for FY 18/19 of \$4,205,220, the total premium costs have increased by \$431,975 or 10%. This increase is due to anticipated growth of the AORMA members as well as the overall hardening of the excess/reinsurance commercial market.

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

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

TABLE 1						
Exposure Category	19/20 Actuary's Recommended Rates	AORMA 19/20 Collared Rates	Diff	AORMA 18/19 Collared Rates	AORMA 19/20 Collared Rates	Diff
Auto Liability	172	172	0%	165	172	4%
Premises Liability	41	40	-2%	37	40	8%
Other Liability	169	320	89%	356	320	-10%
EPL	2,043	1,560	-24%	1,418	1,560	10%

Table 2 below shows the actuary’s recommended rates for the four exposure categories for FY 16/17, 17/18, 18/19 and 19/20. This table allows the Committee to see how the rates are trending based on AORMA’s historical loss information.

Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

2. **Maximum premium for calculating the size credit.** \$60,000. This factor remains unchanged from FY 18/19.
3. **Maximum size credit rate percentage.** 25%. This factor remains unchanged from FY 18/19.
4. **Maximum collared premium percentage increase.** The maximum increase was increased from 30% to 33%.
5. **Maximum collared rate percentage decrease.** The maximum decrease was changed from an 11% decrease to a plus 6% increase.
6. **Capped excess premium.** The maximum excess premium was increased from \$89,250 to \$93,713 (a 5% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
7. **Minimum administrative costs.** This was increased from \$660 to \$726 (a 10% increase), in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
8. **Maximum administrative costs.** This remains at \$60,000.
9. **Minimum premium.** The minimum premium was increased from \$2,474 to \$2,845 (a 15% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.

PUBLICATION: The liability premiums will be sent out to the members in January, 2019.

ATTACHMENT(S):

- a. The FY 19/20 Liability Program Member Allocation (*comparison section*)
- b. FY 19/20 - Total Funding Approved
- c. Policy & Procedure L-8 Liability Program Member Allocation Formula

**CSURMA AORMA
FY 19/20 Liability Program
Member Allocation**

Member Information		Final Premium			
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Campus	Auxiliary Organization	FY 19/20	FY 18/19	\$ Diff	% Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	6,269	5,914	355	6.0%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	9,765	7,342	2,423	33.0%
Bakersfield	California State University, Bakersfield Foundation	9,773	9,220	553	6.0%
Bakersfield	California State University, Bakersfield Student Union, Inc.	5,241	4,944	297	6.0%
Chancellor's Office	California State University Foundation	3,806	3,591	215	6.0%
Chancellor's Office	California State University Institute	2,932	2,766	166	6.0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	3,488	3,291	197	6.0%
Channel Islands	California State University Channel Islands Foundation	3,216	3,034	182	6.0%
Channel Islands	CI Auxiliary Services Corporation, Inc. (<i>University Glen Corp</i>)	23,281	21,963	1,318	6.0%
Chico	Associated Students of California State University, Chico	128,817	121,525	7,292	6.0%
Chico	Auxiliary Organization Associations	2,845	2,152	693	32.2%
Chico	The CSU, Chico Research Foundation	130,712	119,109	11,603	9.7%
Chico	The University Foundation, California State University, Chico	12,816	12,091	725	6.0%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	5,792	5,405	387	7.2%
Dominguez Hills	California State University, Dominguez Hills Foundation	56,498	42,480	14,018	33.0%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	18,026	17,006	1,020	6.0%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	2,845	2,152	693	
East Bay	Associated Students, California State University, East Bay	15,898	14,998	900	6.0%
East Bay	Cal State East Bay Educational Foundation	2,845	2,152	693	32.2%
East Bay	California State University, East Bay Foundation, Inc.	38,802	36,606	2,196	6.0%
Fresno	Associated Students, Inc. of California State University, Fresno	6,360	6,000	360	6.0%
Fresno	Fresno State Programs for Children, Inc.	8,373	7,899	474	6.0%
Fresno	The Agricultural Foundation of California State University, Fresno	20,469	19,310	1,159	6.0%
Fresno	The California State University, Fresno Athletic Corporation	195,873	184,786	11,087	6.0%
Fresno	California State University, Fresno Association, Inc.	207,176	195,449	13,805	7.6%
Fresno	California State University, Fresno Foundation	116,890	110,274	6,616	6.0%
Fullerton	Associated Students, California State University, Fullerton, Inc.	58,739	44,165	14,574	33.0%
Fullerton	Cal State Fullerton Philanthropic Foundation	9,397	8,865	532	6.0%
Fullerton	CSU Fullerton Auxiliary Services Corporation	141,947	125,847	16,100	12.8%
Humboldt	Associated Students, Humboldt State University	6,256	5,902	354	6.0%
Humboldt	Humboldt State University Advancement Foundation	4,776	3,591	1,185	33.0%
Humboldt	Humboldt State University Center Board of Directors	52,689	49,707	2,982	6.0%
Humboldt	Humboldt State University Sponsored Programs Foundation	48,993	36,837	12,156	33.0%
Long Beach	Associated Students, California State University, Long Beach	86,942	76,766	10,176	13.3%
Long Beach	California State University, Long Beach Research Foundation	163,859	154,584	9,275	6.0%
Long Beach	CSULB 49er Foundation	5,852	4,400	1,452	33.0%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	71,388	67,347	4,041	6.0%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	6,650	6,274	376	6.0%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	60,103	54,548	5,555	10.2%
Los Angeles	California State University, Los Angeles Foundation	3,600	3,396	204	6.0%
Los Angeles	University-Student Union Board, California State University, Los Angeles	29,136	27,487	1,649	6.0%
Maritime	California Maritime Academy Foundation, Inc.	3,356	3,166	190	6.0%
Maritime	The Associated Students of the California Maritime Academy	3,361	3,171	190	6.0%
Monterey	Foundation of California State University, Monterey Bay	3,778	3,564	214	6.0%
Monterey	The University Corporation at Monterey Bay	192,120	144,451	47,669	33.0%
Monterey	Otter Student Union at CSU Monterey Bay	2,845	2,152	693	32.2%
Northridge	Associated Students, California State University, Northridge, Inc.	28,381	23,431	4,950	21.1%
Northridge	California State University, Northridge Foundation	11,274	10,636	638	6.0%
Northridge	North Campus University Park Development Corporation	5,135	4,844	291	6.0%
Northridge	The University Corporation, CSU Northridge	114,460	107,981	6,479	6.0%
Northridge	University Student Union of California State University, Northridge	123,244	116,268	6,976	6.0%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	71,450	67,406	4,044	6.0%
Pomona	The Cal Poly Pomona Foundation, Inc.	254,181	239,793	14,388	6.0%
Sacramento	Associated Students of California State University, Sacramento	96,749	91,273	5,476	6.0%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	25,270	19,000	6,270	33.0%
Sacramento	The University Foundation at Sacramento State	5,364	5,060	304	6.0%
Sacramento	University Enterprises, Inc., CSU Sacramento	197,623	183,542	14,081	7.7%
Sacramento	University Union Operation of CSUS, Inc.	41,355	39,014	2,341	6.0%
San Bernardino	Associated Students Inc., California State University, San Bernardino	9,279	8,754	525	6.0%
San Bernardino	CSUSB Philanthropic Foundation	5,006	4,723	283	6.0%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	34,571	27,628	6,943	25.1%
San Bernardino	University Enterprises Corporation at CSUSB	65,977	49,607	16,370	33.0%
San Diego	Associated Students, San Diego State University	176,792	166,785	10,007	6.0%
San Diego	Aztec Shops, Ltd., San Diego State University	161,415	149,606	11,809	7.9%
San Diego	San Diego State University Research Foundation	352,952	332,974	19,978	6.0%
San Francisco	Associated Students, Inc., San Francisco State University	30,164	22,680	7,484	33.0%
San Francisco	San Francisco State University Foundation	3,505	3,307	198	6.0%
San Francisco	The University Corporation, San Francisco State	29,828	28,140	1,688	6.0%
San Jose	Associated Student, San Jose State University	22,464	19,034	3,430	18.0%
San Jose	San Jose State University Research Foundation	101,557	76,359	25,198	33.0%
San Jose	Spartan Shops, Inc., San Jose State University	82,845	78,156	4,689	6.0%
San Jose	The Student Union of San Jose State University	121,119	114,263	6,856	6.0%
San Jose	The Tower Foundation, San Jose State University	7,101	5,339	1,762	33.0%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	91,743	86,550	5,193	6.0%
San Luis Obispo	Cal Poly Corporation	173,299	163,490	9,809	6.0%
San Luis Obispo	California Polytechnic State University Foundation	4,776	3,591	1,185	33.0%
San Marcos	California State University San Marcos Foundation	5,231	4,935	296	6.0%
San Marcos	The Associated Students of California State University, San Marcos	9,229	8,707	522	6.0%

**CSURMA AORMA
FY 19/20 Liability Program
Member Allocation**

Member Information	Final Premium
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Campus	Auxiliary Organization	FY 19/20	FY 18/19	\$ Diff	% Diff
San Marcos	California State University San Marcos Corporation	63,868	48,021	15,847	33.0%
Sonoma	Associated Students of Sonoma State University	14,931	14,086	845	6.0%
Sonoma	Sonoma State Enterprises, Inc.	34,686	32,723	1,963	6.0%
Sonoma	Sonoma State University Foundation (<i>Ademnic Foundation</i>)	14,502	13,681	821	6.0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	6,312	5,955	357	6.0%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	15,057	14,205	852	6.0%
Stanislaus	California State University, Stanislaus Foundation	22,554	21,277	1,277	6.0%
Stanislaus	University Student Union of California State University, Stanislaus	5,273	4,717	556	11.8%
86		4,635,117	4,205,220	431,975	10%

APPROVED 9/6/18

75% Confidence Level (Discounted)
\$500,000 Pooled Layer

CSURMA AORMA FY 2019/2020 Liability Program Total Estimated Funding					
Expense Item	Actual Program Costs 70% CL FY 15/16	Actual Program Costs 70% CL FY 16/17	Actual Program Costs 70% CL FY 17/18	Program Costs 75% CL FY 18/19	Proposed 75% CL FY 19/20
Actuarial Recommended Estimated Pooled Layer - Funding	1,774,778	1,700,777	1,770,878	1,764,006	1,957,120
Claims Administration	14,000	14,000	15,000	15,000	16,000
Program Administration Fees	769,101	795,991	769,503	770,000	770,000
Reinsurance / Excess Liability Insurance	1,280,435	1,493,424	1,668,015	1,718,961	1,890,857
Total Costs:	3,838,314	4,004,192	4,223,396	4,267,967	4,633,977
Difference from prior year:	4.63%	4.32%	5.47%	1.06%	8.58%

Actuarial Recommended Estimated Pooled Layer Funding (based on the actuarial report dated August 8, 2018)

Claims Administration (per the Carl Warren & Company contract)

Program Administration Fee.

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



CSURMA AORMA

POLICY & PROCEDURE NO. L-8

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

POLICY:

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

PROCEDURE:

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

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

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

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

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

LIABILITY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

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

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

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

**** Example ****

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

Size Credit:

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

**** Example ****

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

Loss Rating:

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

**** Example ****

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

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

**** Example ****

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

Administrative Costs:

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

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

Final Premium w/o Collars:

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

Collared Premium:

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

**** Example ****

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

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

Minimum Premium:

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

Employment Practices Liability Deductible:

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

PROPERTY PROGRAM MEMBER ALLOCATION FOR FY 19/20

ISSUE: In September, 2018, the AORMA Committee approved the total costs for the Property Program. The AORMA Committee will now be asked to approve the final member allocation and the allocation factors included within the FY 19/20 Property Program Member Allocation. The total Property Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1.

RECOMMENDATION: Staff recommends that the AORMA Committee approve (1) the FY 19/20 Property Program Allocation Factors as noted below and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated property value information when received from the members.

FISCAL IMPACT: The FY 19/20 Property Program Member Allocation results in a total premium of \$2,526,617. This is a 10% (or \$238,876) increase compared to FY 18/19. As shown on Table 1 below, the basic property rate increased by 3.2%, and the total insurable property values increased by 9%. The total property program premium also includes the premium for the limited earthquake, pollution, and cyber coverage.

BACKGROUND: The following factors are included in the allocation and require approval by the AORMA Committee:

1. **Basic rates:** .1424 for real property and business interruption/rents and .1709 for business personal property. TABLE 1 below notes the program’s historical rates.

TABLE 1						
Property Program Historical Rates						
Coverage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	% Diff
Real Property, Business Interruption and Rents	0.1424	0.1402	0.1340	0.1376	0.1424	3.5%
Business Personal Property	0.1709	0.1682	0.1608	0.1651	0.1709	3.5%

2. **Maximum premium for calculating the size credit:** \$600,000. This factor remains unchanged from the FY 18/19 allocation.

3. **Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 18/19 allocation.
4. **Minimum premium:** \$600. This factor remains unchanged from the FY 18/19 allocation.
5. **Loss ratio surcharge schedule:** No change. See TABLE 2 below which shows the historical loss ratio surcharges. The surcharges were increased effective July 1, 2018 in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.

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

PUBLICATION: The Property rates and premiums will be sent out to the members in January, 2019.

ATTACHMENTS:

- a. FY 19/20 Property Rating – Member Allocation (*Comparison Section*)
- b. FY 19/20 Property Program Total Funding
- c. Policy & Procedures P-1 Property Program Member Allocation Formula

**CSURMA AORMA
FY 19/20
Property Program Member Allocation**

Member Information		Premium				
Campus	Auxiliary Organization	FY 18 19	FY 19 20	\$ Diff	% Diff	
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	600	600	-	0.00%	
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	698	600	(98)	-14.05%	
Bakersfield	Student Union, Inc., California State University, Bakersfield	1,657	1,779	122	7.37%	
Chico	Associated Students of California State University, Chico	21,030	22,568	1,538	7.31%	
Chico	The CSU, Chico Research Foundation	20,150	18,645	(1,505)	-7.47%	
Chico	The University Foundation, California State University, Chico	2,318	2,095	(224)	-9.65%	
Dominguez Hills	Associated Students Incorporated, California State University, Dominguez Hills	758	813	56	7.36%	
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporation, California State	3,236	3,472	237	7.31%	
East Bay	Associated Students, Inc., CSU East Bay	600	600	-	0.00%	
East Bay	California State University, East Bay Foundation, Inc.	18,097	19,462	1,366	7.55%	
Fresno	Associated Students, Inc., CSU Fresno	600	600	-	0.00%	
Fresno	Fresno - State Programs for Children	600	600	-	0.00%	
Fresno	The Agricultural Foundation of CSU Fresno	6,694	6,932	238	3.56%	
Fresno	The Athletic Corporation, CSU Fresno	29,548	30,659	1,111	3.76%	
Fresno	California State University, Fresno Association, Inc.	238,993	238,082	(912)	-0.38%	
Fresno	CSU Fresno Foundation	1,990	2,358	369	18.52%	
Fullerton	Associated Students, California State University, Fullerton, Inc.	29,608	31,487	1,879	6.35%	
Fullerton	Cal State Fullerton Auxiliary Services Corporation	177,240	203,211	25,971	14.65%	
Humboldt	Associated Students of Humboldt State University	600	600	-	0.00%	
Humboldt	Humboldt State University Advancement Foundation	14,069	15,835	1,766	12.55%	
Humboldt	University Center, Humboldt State University	8,353	8,950	596	7.14%	
Humboldt	Humboldt State University Sponsored Programs Foundation	3,766	3,531	(235)	-6.24%	
Long Beach	Associated Students, Inc., CSU Long Beach	14,451	15,810	1,359	9.41%	
Long Beach	CSULB Research Foundation	60,297	55,640	(4,657)	-7.72%	
Long Beach	Forty Niner Shops, Inc., CSU Long Beach	26,320	28,265	1,945	7.39%	
Los Angeles	Associated Students, Inc., CSU Los Angeles	600	600	-	0.00%	
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	13,622	14,541	919	6.74%	
Los Angeles	University Student Union, CSU Los Angeles	3,917	4,199	282	7.20%	
Maritime Academy	Associated Students Inc., California Maritime Academy	600	600	-	0.00%	
Monterey Bay	The University Corporation at Monterey Bay	458,085	575,751	117,666	25.69%	
Northridge	Associated Students Inc., CSU Northridge	4,718	13,971	9,253	196.14%	
Northridge	The University Corporation, CSU Northridge	58,124	70,008	11,884	20.45%	
Northridge	University Student Union, CSU Northridge	11,426	12,274	848	7.42%	
Pomona	Associated Students, Inc., CSU Pomona	3,009	4,024	1,015	33.74%	
Pomona	Cal Poly Pomona Foundation	55,180	54,189	(991)	-1.80%	
Sacramento	Associated Students, Inc., CSU Sacramento	10,816	12,306	1,491	13.78%	
Sacramento	Capitol Public Radio, CSU Sacramento	14,275	16,769	2,495	17.48%	
Sacramento	The University Foundation at Sacramento State		600	600	#DIV/0!	
Sacramento	University Enterprises, Inc.	245,911	254,534	8,623	3.51%	
Sacramento	University Union, CSU Sacramento	16,519	17,756	1,237	7.49%	
San Bernardino	Associated Students Inc., CSU San Bernardino	2,174	2,266	92	4.24%	
San Bernardino	CSUSB Philanthropic Foundation	8,065	8,668	603	7.48%	
San Bernardino	Santos Manual Student Union, CSU San Bernardino	9,703	10,366	663	6.83%	
San Bernardino	University Enterprises Corporation at CSUSB	10,097	8,558	(1,539)	-15.24%	
San Diego	Associated Students of San Diego State University	44,585	47,966	3,381	7.58%	
San Diego	Aztec Shops, LTD, San Diego State University	222,721	238,543	15,822	7.10%	
San Diego	San Diego State University Research Foundation	207,432	222,374	14,942	7.20%	
San Francisco	Associated Students, Inc., San Francisco State University	8,785	12,006	3,221	36.66%	
San Francisco	The University Corporation, San Francisco State	824	797	(27)	-3.25%	
San Jose	Associated Students, Inc., San Jose State University	12,142	12,903	761	6.26%	
San Jose	San Jose State University Research Foundation	27,886	27,542	(343)	-1.23%	
San Jose	Spartan Shops, Inc., San Jose State University	30,960	33,727	2,767	8.94%	
San Jose	Student Union of San Jose State University	17,669	18,865	1,196	6.77%	
San Jose	The Tower Foundation, San Jose State University	845	881	36	4.22%	
San Luis Obispo	Associated Students Inc., Cal Poly San Luis Obispo	11,174	12,163	989	8.85%	
San Luis Obispo	Cal Poly Corporation	51,697	59,444	7,748	14.99%	
San Luis Obispo	California Polytechnic State University Foundation	762	600	(162)	-21.22%	
San Marcos	Associated Students, Inc., CSU San Marcos	600	600	-	0.00%	
San Marcos	California State University San Marcos Corporation	18,366	14,983	(3,383)	-18.42%	
Sonoma	Associated Students, Inc., Sonoma State University	600	600	-	0.00%	
Sonoma	Sonoma State Enterprises	7,282	10,839	3,558	48.86%	
Sonoma	Sonoma State University Foundation (<i>Academic Foundation</i>)	4,937	3,801	(1,135)	-23.00%	
Stanislaus	Associated Students, Incorporated, California State University, Stanislaus	600	600	-	0.00%	
Stanislaus	CSU Stanislaus Auxiliary & Business Services	6,526	9,807	3,280	50.26%	
Stanislaus	University Student Union of CSU Stanislaus	2,241	2,402	162	7.22%	
		65	2,287,742	2,526,617	238,876	10.44%

CSURMA AORMA FY 2018/2019 Property Program Total Estimated Funding \$100,000 SIR / \$250,000 Aggregate SIR					
Expense Item	Actual Program Costs FY 15/16	Actual Program Costs FY 16/17	Program Costs FY 17/18	Proposed Program Costs FY 18/19	Proposed Program Costs FY 18/19
Estimated Pooled Layer Funding	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Excess Insurance Premium	\$1,672,962	\$1,473,347	\$1,422,255	\$1,637,359	\$1,801,095
Program Administrative Costs	\$313,809	\$318,554	\$318,911	\$320,000	\$320,000
Total Expenses:	\$2,236,771	\$2,041,901	\$1,991,166	\$2,207,359	\$2,371,095
Difference from prior year:	-1.21%	-8.71%	-2.48%	10.86%	7.42%

Excess Insurance Premium (including Cyber, Pollution and Earthquake coverages) was increase by 10%.



CSURMA AORMA

POLICY & PROCEDURE NO. P-1

SUBJECT: PROPERTY PROGRAM MEMBER ALLOCATION FORMULA

ADOPTED: NOVEMBER 6, 2013

EFFECTIVE: JULY 1, 2018

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

POLICY:

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

PROCEDURE:

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

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

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

PROPERTY PROGRAM MEMBER ALLOCATION FORMULA:

Basic Rates:

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

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

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

**** Example ****

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

Size Credit:

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

**** Example ****

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

Loss Rating:

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

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

**** Example ****

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

Minimum Premium:

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

**** Example ****

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

DEFINITIONS:

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

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

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

CRIME PROGRAM MEMBER ALLOCATION FOR FY 19/20

ISSUE: In September, 2018, the AORMA Committee approved the total costs for the Crime Program. The AORMA Committee will now be asked to approve the final member allocation and the allocation factors included within the FY 19/20 Crime Program Member Allocation. The total Crime Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure C-1.

RECOMMENDATION: Staff recommends that the AORMA Committee approve (1) the FY 19/20 Crime Program Allocation Factors and (2) the member allocation as presented on the attached spreadsheet allowing Staff to revise the allocation with updated expenditure and/or payroll information as appropriate.

FISCAL IMPACT: The FY 19/20 total cost for the Crime Program is \$229,984 which represents a 1% (or \$1,891) reduction compared to the FY 18/19 program costs.

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

1. **Basic rate:** .000411. This rate for FY 18/19 was .000414.
2. **Maximum premium for calculating the size credit:** \$6,000. This factor remains unchanged from the FY 18/19 allocation. Eleven members receive the entire 30% size credit.
3. **Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 18/19 allocation.
4. **Minimum premium:** See the minimum premium schedule (Table 1) below. The minimum premium schedule is unchanged from the FY 18/19 allocation. The schedule was updated for the FY 18/19 allocation and is reviewed annually. No change is recommended for the FY 19/20 allocation.

Expenditures Less Than	FY 19/20 Minimum Premium
1,000,000	200
1,250,000	250
1,500,000	300
2,000,000	400
3,000,000	600
4,000,000	800
5,000,000	1,000
6,000,000	1,200
7,000,000	1,400
8,000,000	1,520
9,000,000	1,620
10,000,000	1,700
12,500,000	2,188
15,000,000	2,550
17,500,000	2,888
Over 17,500,000	3,200

5. **Loss ratio surcharge schedule:** See the Loss Rating Surcharge Schedule (Table 2) below. The loss rating schedule is unchanged from the FY 18/19 allocation. The schedule was updated for the FY 18/19 allocation and is reviewed annually.

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

PUBLICATION: The crime costs will be sent out to the members in January, 2019.

ATTACHMENTS:

- a. FY 19/20 Crime Rating – Member Allocation (*Comparison Section*)
- b. FY 19/20 Crime Program Total Funding
- c. Policy & Procedures C-1 Crime Program Member Allocation Formula

Member Information

(Premium Comparison)

Campus	Auxiliary	FY 18 19	FY 19 20	\$ Diff	% Diff
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	1,172	1,172	-	0%
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	1,892	1,892	-	0%
Bakersfield	California State University, Bakersfield Foundation	1,892	1,892	-	0%
Bakersfield	California State University, Bakersfield Student Union, Inc.	1,172	1,172	-	0%
Chancellor's Office	California State University Foundation	1,372	1,372	-	0%
Chancellor's Office	California State University Institute	972	972	-	0%
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	622	672	50	8%
Channel Islands	California State University Channel Islands Foundation	972	972	-	0%
Channel Islands	CI University Auxiliary Services, Inc. (University Glen Corp)	1,625	1,572	(53)	-3%
Chico	Associated Students of California State University, Chico	3,572	3,572	-	0%
Chico	Auxiliary Organization Associations	572	572	-	0%
Chico	The CSU, Chico Research Foundation	4,518	4,693	175	4%
Chico	The University Foundation, California State University, Chico	1,892	1,992	100	5%
Dominguez Hills	Associated Students, California State University, Dominguez Hills	972	972	-	0%
Dominguez Hills	California State University, Dominguez Hills Foundation	3,572	3,572	-	0%
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	972	972	-	0%
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	772	672	(100)	-13%
East Bay	Associated Students, California State University, East Bay	972	972	-	0%
East Bay	Cal State East Bay Educational Foundation	972	972	-	0%
East Bay	California State University, East Bay Foundation, Inc.	2,922	2,922	-	0%
Fresno	Associated Students, Inc. of California State University, Fresno	572	572	-	0%
Fresno	Fresno State Programs for Children, Inc.	817	772	(45)	-6%
Fresno	The Agricultural Foundation of California State University, Fresno	1,572	1,772	200	13%
Fresno	The California State University, Fresno Athletic Corporation	3,572	3,572	-	0%
Fresno	California State University, Fresno Association, Inc.	3,572	3,572	-	0%
Fresno	California State University, Fresno Foundation	6,313	6,270	(43)	-1%
Fullerton	Associated Students, California State University, Fullerton, Inc.	2,643	2,745	102	4%
Fullerton	Cal State Fullerton Philanthropic Foundation	1,992	1,992	-	0%
Fullerton	CSU Fullerton Auxiliary Services Corporation	5,432	5,395	(37)	-1%
Humboldt	Associated Students, Humboldt State University	672	672	-	0%
Humboldt	Humboldt State University Advancement Foundation	772	972	200	26%
Humboldt	Humboldt State University Center Board of Directors	2,922	2,922	-	0%
Humboldt	Humboldt State University Sponsored Programs Foundation	3,785	3,749	(36)	-1%
Long Beach	Associated Students, California State University, Long Beach	2,922	2,922	-	0%
Long Beach	California State University, Long Beach Research Foundation	5,360	5,108	(252)	-5%
Long Beach	CSULB 49er Foundation	1,992	2,560	568	28%
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	3,768	3,885	117	3%
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	622	672	50	8%
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	3,599	3,876	277	8%
Los Angeles	California State University, Los Angeles Foundation	972	972	-	0%
Los Angeles	University-Student Union Board, California State University, Los Angeles	1,542	1,550	8	1%
Maritime	California Maritime Academy Foundation, Inc.	772	772	-	0%
Maritime	The Associated Students of the California Maritime Academy	572	572	-	0%
Monterey	Foundation of California State University, Monterey Bay	572	572	-	0%
Monterey	The University Corporation at Monterey Bay	4,067	4,099	32	1%
Monterey	Otter Student Union at CSU Monterey Bay	572	572	-	0%
Northridge	Associated Students, California State University, Northridge, Inc.	1,992	2,102	110	6%
Northridge	California State University, Northridge Foundation	2,072	2,560	488	24%
Northridge	North Campus University Park Development Corporation	572	572	-	0%
Northridge	The University Corporation, CSU Northridge	6,347	6,551	204	3%
Northridge	University Student Union of California State University, Northridge	3,157	3,288	131	4%
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	2,877	2,695	(182)	-6%
Pomona	The Cal Poly Pomona Foundation, Inc.	6,128	6,302	174	3%
Sacramento	Associated Students of California State University, Sacramento	2,206	2,260	54	2%
Sacramento	Capital Public Radio, Inc., CSU Sacramento	2,560	2,560	-	0%
Sacramento	The University Foundation at Sacramento State	1,172	1,172	-	0%
Sacramento	University Enterprises, Inc., CSU Sacramento	10,395	11,708	1,313	13%
Sacramento	University Union Operation of CSUS, Inc.	2,072	2,072	-	0%
San Bernardino	Associated Students Inc., California State University, San Bernardino	772	772	-	0%
San Bernardino	CSUSB Philanthropic Foundation	1,372	1,572	200	15%
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	1,422	1,572	150	11%
San Bernardino	University Enterprises Corporation at CSUSB	3,905	4,114	209	5%
San Diego	Associated Students, San Diego State University	4,008	3,786	(222)	-6%
San Diego	Aztec Shops, Ltd., San Diego State University	4,734	5,004	270	6%
San Diego	San Diego State University Research Foundation	28,163	20,809	(7,354)	-26%
San Francisco	Associated Students, Inc., San Francisco State University	2,051	2,141	90	4%
San Francisco	San Francisco State University Foundation	572	572	-	0%
San Francisco	The University Corporation, San Francisco State	2,560	2,922	363	14%
San Jose	Associated Student, San Jose State University	1,892	1,892	-	0%
San Jose	San Jose State University Research Foundation	7,639	7,992	353	5%
San Jose	Spartan Shops, Inc., San Jose State University	4,153	3,572	(581)	-14%
San Jose	The Student Union of San Jose State University	2,072	2,560	488	24%
San Jose	The Tower Foundation, San Jose State University	3,572	3,572	-	0%
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	3,260	3,260	-	0%
San Luis Obispo	Cal Poly Corporation	7,595	7,723	128	2%
San Luis Obispo	California Polytechnic State University Foundation	3,572	3,572	-	0%
San Marcos	California State University San Marcos Foundation	1,372	1,572	200	15%
San Marcos	The Associated Students of California State University, San Marcos	672	672	-	0%
San Marcos	California State University San Marcos Corporation	3,127	3,260	133	4%
Sonoma	Associated Students of Sonoma State University	972	972	-	0%
Sonoma	Sonoma State Enterprises, Inc.	1,992	2,072	80	4%

Member Information

(Premium Comparison)

Campus	Auxiliary	FY 18 19	FY 19 20	\$ Diff	% Diff
Sonoma	Sonoma State University Foundation (<i>Academic Foundation</i>)	572	572	-	0%
Stanislaus	Associated Students, Inc., California State University, Stanislaus	622	622	-	0%
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	672	672	-	0%
Stanislaus	California State University, Stanislaus Foundation	972	972	-	0%
Stanislaus	University Student Union of California State University, Stanislaus	672	672	-	0%
86 TOTALS		231,875	229,984	(1,891)	-1%

CSURMA AORMA FY 2019/2020 Crime Program Total Estimated Funding \$25,000 SIR / \$100,000 Aggregate SIR					
Expense Item	Actual Program Costs FY 15/16	Actual Program Costs FY 16/17	Actual Program Costs FY 17/18	Program Costs FY 18/19	Proposed Program Costs FY 19/20
Estimated Pooled Layer Funding	\$50,000	\$50,000	\$0	\$0	\$0
Excess Insurance Premium	\$212,630	\$244,421	\$197,413	\$197,413	\$198,000
Program Administrative Costs	\$30,109	\$31,180	\$31,288	\$32,000	\$32,000
Total Expenses:	\$292,739	\$325,601	\$228,701	\$229,413	\$230,000
Difference from prior year:	0.48%	11.23%	-29.76%	0.31%	0.57%

*The retained earnings within the Crime Program exceed the annual aggregate pooled layer; therefore, no funding is requested for the pooled layer for FY 19/20.
 Excess Insurance Premium - No change is anticipated.*



CSURMA AORMA

POLICY & PROCEDURE NO. C-1

SUBJECT: CRIME PROGRAM MEMBER ALLOCATION FORMULA

ADOPTED: NOVEMBER 6, 2013

EFFECTIVE: JULY 1, 2018

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

POLICY:

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

PROCEDURE:

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

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

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

Basic Rates:

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

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

**** Example ****

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

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

**** Example ****

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

Minimum Premium: _____

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

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

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

Loss Rating:

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

Administrative Costs:

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

DEFINITIONS:

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

**UNEMPLOYMENT INSURANCE PROGRAM MEMBER ALLOCATION
FOR FY 19/20**

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

RECOMMENDATION: Staff recommends that the AORMA Committee review and approve the FY 19/20 UIP member allocation as presented.

FISCAL IMPACT: The UIP member allocation results in a total deposit for FY 19/20 of \$788,791.

BACKGROUND: In accordance with the draft changes to Policy and Procedure UI-1, Staff has applied the member’s excess funds (if any) to reduce the FY 19/20 UIP deposit. For those members with excess funds remaining, Staff will provide the option to;

1. Transfer the funds to another program (the workers’ compensation program only for those members with federal sponsored programs),
2. Keep the funds on account; or,
3. Receive a refund (only for those members without federal sponsored programs).

PUBLICATION: The FY 19/20 UIP costs will be sent out to the members in January, 2019.

ATTACHMENTS:

- a. FY 19/20 – UIP Member Allocation
- b. Policy and Procedure UI-1 – Formula for Determining UIP Annual Deposit

AORMA Unemployment Insurance Program
Member Allocation - FY 19/20

Campus	Member Organization	FY 19/20 Deposit WITHOUT Excess Funds Applied	Excess Funds @ 7/01/19	Excess Funds Remaining @ 7/01/19	FY 19/20 Deposit WITH Excess Funds Applied
Bakersfield	California State University, Bakersfield Foundation	-	-	29,759	-
Chico	Associated Students of California State University, Chico	40,896	57,379	16,483	-
Chico	The CSU, Chico Research Foundation	78,729	220,960	142,231	-
Dominguez Hills	Associated Students, California State University, Dominguez Hills	1,986	7,534	5,548	-
Dominguez Hills	California State University, Dominguez Hills Foundation	61,208	-	-	61,208
Dominguez Hills	The Donald P. and Katherine B. Loker University Student Union, Inc.	13,741	-	-	13,741
East Bay	Associated Students, California State University, East Bay	3,564	44,802	41,238	-
Fresno	California State University, Fresno Association, Inc.	54,710	51,223	-	3,487
Fresno	California State University, Fresno Foundation	178,711	-	-	178,711
Fullerton	Associated Students, California State University, Fullerton, Inc.	29,416	-	-	29,416
Fullerton	CSU Fullerton Auxiliary Services Corporation	93,393	-	-	93,393
Humboldt	Humboldt State University Center, Board of Directors	18,608	7,633	-	10,975
Long Beach	Associated Students, California State University, Long Beach	14,778	2,708	-	12,070
Long Beach	California State University, Long Beach Research Foundation	91,385	-	-	91,385
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	24,229	27,998	3,769	-
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	53,052	288,781	235,729	-
Los Angeles	University-Student Union Board, California State University, Los Angeles	13,392	-	-	13,392
Monterey Bay	The University Corporation at Monterey Bay	50,848	4,719	-	46,129
Northridge	Associated Students, California State University, Northridge, Inc.	3,872	4,409	537	-
Northridge	The University Corporation, CSU Northridge	113,407	-	-	113,407
Northridge	University Student Union of California State University, Northridge	19,039	-	-	19,039
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	20,678	13,131	-	7,547
Sacramento	University Enterprises, Inc., CSU Sacramento	174,742	491,647	316,905	-
Sacramento	Capital Public Radio, Inc., CSU Sacramento	19,702	8,063	-	11,639
Sacramento	Associated Students of CSU Sacramento (<i>Joined 2012 07 01</i>)	21,232	13,793	-	7,439
San Bernardino	Associated Students Inc., California State University, San Bernardino	1,885	-	-	1,885
San Bernardino	University Enterprises Corporation at CSUSB	40,400	157,188	116,788	-
San Bernardino	Santos Manual Student Union of California State University, San Bernardino	8,898	9,812	914	-
San Francisco	Associated Students, Inc., San Francisco State University	11,131	-	-	11,131
San Francisco	The University Corporation, San Francisco State	11,891	227,371	215,480	-
San Francisco	Cesar Chaves Student Center, SFSU (<i>Dissolved 2014 06 30</i>)	-	-	-	-
San Francisco	Franciscan Shops (<i>Dissolved 2012 06 30</i>)	-	-	-	-
San Jose	Associated Students, Inc., San Jose State University	4,948	27,464	22,516	-
San Jose	San Jose State University Research Foundation	109,812	63,651	-	46,161
San Jose	Spartan Shops, Inc., San Jose State University	11,147	36,714	25,567	-
San Jose	The Student Union of San Jose State University	6,050	17,455	11,405	-
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	5,660	4,118	-	1,542
San Marcos	University Auxiliary and Research Services Corporation, CSU San Marcos	41,118	26,024	-	15,094
Sonoma	Associated Students of Sonoma State University	913	25,911	24,998	-
Total		1,449,171	1,840,488	1,209,867	788,791



SUBJECT: FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS

ADOPTED: MAY 12, 2010

EFFECTIVE: JULY 1, 2018

REVISED: DECEMBER 6, 2012
MAY 8, 2014
MAY 5, 2016
MARCH 9, 2017
MAY 4, 2017
DECEMBER 7, 2017
DECEMBER 6, 2018

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

POLICY:

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

PROCEDURE:

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

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year

rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses), the following procedures will be followed:

A. then the MEMBER can request that the eXcess funds be returned, retained on account with CSURMA will to be used to lower contributions for the upcoming fiscal year. Any excess funds remaining after lowering contributions for the upcoming fiscal year can be used as follows;

- 1) The MEMBER can request a one-time transfer of funds to another AORMA Program (AORMA Liability, Workers' Compensation, Property or Crime) to be used to lower contributions for the upcoming fiscal year. For MEMBERS with federal sponsored programs, the MEMBER can request a one-time transfer of funds to the AORMA Workers' Compensation Program; or,
- 2) The MEMBER can request to receive a refund of the funds in excess of the minimum required fund balance. For MEMBERS with federal sponsored programs, the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federal sponsored programs to determine what percentage of the refund will need to be returned to the federal government; or,
- 3) The excess funds can remain on account.

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

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

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



MEMBER APPEAL PROCESS:

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

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



DEFINITIONS:

AORMA COMMITTEE - The governing body of AORMA.

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

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

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

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

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

UIP – AORMA Unemployment Insurance Program.

LABILITY AND WORKERS' COMPENSATION DIVIDENDS

ISSUE: At its September, 2018 meeting, the AORMA Committee approved the following dividends to be distributed in July, 2019:

- a. Liability - \$942,030
- b. Workers' Compensation - \$393,680

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

RECOMMENDATION: The Committee is being asked to review and approve the liability and workers' compensation dividends to be paid in July, 2019.

FISCAL IMPACT: The total dividend payable in July, 2019 is \$1,335,710.

BACKGROUND: Dividends are allocated to those members currently participating in the liability and workers' compensation program (and who will be participating on July 1, 2019) based on each member's total percentage of contributions during the following fiscal years: 13/14, 14/15, 15/16, 16/17 and 18/19.

PUBLICATION: Members will be notified of the approved dividend amount at the end of January, 2019.

ATTACHMENT(S):

- a. AORMA Liability Program – Dividend Allocation for July, 2019 Distribution
- b. AORMA Workers' Compensation – Dividend Allocation for July, 2019 Distribution
- c. FY 19/20 Target Surplus Funding Analysis
- d. Policy & Procedure A-3 – Target Surplus Funding Policy
- e. Policy & Procedure A-4 – Dividends and Assessments

AORMA Liability Program
July 1, 2019 Dividend Allocation

\$ 942,030

Campus	Auxiliary Organization Member	Total Premium Contributions for Five Years	Dividend Allocation
Bakersfield	Associated Students, California State University, Bakersfield, Inc.	30,369	1,809
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	23,186	1,381
Bakersfield	California State University, Bakersfield Foundation	66,117	3,938
Bakersfield	California State University, Bakersfield Student Union, Inc.	19,191	1,143
Chancellor's Office	California State University Foundation	11,306	673
Chancellor's Office	California State University Institute	12,167	725
Channel Islands	Associated Students of California State University, Channel Islands, Inc.	11,538	687
Channel Islands	California State University Channel Islands Foundation	11,860	706
Channel Islands	University Auxiliary Services, Inc. (<i>University Glen Corporation</i>)	111,741	6,656
Chico	Associated Students of California State University, Chico	621,662	37,030
Chico	Auxiliary Organization Associations	9,120	543
Chico	The CSU, Chico Research Foundation	562,465	33,504
Chico	The University Foundation, California State University, Chico	53,337	3,177
Dominguez Hills	Associated Students, California State University, Dominguez Hills	27,725	1,651
Dominguez Hills	California State University, Dominguez Hills Foundation	165,643	9,867
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	84,356	5,025
Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation	4,152	247
East Bay	Associated Students, California State University, East Bay	89,020	5,303
East Bay	Cal State East Bay Educational Foundation	10,273	612
East Bay	California State University, East Bay Foundation, Inc.	171,045	10,188
Fresno	Associated Students, Inc. of California State University, Fresno	24,534	1,461
Fresno	Fresno State Programs for Children, Inc.	40,604	2,419
Fresno	The Agricultural Foundation of California State University, Fresno	99,263	5,913
Fresno	The California State University, Fresno Athletic Corporation	943,914	56,225
Fresno	California State University, Fresno Association, Inc.	891,046	53,076
Fresno	California State University, Fresno Foundation	339,584	20,228
Fullerton	Associated Students, California State University, Fullerton, Inc.	194,613	11,592
Fullerton	Cal State Fullerton Philanthropic Foundation	39,389	2,346
Fullerton	CSU Fullerton Auxiliary Services Corporation	412,031	24,543
Humboldt	Associated Students, Humboldt State University	30,193	1,798
Humboldt	Humboldt State University Advancement Foundation	11,429	681
Humboldt	Humboldt State University Center Board of Directors	254,996	15,189
Humboldt	Humboldt State University Sponsored Programs Foundation	164,985	9,828
Long Beach	Associated Students, California State University, Long Beach	380,406	22,659
Long Beach	California State University, Long Beach Research Foundation	761,029	45,332
Long Beach	CSULB 49er Foundation	15,726	937
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	269,121	16,030
Los Angeles	Associated Students, California State University, Los Angeles, Inc.	32,037	1,908
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	203,772	12,138
Los Angeles	California State University, Los Angeles Foundation	17,455	1,040
Los Angeles	University-Student Union Board, California State University, Los Angeles	135,042	8,044
Maritime Academy	California Maritime Academy Foundation, Inc.	16,331	973
Maritime Academy	The Associated Students of the California Maritime Academy	16,176	964
Monterey Bay	Foundation of California State University, Monterey Bay	18,207	1,085
Monterey Bay	The University Corporation at Monterey Bay	455,024	27,104
Monterey	Otter Student Union at CSU Monterey Bay	2,152	128
Northridge	Associated Students, California State University, Northridge, Inc.	98,182	5,848
Northridge	California State University, Northridge Foundation	54,050	3,220
Northridge	North Campus University Park Development Corporation	24,902	1,483

AORMA Liability Program
July 1, 2019 Dividend Allocation

\$ 942,030

Campus	Auxiliary Organization Member	Total Premium Contributions for Five Years	Dividend Allocation
Northridge	The University Corporation, CSU Northridge	473,053	28,178
Northridge	University Student Union of California State University, Northridge	490,571	29,221
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	344,817	20,539
Pomona	The Cal Poly Pomona Foundation, Inc.	927,823	55,267
Sacramento	Associated Students of California State University, Sacramento	466,909	27,812
Sacramento	Capital Public Radio, Inc., CSU Sacramento	59,650	3,553
Sacramento	The University Foundation at Sacramento State	26,013	1,549
Sacramento	University Enterprises, Inc., CSU Sacramento	829,550	49,413
Sacramento	University Union Operation of CSUS, Inc.	158,296	9,429
San Bernardino	Associated Students Inc., California State University, San Bernardino	45,002	2,681
San Bernardino	CSUSB Philanthropic Foundation	16,738	997
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	100,960	6,014
San Bernardino	University Enterprises Corporation at CSUSB	253,065	15,074
San Diego	Associated Students, San Diego State University	845,347	50,354
San Diego	Aztec Shops, Ltd., San Diego State University	673,119	40,095
San Diego	San Diego State University Research Foundation	1,334,582	79,496
San Francisco	Associated Students, Inc., San Francisco State University	96,157	5,728
San Francisco	San Francisco State University Foundation	16,940	1,009
San Francisco	The University Corporation, San Francisco State	143,733	8,562
San Jose	Associated Student, San Jose State University	73,380	4,371
San Jose	San Jose State University Research Foundation	231,460	13,787
San Jose	Spartan Shops, Inc., San Jose State University	399,255	23,782
San Jose	The Student Union of San Jose State University	581,332	34,628
San Jose	The Tower Foundation, San Jose State University	16,868	1,005
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	441,664	26,308
San Luis Obispo	Cal Poly Corporation	809,385	48,212
San Luis Obispo	California Polytechnic State University Foundation	11,311	674
San Marcos	California State University San Marcos Foundation	25,243	1,504
San Marcos	The Associated Students of California State University, San Marcos	44,759	2,666
San Marcos	California State University San Marcos Corporation (<i>UARSC</i>)	255,374	15,212
Sonoma	Associated Students of Sonoma State University	72,409	4,313
Sonoma	Sonoma State Enterprises, Inc.	167,398	9,971
Sonoma	Sonoma State University Foundation, Inc. (Academic)	69,841	4,160
Stanislaus	Associated Students, Inc., California State University, Stanislaus	30,546	1,820
Stanislaus	California State University, Stanislaus Auxiliary and Business Services	73,025	4,350
Stanislaus	California State University, Stanislaus Foundation	109,376	6,515
Stanislaus	University Student Union of California State University, Stanislaus	19,640	1,170

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TOTAL

18,777,058

1,118,476

AORMA Workers' Compensation Program
July 1, 2019 Dividend Allocation

\$ 393,680

Campus	Auxiliary Organization Member	Premium Contributions for Five Years	Dividends Payable to Members	Dividends to Remain on Account
Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration	65,769		1,148
Bakersfield	California State University, Bakersfield Foundation	23,237	406	
Channel Islands	University Auxiliary Services, Inc. (<i>University Glen Corp</i>)	322,475	5,629	
Chico	Associated Students of California State University, Chico	793,017	13,843	
Chico	The CSU, Chico Research Foundation	582,635		10,171
Dominguez Hills	Associated Students, California State University, Dominguez Hills	30,902	539	
Dominguez Hills	California State University, Dominguez Hills Foundation	264,673		4,620
Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated	83,288	1,454	
East Bay	Associated Students, California State University, East Bay	11,572	202	
East Bay	California State University, East Bay Foundation, Inc.	4,212	74	
Fresno	The California State University, Fresno Athletic Corporation	449,745	7,851	
Fresno	California State University, Fresno Association, Inc.	446,913	7,802	
Fullerton	Associated Students, California State University, Fullerton, Inc.	479,545	8,371	
Fullerton	CSU Fullerton Auxiliary Services Corporation	653,459		11,407
Humboldt	Associated Students, Humboldt State University	8,776	153	
Humboldt	Humboldt State University Center Board of Directors	572,359	9,991	
Humboldt	Humboldt State University Sponsored Programs Foundation	568,705		9,928
Long Beach	Associated Students, California State University, Long Beach	443,507	7,742	
Long Beach	California State University, Long Beach Research Foundation	422,927		7,383
Long Beach	Forty-Niner Shops, Inc., CSU Long Beach	1,125,844	19,654	
Los Angeles	Cal State L.A. University Auxiliary Services, Inc.	584,060		10,196
Los Angeles	University-Student Union Board, California State University, Los Angeles	199,934	3,490	
Monterey Bay	The University Corporation at Monterey Bay	416,332		7,268
Northridge	Associated Students, California State University, Northridge, Inc.	310,451	5,419	
Northridge	The University Corporation, CSU Northridge	1,277,785		22,306
Northridge	University Student Union of California State University, Northridge	516,392	9,014	
Pomona	Associated Students Inc., California State Polytechnic University, Pomona	547,639	9,560	
Pomona	The Cal Poly Pomona Foundation, Inc.	1,705,531		29,773
Sacramento	Associated Students of California State University, Sacramento	366,451	6,397	
Sacramento	Capital Public Radio	51,811	904	
Sacramento	University Enterprises, Inc., CSU Sacramento	1,133,629		19,789
San Bernardino	Associated Students Inc., California State University, San Bernardino	8,569	150	
San Bernardino	Santos Manuel Student Union of California State University, San Bernardino	210,686	3,678	
San Bernardino	University Enterprises Corporation at CSUSB	421,555		7,359
San Diego	Associated Students, San Diego State University	1,026,958	17,927	
San Diego	Aztec Shops, Ltd., San Diego State University		-	
San Francisco	Associated Students, Inc., San Francisco State University	458,171	7,998	
San Francisco	The University Corporation, San Francisco State	117,938	2,059	
San Jose	Associated Student, San Jose State University	201,828	3,523	
San Jose	San Jose State University Research Foundation	657,930		11,485
San Jose	Spartan Shops, Inc., San Jose State University	926,342	16,171	
San Jose	The Student Union of San Jose State University	489,198	8,540	
San Jose	The Tower Foundation, San Jose State University	129,666	2,264	
San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	524,869	9,162	
San Luis Obispo	Cal Poly Corporation	1,972,858		34,440
San Marcos	California State University San Marcos Corporation (<i>UARSC</i>)	752,662		13,139
Sonoma	Associated Students of Sonoma State University	111,254	1,942	
Sonoma	Sonoma State Enterprise	43,019	751	
Stanislaus	Associated Students, Inc., California State University, Stanislaus	10,520	184	
Stanislaus	University Student Union of California State University, Stanislaus	24,219	423	

Total: 22,551,820 193,267 200,412

AORMA Liability Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$500,000
@ June 30, 2018

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 18/19 (at 70% CL) #1	2,544,350	Down From	2,598,878
Assets at 6/30/18 #2	8,058,262	Down From	8,421,605
Maximum Retention Per Occurrence	500,000	No Change	500,000
Outstanding Reserves at 6/30/18 #3	1,790,144	Up From	1,378,765
Surplus (Expected Confidence Level) #4	6,268,118	Down From	6,973,902
Surplus (above a 70% Confidence Level) #5	6,148,574	Down From	6,879,928
Surplus (above an 80% Confidence Level) #5	5,733,425	Down From	6,611,810

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

#2 - Assets are reduced by miscellaneous accounts payable and dividend.

#3 - Reserves on open claims (capped at the pooled layer limit) and IBNR, **are undiscounted** for investment income and include unallocated loss adjustment expense.

#4 - Plan Assets minus the Outstanding Losses. Outstanding Losses **are undiscounted** for investment income and include unallocated loss adjustment expense.

#5 - Plan Assets minus the Outstanding Losses. Outstanding Losses **are discounted** for investment income and include unallocated loss adjustment expense.

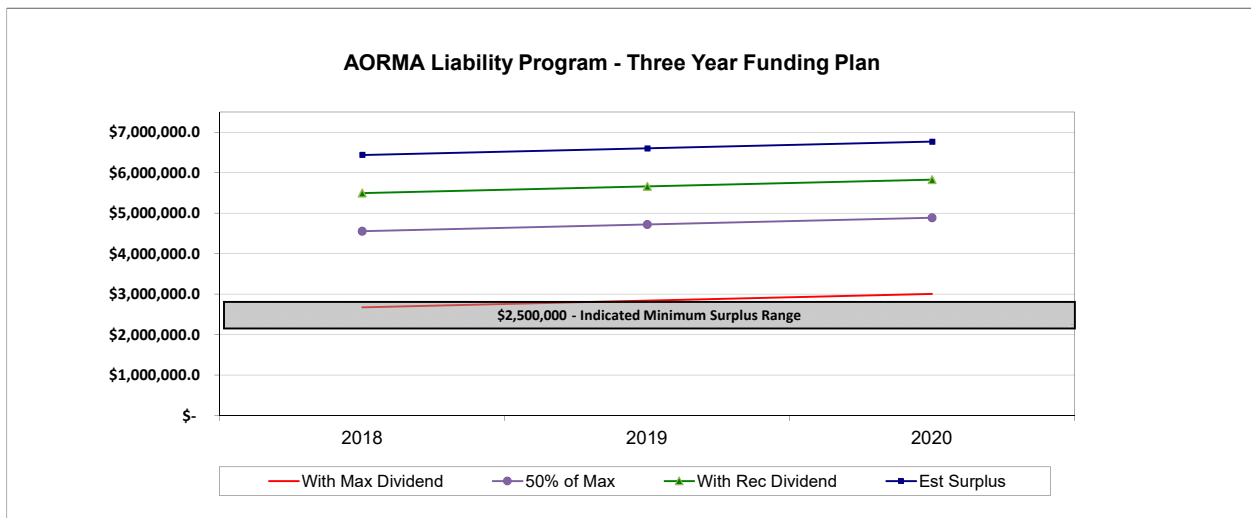
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	1,696,233	41%
Surplus : Retention	>5:1	2,500,000	13
Outstanding Reserves : Surplus	<1.5:1	1,193,429	29%

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	6,148,574
Indicated Minimum Surplus (largest ratio amount)	2,500,000
Maximum Dividend Available	3,768,118
Dividend 50%	1,884,059
Dividend 33%	1,243,479
Dividend 25%	942,030

Confidence levels	Risk Factor	Pooled Layer Funding #6	Surplus
Expected	1.000	1,660,598	-
70%	1.100	1,826,658	166,060
80%	1.350	2,241,807	581,209

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

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/18	N/A	6,268,118	N/A	N/A
2019/20 - Collection @ 70% Confidence Level	166,060	6,434,178	2,666,060	5,492,149
2020/21 - Collection @ 70% Confidence Level	166,060	6,600,238	2,832,120	5,658,209
2021/22 - Collection @ 70% Confidence Level	166,060	6,766,298	2,998,180	5,824,269



AORMA Workers' Compensation Fund Program
Target Surplus Funding Analysis - Pooled Layer Funding @ \$750,000
@ June 30, 2018

Analysis Factors	Current Analysis	Change	Prior Analysis
Gross Premium for FY 18/19 (at 70% CL) #1	2,594,006	Up From	2,600,878
Assets at 6/30/18 #2	8,213,211	Down From	10,285,547
Maximum Retention Per Occurrence	750,000	Up From	750,000
Outstanding Reserves at 6/30/18 #3	2,888,491	Down From	3,691,371
Surplus (Expected Confidence Level) #4	5,324,720	Up From	6,409,607
Surplus (above a 70% Confidence Level) #5	5,325,987	Up From	6,356,127
Surplus (above an 80% Confidence Level) #5	5,172,683	Up From	6,149,315

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

#2 - Assets are reduced by miscellaneous accounts payable and dividend.

#3 - Reserves on open claims (capped at the pooled layer limit) and IBNR, are undiscounted for investment income and include unallocated loss adjustment expense.

#4 - Plan Assets minus the Outstanding Losses. Outstanding Losses are undiscounted for investment income and include unallocated loss adjustment expense.

#5 - Plan Assets minus the Outstanding Losses. Outstanding Losses are discounted for investment income and include unallocated loss adjustment expense.

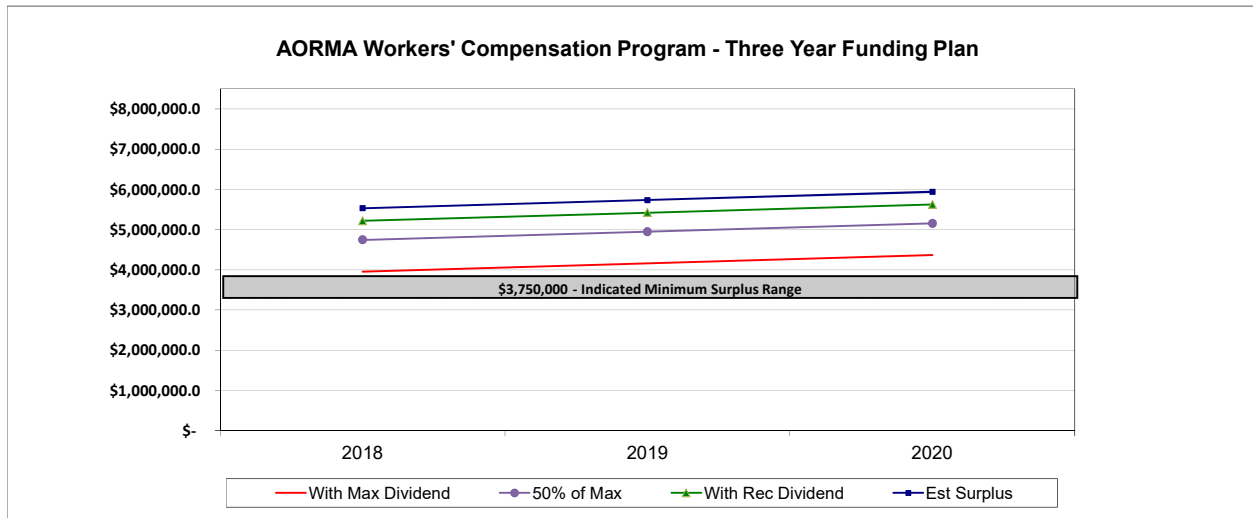
Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Premium : Surplus	<1.5:1	1,729,337	0.49
Surplus : Retention	>5:1	3,750,000	7
Outstanding Reserves : Surplus	≤1.5:1	1,925,661	0.54

Dividend	
Target Surplus Goal (70% Confidence Level / Discounted)	5,325,987
Indicated Minimum Surplus (largest ratio amount)	3,750,000
Maximum Dividend Available	1,574,720
Dividend 50%	787,360
Dividend 33%	519,658
Dividend 25%	393,680
Dividend 20%	314,944

Confidence Levels	Risk Factor	Pooled Layer Funding #6	Surplus
Expected	1.000	2,555,066	-
70%	1.080	2,759,471	204,405
80%	1.140	2,912,775	357,709

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

Three Year Funding Plan				
Fiscal Year	Added to Surplus	Estimated Surplus	Estimated Surplus w/ Maximum Dividend	Estimated Surplus w/ Recommended Dividend
Estimated Balance at 7/1/18	N/A	5,324,720	N/A	N/A
2019/20 - Collection @ 70% Confidence Level	204,405	5,529,125	3,954,405	5,214,181
2020/21 - Collection @ 70% Confidence Level	204,405	5,733,530	4,158,810	5,418,586
2021/22 - Collection @ 70% Confidence Level	204,405	5,937,935	4,363,215	5,622,991





CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

SUBJECT: TARGET SURPLUS FUNDING POLICY

ADOPTED: JANUARY 10, 2007

EFFECTIVE: JANUARY 1, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014
MAY 5, 2016
SEPTEMBER 7, 2017
SEPTEMBER 6, 2018**

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

POLICY:

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

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

The AORMA COMMITTEE may take action to set a higher or lower CONFIDENCE LEVEL based on AORMA’s goal to retain more or less risk

PROCEDURE:

- 1. Annual Actuarial Study** - Each year the Program Director will engage CSURMA’s accredited independent actuary to perform an actuarial analysis of the Workers’ Compensation and Liability Programs. This analysis shall include ESTIMATED OUTSTANDING LOSSES (including IBNR) at various CONFIDENCE LEVELs as well as PROJECTED ULTIMATE LOSSES for the upcoming year(s). The analysis shall also

compare the current program funding against the ESTIMATED OUTSTANDING LOSSES and determine the CONFIDENCE LEVEL to which the program is currently funded. Because the Property and Crime Programs have an annual aggregate retention, an actuarial analysis is not performed.

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

Gross Premium to Surplus Ratio: Target <1.5:1

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

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

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

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

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

- 3. Discussion and Documentation of Historical Funding** – As part of the Target Surplus Funding review process, annually, the AORMA COMMITTEE will discuss and document its historical funding philosophy and the factors involved in its decision making process. It will also consider whether the factors remain relevant, taking action to amend, if necessary.
- 4. Application of Target Surplus Criteria** – After an annual review of the Target Surplus Ratios, the AORMA COMMITTEE will determine whether it is desirable to increase, decrease, or stabilize SURPLUS. If the AORMA COMMITTEE desires to decrease SURPLUS, it may approve a funding level below the 70% CONFIDENCE LEVEL. Conversely, a funding decision above the 70% CONFIDENCE LEVEL will indicate a bias toward increasing SURPLUS. A determination to fund at the 70% CONFIDENCE LEVEL will reflect the AORMA COMMITTEE's desire to keep SURPLUS at the current level. The AORMA COMMITTEE will also consider the SURPLUS requirements for the Program(s) should it transition from, or to, a fully insured / reinsured Program. Enough SURPLUS will be maintained within the Program(s) to make the transition without causing fiscal hardship for the MEMBERS.

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

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

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

MEMBER APPEAL PROCESS:

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

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

DEFINITIONS:

AORMA COMMITTEE - The governing body of AORMA.

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

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

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

ESTIMATED OUTSTANDING LOSSES – Estimated Outstanding Losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE). They are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims. Estimated Outstanding Losses are usually the largest single item listed as a liability the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claim liability and unpaid claims.

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

IBNR – Incurred Not Reported. IBNR is comprised of two distinct items. These are the development of known case reserves and incurred by not reported claims. The actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expense. On balance, case reserves tend to be too low. Therefore, the IBNR includes the actuary's estimate of the amount total case reserves will rise upon closure. The IBNR also refers to those claims that have occurred, but have not yet been reported. **MEMBER** – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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



CSURMA AORMA

**POLICY AND PROCEDURE NO. A-3
(FORMERLY 7-AORMA)**

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

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

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

PROJECTED ULTIMATE LOSSES – Projected Ultimate Losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected Ultimate Losses are the total loss costs for a particular period. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

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

TARGET SURPLUS GOAL – The amount of cash equivalent available to pay claims in excess of actuarial 70% CONFIDENCE LEVEL discounted for investment income.



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

SUBJECT: DIVIDENDS & ASSESSMENTS

ADOPTED: MARCH 8, 2007

**AMENDED: OCTOBER 29, 2009
SEPTEMBER 16, 2010
OCTOBER 23, 2014
MAY 5, 2016
MARCH 9, 2017**

EFFECTIVE: JULY 1, 2007

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

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

POLICY

It is the policy of the AORMA COMMITTEE that:

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

PROCEDURE

- 1. Annual Funding Analysis** – Each year the Program Director will analyze the current funding position of the PROGRAMs in accordance with the Target Surplus Goal detailed in Policy and Procedure No. A-3. This analysis will, in part, determine whether the PROGRAM’s overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director’s analysis will be reviewed by the AORMA COMMITTEE.
- 2. Closure of Policy Periods** - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or assessments allocated with respect to those PROGRAM periods. Notwithstanding the above, the AORMA COMMITTEE may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the AORMA COMMITTEE takes specific action to declare any of the last five (5) policy periods closed.
- 3. Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.
- 4. DECLARATION OF ASSESSMENTS** – Assessments will be declared as needed by the AORMA COMMITTEE, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the PROGRAM at the time of the assessment.
- 5. DECLARATION OF DIVIDENDS** – The AORMA COMMITTEE may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the PROGRAM at the time the dividend is declared, based on the proportionate funding of all “open” policy periods. For those MEMBERS involved in federally sponsored programs, the dividend can be retained on account with CSURMA to be used to lower contributions for the upcoming or current fiscal year. If the MEMBER chooses to receive the dividend, then the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federally sponsored programs to determine what percentage of the dividend will need to be returned to the federal government.

MEMBER APPEAL PROCESS

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-4

meeting. The AORMA COMMITTEE will review the appeal at its next regularly scheduled meeting and inform the MEMBER of the final decision within 5 business days of its decision.

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

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AORMA COMMITTEE – The governing body of AORMA.

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

MEMBER – The MEMBER is a signatory to the CSURMA Joint Powers Authority.

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

WORKERS' COMPENSATION COVERAGE FOR VOLUNTEERS

ISSUE: During the meeting in September, 2018, the AORMA Committee directed Staff to add an item to the FY 18/19 Long Range Action Plan addressing workers' compensation coverage for the Members' volunteers. For those Members within the Workers' Compensation Program, Staff provided confirmation of their previous decisions to cover, or not to cover, volunteers as employees for workers' compensation insurance. Along with that confirmation, Staff also provided background information for why some Members choose to not cover their volunteers. Members were provided with the information necessary to change their decision in the future.

Thirty-four (34) Members do not have employees and therefore do not purchase workers' compensation insurance. As such, they would not be able to offer workers' compensation insurance to their volunteers. Staff is proposing three separate ways to address this issue:

1. The Member could have all volunteers sign a volunteer form which clearly states that they are not covered for workers' compensation. All injuries resulting from the volunteers' activities would have to be addressed via the AORMA liability program and the volunteers would have to demonstrate that the Members were legal liable in order to trigger coverage.
2. The Member purchases a separate Participant Accident Insurance (PAI) policy for the different activities they have throughout the year involving volunteers. The PAI offers a low limit of "no-fault" accidental medical injury coverage.
3. We add those members with no employees to the AORMA Workers' Compensation program and charge a nominal premium in order to cover their volunteers, outside board members, and contractors who may fall within the definition of "employee". This option would require those Members to;
 - a. Complete the State of California - Application for a Public Entity Certificate of Consent to Self Insure,
 - b. Pass a Board Resolution to join the AORMA Workers' Compensation Program,
 - c. Sign the AORMA Workers' Compensation Program participation agreement; and,
 - d. Pass a Board Resolution to cover volunteers as employees.

RECOMMENDATION: Staff recommends that the Committee discuss the different coverage options for injuries to volunteers and provide direction.

FISCAL IMPACT: To be determined. As Members join the AORMA Workers' Compensation Program a small additional deposit premium will be received; however, potential claims from the Members' volunteers increase as well.

BACKGROUND: There are 86 CSU auxiliary organizations members within CSURMA. 52 of those members have employees and 47 are members of the AORMA workers' compensation program. The following five CSU auxiliary organizations purchase insurance outside of the AORMA workers' compensation program.

1. Associated Students, Inc. of California State University, Fresno
2. California State University, Fresno Foundation
3. Fresno State Programs for Children, Inc.
4. The Agricultural Foundation of California State University, Fresno
5. San Diego State University Research Foundation

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. State of California - Application for Certification of Consent to Self-Insure as a Public Agency Employer Self-Insurer
- b. AORMA Workers' Compensation Program participation agreement
- c. Resolution to Cover Volunteers as Employees
- d. Historical workers' compensation losses from volunteer employees

State of California
Department of Industrial Relations
Office of Self-Insurance Plans
11050 Olson Drive, Suite 230
Rancho Cordova, Ca. 95670
Phone (916) 464-7000
Fax (916) 464-7007



State of California
Department of Industrial Relations
OFFICE OF SELF-INSURANCE PLANS

**APPLICATION FOR CERTIFICATE OF CONSENT
TO SELF-INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER**

All questions must be answered. If not applicable, enter "N/A".

To the Director of the Department of Industrial Relations: The public agency employer identified below submits the following information to obtain a Certificate of Consent to Self-Insure the payment of workers' compensation under California Labor Code Section 3700.

LEGAL NAME OF APPLICANT (Show exactly as on Charter or other official documents):

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Federal Tax ID # of Group: _____

CONTACT - Who Should Correspondence Regarding This Applicant Be Addressed To:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Phone: _____ E-Mail: _____

TYPE OF PUBLIC ENTITY (Check one):

City and/or County School District Police and/or Fire District Hospital District

Joint Powers Authority Other (describe): _____

TYPE OF APPLICATION (Check one):

New Application Reapplication (Merger/Unification) Reapplication (Name Change)

Other (describe): _____

Date Self-Insurance Program will begin: _____

CURRENT WORKERS' COMPENSATION PROGRAM

- Currently Insured with State Fund Policy # _____ Expiration Date: _____
- Currently Self Insured, Certificate # _____
- Other (describe): _____

CLAIMS ADMINISTRATION

Who will be administering your agency's workers' compensation claims? (Check one)

- JPA will administer
- Third Party Administrator, TPA Certificate # _____
- Public entity will self-administer Insurance Carrier will administer

Name of Third Party Administrator:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Phone: _____ E-Mail: _____

of claims reporting locations to be used to handle Agency's claims: _____

Does applicant currently have a California Certificate of Consent to Self-Insure? Yes No

If yes, what is the current Certificate Number: _____

Total Number of Affiliate's California employees to be covered by Group: _____

AGENCY EMPLOYER

Current # of Agency Employees: _____ # of Public Safety Employees (police//fire): _____

If school District, # of certificated employees: _____

Will all Agency employees be covered by this self-insurance plan? Yes No

If 'No', explain who is not covered and how workers' compensation coverage will be provided to the excluded employees:

JOINT POWERS AUTHORITY

Will applicant be a member of a JPA for workers' compensation ?

Yes No (If 'yes', complete the following)

Effective date of JPA Membership: _____ JPA Certificate # _____

Name of JPA: _____

AGENCY SAFETY PROGRAM

Does the Agency have a written Injury and Illness Prevention Program (IIPP)? Yes No

Individual responsible for Agency workplace safety and IIPP program:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Phone: _____ E-Mail: _____

SUPPLEMENTAL COVERAGE

1.) Will your program be supplemented by any insurance or pooled coverage under a **STANDARD** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

2.) Will your program be supplemented by any insurance or pooled coverage under a **SPECIFIC EXCESS** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

Retention Limits: _____

3.) Will your program be supplemented by any insurance or pooled coverage under an **AGGREGATE EXCESS** (stop loss) specific excess workers' compensation insurance policy? Yes No
(If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

Retention Limits: _____

RESOLUTION FROM GOVERNING BOARD

Attach a properly executed Governing Board Resolution. See attached sample resolution on page 5.

CERTIFICATION

The undersigned on behalf of the applicant hereby applies for a Certificate of Consent to Self-Insure the payment of workers' compensation liabilities pursuant to Labor Code Section 3700. The above information is submitted for the purpose of procuring said Certificate from the Director of Industrial Relations, State of California. If the Certificate is issued, the applicant agrees to comply with applicable California statutes and regulations pertaining to the payment of compensation that may become due to the applicant's employees covered by the Certificate.

X _____ DATE: _____
SIGNED: Authorized Official / Representative

Printed Name

Title

Agency Name

RESOLUTION NO.: _____ DATED: _____

**A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF-INSURE
WORKERS' COMPENSATION LIABILITIES**

At a meeting of the _____
(Enter Name of the Board)

of the _____
(Enter Name of Public Agency, District, Etc.)

a _____ organized and existing under the
(Enter Type of Agency, i.e., County, City, School District, etc.)

laws of the State of California, held on the _____ day of _____, 20____,

the following resolution was adopted:

RESOLVED, that the above named public agency is authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities and representatives of Agency are authorized to execute any and all documents required for such application.

IN WITNESS WHEREOF: I HAVE SIGNED AND AFFIXED THE AGENCY SEAL.

X _____ DATE: _____
SIGNED: Board Secretary or Chair

Printed Name

Title

Agency Name

Affix Seal Here

(Name of Auxiliary)
Resolution

This is a Resolution of **(name of auxiliary)** Board of Directors approving a Participation Agreement.

WHEREAS, **(name of auxiliary)** has received information regarding the opportunity to join the California State University Risk Management Authority (CSURMA) Auxiliaries Organizations Risk Management Alliance (AORMA) Workers' Compensation Program to benefit from the pooling and group purchase concepts;

WHEREAS, on **(date)**, the Board of Directors concluded that benefits to **(name of auxiliary)** of joining CSURMA AORMA Workers' Compensation Program are sufficient to participate as required by the program members.

NOW, THEREFORE, the Board of Directors of **(name of auxiliary)** does hereby resolve that the Executive Director is hereby authorized and directed to:

1. Execute the Participation Agreement for the CSURMA AORMA Workers' Compensation Program
2. Take any other actions necessary to effect participation in the CSURMA AORMA Workers' Compensation Program.

I hereby certify that the foregoing is a full, true and correct copy of the resolution duly and regularly adopted and passed at the meeting of the Board of Directors of **(name of auxiliary)** on **(date)**.

Approval:

(Auxiliary's signature block)

<COPY ONTO YOUR AUXILIARY ORGANIZATION LETTERHEAD>

**A RESOLUTION OF THE (NAME OF AUXILIARY) AUTHORIZING WORKER'S
COMPENSATION INSURANCE COVERAGE FOR (NAME OF AUXILIARY)
VOLUNTEERS**

WHEREAS, from time to time volunteers provide various types of services to the (NAME OF AUXILIARY)

WHEREAS, except for certain statutory exceptions, volunteers are not covered by the (NAME OF AUXILIARY) worker's compensation insurance coverage if they are injured as a result of such volunteer services;

WHEREAS, Labor Code Section 3363.6 provides that a private, nonprofit organization may declare its volunteers as employees for worker's compensation insurance purposes by adopting a resolution authorizing such coverage.

NOW, THEREFORE, THE BOARD OF DIRECTORS FOR THE (NAME OF AUXILIARY) HEREBY RESOLVE AS FOLLOWS:

Section 1. Pursuant to Labor Code Section 3363.6, the Board of Directors for the (NAME OF AUXILIARY) does hereby declare that any person who performs voluntary service without pay for the (NAME OF AUXILIARY) shall be deemed to be an employee of the (NAME OF AUXILIARY) for worker's compensation purposes, provided the volunteer services are authorized by the (NAME OF AUXILIARY) Board of Directors.

PASSED AND ADOPTED by (NAME OF AUXILIARY) Board of Directors at a regular meeting held on _____ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Signature of Board President

AORMA Workers' Compensation Program
All Years - Volunteers Claims
Sorted by Total Incurred

Date of Loss	Clm Stat Desc	Part/Target Desc	Source Desc	Cause Cd Desc	Nature/Result Desc	Tot Inc
01-29-2013	Closed	Lower Leg	Struck By	Collision with Another Vehicle	Fracture	\$110,425.39
09-26-2016	Closed	Whole Body	Slip and Fall	Fall/Slip From a Different Level	Dislocation	\$16,530.24
10-21-2010	Closed	Ankle	Slip and Fall	Fall, Slip or Trip, NOC	Fracture	\$13,185.00
07-05-2015	Closed	Upper Back Area (Thoracic Area)	Overexertion	Lifting	Strain	\$2,270.61
10-24-2015	Closed	Foot	Struck By	Struck or Injury By, NOC	Contusion (Bruise, Skin Surface)	\$1,431.03
09-05-2012	Closed	Multiple Upper Extremities	Overexertion	Lifting	Strain	\$924.18
06-28-2012	Closed	Multiple Body Parts	Exposure To	Unclassified, Insufficient Data	Multiple Injury Inc. Physical & Psychological	\$819.28
07-25-2013	Closed	Toe(s)	Contact With	Cut, Punctured, Scraped, NOC	Laceration	\$796.10
01-22-2011	Closed	Lower Arm	Contact With	Cut, Punctured, Scraped, NOC	Laceration	\$667.51
01-17-2011	Closed	Multiple Body Parts	Overexertion	Strain or Injury By, NOC	Multiple Physical Injury Only	\$653.61
02-11-2012	Closed	Hand	Contact With	Cut, Punctured, Scraped, NOC	Laceration	\$624.85
10-12-2014	Closed	Great Toe	Not Provided/NOC/Insufficient Data	Unclassified, Insufficient Data	Unclassified, Insufficient Data	\$489.19
10-12-2011	Closed	Ankle	Overexertion	Strain or Injury By, NOC	Fracture	\$411.70
10-02-2010	Closed	Knee	Overexertion	Jumping	Strain	\$362.80
07-31-2015	Closed	Head NEC	Not Provided/NOC/Insufficient Data	Other Injury NEC	Unclassified, Insufficient Data	\$308.66
11-30-2009	Closed	Multiple Body Parts	Overexertion	Running and Training	Multiple Physical Injury Only	\$298.45
07-17-2013	Closed	Ankle	Not Provided/NOC/Insufficient Data	Other Injury NEC	Sprain	\$288.57
07-28-2009	Closed	Multiple Body Parts	Rubbed or Abraded	Bitten	All Other (Specific) Injuries, NOC	\$278.48
08-20-2012	Closed	Low Back Area (Incl. Lumbar & Lumbo-Sacral)	Overexertion	Lifting	Strain	\$271.20
01-29-2015	Closed	Finger(s)	Contact With	Cut, Punctured, Scraped, NOC	Laceration	\$269.46
07-30-2009	Closed	Multiple Body Parts	Exposure To	Unclassified, Insufficient Data	All Other (Specific) Injuries, NOC	\$248.63

**AORMA Workers' Compensation Program
All Years - Volunteers Claims
Sorted by Total Incurred**

Date of Loss	Clm Stat Desc	Part/Target Desc	Source Desc	Cause Cd Desc	Nature/Result Desc	Tot Inc
09-14-2010	Closed	Upper Back Area (Thoracic Area)	Rubbed or Abraded	Bitten	All Other (Specific) Injuries, NOC	\$215.96
09-23-2013	Closed	Finger(s)	Not Provided/NOC/Insufficient Data	Other Injury NEC	Contusion (Bruise, Skin Surface)	\$201.40
03-19-2009	Closed	Foot	Struck By	Struck or Injury By, NOC	Contusion (Bruise, Skin Surface)	\$164.39
07-28-2009	Closed	Multiple Body Parts	Exposure To	Unclassified, Insufficient Data	All Other (Specific) Injuries, NOC	\$148.86
02-05-2015	Closed	Multiple Body Parts	Exposure To	Unclassified, Insufficient Data	Dermatitis	\$132.49
08-25-2009	Closed	Skull	Struck By	Struck or Injury By, NOC	Contusion (Bruise, Skin Surface)	\$108.12
09-17-2013	Closed	Toe(s)	Struck By	Struck or Injury By, NOC	Contusion (Bruise, Skin Surface)	\$70.10
03-16-2011	Closed	Low Back Area (Incl. Lumbar & Lumbo-Sacral)	Overexertion	Strain or Injury By, NOC	Strain	\$0.00
10-14-2011	Closed	No Physical Injury	Not Provided/NOC/Insufficient Data	Unclassified, Insufficient Data	No Physical Injury	\$0.00
05-03-2012	Closed	Finger(s)	Contact With	Cut, Punctured, Scraped, NOC	Laceration	\$0.00
10-27-2016	Closed	Nose	Assault	Struck or Injury By, NOC	Contusion (Bruise, Skin Surface)	\$0.00

AORMA Workers' Compensation Program
All Years - Volunteers Claims
Sorted by Date of Loss

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09-26-2016	Closed	Whole Body	Slip and Fall	Fall/Slip From a Different Level	Dislocation	\$16,530.24
10-27-2016	Closed	Nose	Assault	Struck or Injury By, NOC	Contusion (Bruise, Skin Surface)	\$0.00

**CSURMA AORMA BENEFITS PROGRAM PARTICIPATION
AGREEMENT**

ISSUE: The AORMA Committee approved the CSURMA AORMA Benefits Program Participation Agreement in September. Staff is recommending the following changes:

1. The requirement that the Member's board approve the participation agreement has been removed. CSURMA requires board approval when the program includes risk sharing and the potential for an assessment.
2. The Responsibility for Program Premiums section was revised to change responsibility from the CSURMA Board of Directors to the AORMA Committee. Because this is simply a group purchase program, CSURMA Board oversight is not necessary or required.
3. The last section of the Participation Agreement was revised to remove the requirement that the CSURMA Board approve all changes to the Participation Agreement.

RECOMMENDATION: Staff recommends that the AORMA Committee approve the revised participation agreement with additional revisions as appropriate.

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

BACKGROUND: None.

PUBLICATION: Staff will use the approved Participation Agreement as Members join the CSURMA AORMA Benefits Program.

ATTACHMENT(S):

- a. CSURMA AORMA Benefits Program Participation Agreement

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
(CSURMA)**

**PARTICIPATION AGREEMENT
FOR THE
CSURMA AORMA BENEFITS PROGRAM**

We, _____ signatory to the California State University Risk Management Authority “CSURMA” Joint Exercise of Powers Agreement, have agreed ~~by action of our Board of Directors on _____ 20 _____~~, to participate in the CSURMA Auxiliary Organizations Risk Management Alliance “AORMA” Benefits Program, hereinafter referred to as “AORMA Benefits Program”. As evidenced by the authorized signatures ~~on Page Three of this on this~~ document, we agree to become a participant in the AORMA Benefits Program and be referred to as a “Program Participant.”

It is understood that this Participation Agreement pertains only to the AORMA Benefits Program and not to any other program operated by CSURMA.

We understand that the following requirements have been met and insurance coverage through the AORMA Benefits Program begins on January 1, 2019:

- 1) All applicable participation fees have been paid.
- 2) We have executed this AORMA Benefits Program Participation Agreement.
- 3) We are a member of the Joint Powers Authority. This means we:
 - a) Have been approved for Joint Powers Authority membership by the Executive Committee;
 - b) Have executed the Joint Exercise of Powers Agreement; and,
 - c) Have executed a “Resolution to Join” in accordance with the Joint Exercise of Powers Agreement.

MINIMUM TIME OF PARTICIPATION AND NOTICE OF WITHDRAWAL:

The Program anniversary date is January 1 of each year.

It is understood that the AORMA Benefits Program requires an initial three full program year commitment. Withdrawal from the AORMA Benefits Program cannot occur until three full years of participation has occurred. *If a CSURMA AORMA Member joins mid-term it would be three full program years plus the partial first year of participation.*

A Program Participant may withdraw only at the end of the Program Year, provided it has given the AORMA Benefits Program Administrator 90-days written notice of its intent to withdraw from the program. Once the Program Participant has withdrawn from the AORMA Benefits Program,

there is a one-year waiting period to come back to the AORMA Benefits Program, and the Program Participant will be subject to underwriting approval again.

RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant we are obliged to do the following:

- Take such action, including providing the AORMA Benefits Program Administrator with information, as is necessary to carry out the AORMA Benefits Program as required by the CSURMA Joint Exercise of Powers Agreement, Bylaws and the policies established by the AORMA Committee, Executive Committee and/or the Board of Directors;
- Pay the AORMA Benefits Program when due any and all premium, taxes and fees. Withdrawal does not relieve a Program Participant from liability for monies owed; and
- Adhere to all CSAC EIA Administrative Guidelines (for those benefits programs purchased through CSAC EIA).

RESPONSIBILITY FOR PROGRAM PREMIUMS:

It is also understood that AORMA Benefits Program Participants are responsible for their share of all AORMA Benefits Program premiums and any other expenses deemed necessary by the CSURMA ~~Board of Directors~~AORMA Committee. A Program Participant's share of the program premiums shall be reflected, as accurately as possible, within its program premium invoice.

Program Participants agree to the following policy regarding premium payments:

- I. Program Participants will receive AORMA Benefits Program premium invoices on a monthly basis.
- II. Invoices shall be due and payable as invoiced upon receipt, but not later than the last day of the month prior to the month for which the Program Participant is invoiced. (Example: January premiums are due no later than December 31.) Invoices will become delinquent on the first day of the month for which the Program Participant is invoiced. (Example: January premium will be delinquent on January 1.)
- III. Program Participant invoices remaining unpaid for 60 days beyond the due date shall be transferred to CSURMA for payment responsibility.
- IV. Interest will begin accruing on the first day of premium delinquency. Interest will be assessed on any amounts which are unpaid.

- V. The interest rate shall be at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been investing during the same calculation period, plus 4%.
- VI. Participation in the AORMA Benefits Program may be revoked if a Program Participant's program invoice remains unpaid for 90 days beyond the due date. Notwithstanding any other provision to the contrary, a Program Participant's termination from the AORMA Benefits Program due to late payment or non-payment of premium will be at the discretion of the CSURMA AORMA Committee.

Except for withdrawals allowed pursuant to Page 1 above, The withdrawal or termination of Program Participant from the AORMA Benefits Program shall not terminate the responsibility to continue to contribute to its share of financial obligations incurred by CSURMA by reason of the Program Participant's previous participation.

* * * * *

It is the policy of the CSURMA Executive Committee that members who leave the AORMA Benefits Program remain subject to assessments described here and in the Joint Powers Agreement, Bylaws, and other governing documents policy and procedures.

We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the CSURMA Joint Exercise of Powers Agreement or Bylaws which affect the conditions of participation in the AORMA Benefits Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the members of the ~~Board of Directors of the CSURMA AORMA Committee, who are elected by the Auxiliary Organization members of the CSURMA.~~

In recognition of the above, this Participation Agreement is executed on

_____, 20 _____.

Auxiliary Organization Name

Signature

Name

Title

**POLICY AND PROCEDURE UI-1 – FORMULA FOR DETERMINING
UNEMPLOYMENT INSURANCE PROGRAM ANNUAL DEPOSITS**

ISSUE: At its September 2018 meeting, the AORMA Committee directed Staff to make changes to Policy and Procedure UI-1 with regard to the Members’ use of excess UI funds. The following changes are included in the draft Policy and Procedure UI-1:

1. If a Member has excess funds in the UI Program, they will automatically be used to lower the contributions for the upcoming fiscal year.
2. Any excess funds remaining (after lowering the contributions for the upcoming fiscal year) can be used as follows: (Three different choices):
 - a. A one-time transfer into another AORMA Program, with the caveat that Members with federal sponsored programs can transfer the funds into the workers’ compensation program only; or,
 - b. Receive a refund. Members with federal sponsored programs must calculate the percentage to be returned to the feds; or,
 - c. Keep the excess funds on account.

RECOMMENDATION: Staff recommends that the Committee review the recommended revisions to Policy and Procedure UI-1 and approve the changes, with additional revisions as appropriate.

FISCAL IMPACT: The changes to Policy and Procedure UI-1 will result in a lower overall fund balance within the UI Program.

BACKGROUND: None.

PUBLICATION: The Members will receive notification in December/January which explains the changes and provides options for them to consider based on the information within the UI Program Member Fund Balance Report at June 30, 2018. The revised Policy and Procedure will also be uploaded to the CSURMA website.

ATTACHMENT(S):

- a. Policy and Procedure UI-1 - Formula for Determining the Unemployment Insurance Program Annual Contributions



CSURMA AORMA

POLICY & PROCEDURE UI-1

SUBJECT: FORMULA FOR DETERMINING THE UNEMPLOYMENT INSURANCE PROGRAM ANNUAL CONTRIBUTIONS

ADOPTED: MAY 12, 2010

EFFECTIVE: JULY 1, 2018

REVISED: DECEMBER 6, 2012
MAY 8, 2014
MAY 5, 2016
MARCH 9, 2017
MAY 4, 2017
DECEMBER 7, 2017
DECEMBER 6, 2018

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

POLICY:

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

PROCEDURE:

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

At the end of each fiscal year, the AORMA UIP Fund Balance Report will be distributed to each MEMBER. The Fund Balance Report will include actual paid claims for the fiscal year

rather than estimates. If the MEMBER's fund balance exceeds the minimum fund balance required (two times annual average losses), the following procedures will be followed:

A. then the MEMBER can request that the eXcess funds be returned, retained on account with CSURMA will to be used to lower contributions for the upcoming fiscal year. Any excess funds remaining after lowering contributions for the upcoming fiscal year can be used as follows;

- 1) The MEMBER can request a one-time transfer of funds to another AORMA Program (AORMA Liability, Workers' Compensation, Property or Crime) to be used to lower contributions for the upcoming fiscal year. For MEMBERS with federal sponsored programs, the MEMBER can request a one-time transfer of funds to the AORMA Workers' Compensation Program; or,
- 2) The MEMBER can request to receive a refund of the funds in excess of the minimum required fund balance. For MEMBERS with federal sponsored programs, the MEMBER will be required to calculate the percentage of its payroll and salary that is attributable to federal sponsored programs to determine what percentage of the refund will need to be returned to the federal government; or,
- 3) The excess funds can remain on account.

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

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

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



MEMBER APPEAL PROCESS:

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

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



DEFINITIONS:

AORMA COMMITTEE - The governing body of AORMA.

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

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

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

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

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

UIP – AORMA Unemployment Insurance Program.

GOOD PRACTICES FOR ELECTRIC SCOOTERS ON CAMPUS

ISSUE: The Committee is being asked to discuss electric scooters on campus and the safety of employees, students and third parties.

RECOMMENDATION: No action is recommended; this item is for discussion only. The Committee may provide direction to Staff as appropriate.

FISCAL IMPACT: None.

BACKGROUND: Systemwide Risk Management provided the following comments for consideration:

“It appears clear the core focus on existing campus policy is that of pedestrian safety. The authority to develop policy appears seated with California Vehicle Code Section 21113 and Education Code Sections 89030 and 89031, and California Code of Regulations, Title 5, Section 42353.1.

Many campuses prohibit all non-motorized transportation:

- Inside buildings
- On lawn or landscaped areas
- In pedestrian-only quad areas
- Through breezeways, under eaves or paths intended exclusively for pedestrians
- Exceeding 5 miles per hour in primarily pedestrian areas

Some campuses prohibit “skateboards” altogether, while allowing other personal forms of transport. Others allow skateboards for transportation purposes only with the following caveats:

- No stunts, tricks, destroying property, or continuously riding in one location
- Be courteous and safe
- No skating during busy or quiet hours
- Always give pedestrians the right of way
- Skate only on paved campus walkways, not in parking lots or roadways

Unlike the issue related to service animals, it appears campuses have great discretion and the necessary authority to develop a policy that best fits their campus needs and culture. As with service animals, when developing or reviewing existing policy, a good practice is to collaborate

with the applicable departments. For bicycles and skateboards, this may include Campus Police, student affairs, risk management, legal counsel, etc.”

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. California Regulations
- b. Systemwide Risk Management Memorandum – Service Animals and Bike/Skateboard Survey Information
- c. Electric Scooter Liability for Employers Article

SECTION 21113 (a), and (b), **VEHICLE CODE** 5131.3. REVISED: 1. No person shall be allowed to stop, park, or leave standing any **vehicle** or animal, whether attended or unattended upon the paths, driveways or grounds of the schools of the District which are marked clearly and legibly with the words "NO PARKING".

89030.

(a) The trustees shall adopt rules and regulations not inconsistent with the laws of this state for the government of all of the following:

(1) The trustees.

(2) The appointees and employees of the trustees.

(3) The California State University.

(b) The adoption of these rules and regulations shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) The rules and regulations shall be published for distribution as soon as practicable after adoption.

(d) This section shall be liberally construed in order that the purposes of the Donahoe Higher Education Act pursuant to Part 40 (commencing with Section 66010) of Division 5 may be effectuated.

(Amended by Stats. 1996, Ch. 938, Sec. 3. Effective January 1, 1997.)

89031

The trustees may establish rules and regulations for the government and maintenance of the buildings and grounds of the California State University. Every person who violates or attempts to violate the rules and regulations is guilty of a misdemeanor.

(Amended by Stats. 1983, Ch. 143, Sec. 93.)

§ 42353.1. Bicycles, Skateboards, Roller Skates, and Animals.

5 CA ADC § 42353.1 BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations [Currentness](#)

Title 5. Education

Division 5. Board of Trustees of the California State Universities

Chapter 1. California State University

Subchapter 5. Administration

Article 9. Use of California State University Buildings and Grounds

5 CCR § 42353.1

§ 42353.1. Bicycles, Skateboards, Roller Skates, and Animals.

(a) The president of the campus may permit forms of transportation on the campus in accordance with reasonable directives issued by the campus president. No person shall use forms of transportation upon the campus driveways, pathways, parking facilities or grounds except in accordance with directives issued by the campus president. The campus president may designate the campus areas that shall be open to use of forms of transportation, and shall place appropriate signs indicating the time and the conditions for their use. "Forms of transportation," shall include bicycles, motorized bicycles, scooters, motorized scooters, skateboards, roller skates including inline skates, and other forms of transportation that are not motor vehicles.

(b) No person shall bring an animal onto the grounds or into the buildings of a campus except in accordance with directives issued by the campus president. The president of the campus may permit animals on campus in accordance with reasonable directives issued by the campus president. The president shall consider such factors as the safety of the campus community, cleanliness of the buildings and grounds of the campus, and the needs of the animal's owner as in the case of service animals.

Note: Authority cited: Sections 89030 and 89031, Education Code; and Section 21113, Vehicle Code. Reference: Section 89031, Education Code; and Section 21113, Vehicle Code.

HISTORY

1. New section filed 2-2-2004; operative 2-2-2004. Submitted to OAL for printing only pursuant to Education Code section 89030.1 (Register 2004, No. 8).

This database is current through 9/28/18 Register 2018, No. 39

5 CCR § 42353.1, 5 CA ADC § 42353.1

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

www.calstate.edu

Memorandum

Date: August 25, 2014
To: Campus Risk Managers
From: Zachary Gifford, Associate Director – Systemwide Risk Management & Public Safety
Subject: Service Animals & Bike/Skateboard survey information

Systemwide Risk Management surveyed campuses last year as existing campus policies regarding service-animals and use of bicycles and skateboards.

Not surprisingly, we discovered there were a variety of approaches, breadth of policy, enforcement, etc. As a result of our inquiry and research into the issues we felt it prudent to share what we learned with you.

Service Animals

Many campuses have both an “Animal” policy and a “Service Animal” policy.

Many campuses prohibit all animals to be brought into any campus building except:

- Police dogs
- Service animals (some excluding therapy animals – law distinguishes between)
- Service animals in training (some require that trainer be licensed)
- Animals for research
- Animals for classroom or other demonstrations (must have administrative approval).

Service animal issues affect students, visitors, but also employees. The regulations for the various types of requests for accommodations regarding service/assistance animals on campus include Americans with Disabilities Act and the ADA Amendments Act (“ADAAA”), Section 504 of the Rehabilitation Act, and the Fair Housing Act. These regulations do not match each other and cause confusion (refer to NACUA article at <http://www.calstate.edu/gc/documents/AccommodatingServ-AssistanceAnimals.pdf>).

A couple of campuses specifically address other types of animals in their policies, while considering the safety and health of the faculty, staff and students to be of the utmost priority:

- **Non-service domestic animals** (not allowed in campus buildings, must be under direct control of owner, restrained by a leash or in a carrier, must be licensed and inoculated w fecal matter removed and disposed of by owner)

CSU Campuses

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

- **Feral animals** (if not a risk or hazard, may occupy campus grounds)
- **Wild animals, including marine animals** (if not a risk or hazard, or causing property damage or a public nuisance, and that do not involve human intervention, may inhabit the campus)
- **Unattended or loose animals** (may be without proper shelter or water or causing a nuisance) – should specify who and how these animals will be removed.

It is our understanding that federal and state law puts forth that a student with an accepted disability has a right to be accompanied by a trained service animal if the accommodation will not profoundly change the nature of the program. This assumes the animal is properly trained and controlled. A campus has the discretion to not allow for pets or “comfort animals”.

Our conclusion is that understanding the various regulations originating from various regulatory agencies/entities which are subject to great flux over time, that a good practice when developing or reviewing an existing policy is that said development or review is done collaboratively with legal counsel, human resources, academic affairs, environmental health & safety, risk management and student affairs.

Bicycles/Skateboards

It appears clear the core focus on existing campus policy is that of pedestrian safety. The authority to develop policy appears seated with California Vehicle Code Section 21113 and Education Code Sections 89030 and 89031, and California Code of Regulations, Title 5, Section 42353.1.

Many campuses prohibit all non-motorized transportation:

- Inside buildings
- On Lawn or landscaped areas
- In Pedestrian-only quad areas
- Through breezeways, under eaves or paths intended exclusively for pedestrians
- Exceeding 5 miles per hour in primarily pedestrian areas

Some campuses prohibit “Skateboards” altogether, while allowing other personal forms of transport.

Others allow skateboards for transportation purposes only with the following caveats:

- No stunts, tricks, destroying property, or continuously riding in one location
- Be courteous and safe
- No skating during busy or quiet hours
- Always give pedestrians the right of way
- Skate only on paved campus walkways, not in parking lots or roadways

Unlike the issue related to service animals, it appears campuses have great discretion and the necessary authority to develop a policy that best fits their campus needs and culture. As with service animals, when developing or reviewing existing policy, a good practice is to collaborate with the applicable departments. For bicycles and skateboards, this may include Campus Police, student affairs, risk management, legal counsel, etc.

Research 10/26/18 electric scooter liability for Employers SI

Issues related to charging

https://motherboard.vice.com/en_us/article/zm8vz8/the-gig-economy-workers-who-power-the-scooter-ridesharing-craze-for-a-pittance

<http://www.thebassettfirm.com/blog/2018/10/issues-related-to-the-operation-of-electric-scooters.shtml>

Issues Related to the Operation of Electric Scooters

By Michael Ellis of The Bassett Firm on Monday, October 15, 2018.

Recently, several businesses throughout the North Texas area have begun ride-sharing operations in which individuals may rent electric scooters for personal travel and recreation. The popularity of these programs gives rise to several legal issues in the personal injury and litigation context.

Introduction:

Rental scooters made available by businesses like Bird and LimeBike in the North Texas area have given rise already to allegations of negligence and personal injury caused by the operation of these vehicles. *See, e.g.*, Forrest Milburn, A LimeBike electric scooter crash sent a Dallas woman to the ER. Is the company liable?

(2018), <https://www.dallasnews.com/news/transportation/2018/07/12/limebike-electric-scooter-crash-sent-dallas-woman-er-company-liable>, (last visited Jul 15, 2018). Moreover, the expansion of similar businesses in other states, like California, has given rise to a cottage industry of cases involving injuries on these vehicles. *See* Matt Howerton, Attorney tells Dallas to prepare for rental scooter accidents and litigation (2018), <https://www.wfaa.com/article/news/attorney-tells-dallas-to-prepare-for-rental-scooter-accidents-and-litigation/287-572173867>, (last visited Jul 17, 2018). Most regulation of the operation of these vehicles occurs at the local level. The following is a survey of the ordinances the City of Dallas has recently promulgated to regulate the operation of these vehicles, and a comparison of that approach with other large Texas cities.

Definition of a Motor Assisted Scooter:

The type of vehicle in question is defined as having not more than two wheels and a gas or electric motor not exceeding 40 cubic centimeters. City of Dallas, Tex. Code of Ordinances, Ch. 28, § 28.41.1(a)(4). Moreover, mopeds and motorcycles, electric bicycles, and electric personal mobility devices are explicitly excluded. *Id.*

Safety Regulations:

The City of Dallas has promulgated several rules governing the use of a motor assisted scooter. They may not be used on any city-owned property. City of Dallas, Tex. Code of Ordinances, Ch. 28, § 28.41(b)(1). They also may not be used on any public path, trail, alley, street, or highway where the use of a bicycle is not permitted. *Id.* This means that the City contemplates the use of these vehicles primarily on public roadways as opposed to sidewalks.

These vehicles may not be used at night time. City of Dallas, Tex. Code of Ordinances, Ch. 28, § 28.41(b)(5). In this respect, their use differs from that of a bicycle, whose use is referenced by comparison in the statute. Notably, while a child, defined as an individual under the age of 17, may not operate a motor assisted scooter without utilizing a helmet, no such prohibition exists for an adult. City of Dallas, Tex. Code of Ordinances, Ch. 28, § 28.41(b)(4).

Interestingly, a parent of a child commits an offense if "he knowingly permits, or by insufficient control allows," the child to operate the motor assisted scooter without the use of a helmet. City of Dallas, Tex. Code of Ordinances, Ch. 28, § 28.41(b)(4). In this respect, the statute appears to place a burden for supervision beyond that traditionally imposed at common law on parents regarding children utilizing these precise sorts of vehicles. *See, e.g., McCullough v. Godwin*, 214 S.W.3d 793, 801 (Tex. App.-Tyler 2007) (citing *Hall v. Martin*, 851 S.W.2d 905, 910 (Tex.App.-Beaumont 1993, writ denied) for the proposition that "parental immunity applied to claim that parent was negligent in entrusting a motor scooter to child without instructions or helmet).

Other Approaches:

Dallas appears to be at the forefront of regulating the use of motor assisted scooters as the trend has gained popularity and frequency of use. Where Dallas has imposed strict regulations on the use of motor assisted scooters, seemingly placing the onus on the operator of the scooter to take measures to ensure their safety, other cities have shifted the burden to the operator of a traditional motor vehicle.

For example, both Austin and Houston have defined the operators of motor assisted scooters as "vulnerable road users" whom motor vehicles are prohibited from overtaking in certain situations or otherwise harassing or intimidating. *See* City of Austin, Tex. Code of Ordinances, § 21-1-25; *See also* City of Houston, Tex. Code of Ordinances, Ch. 45, § 45-44. Austin also exempts scooters equipped with electric motors from the general requirement that bicycles and similar vehicles must utilize a bicycle lane, where available. City of Austin, Tex. Code of Ordinances, § 12-1-21. In this respect, its approach is opposite to that of Dallas, which frequently references bicycling regulations in its ordinance.

Conclusion:

The proliferation of for-rent motor assisted scooters has resulted in a scramble to regulate the use of these vehicles, which bare the hallmarks in various respects of both traditional motor vehicles and human-powered forms of transportation like bicycles. Because these vehicles have proliferated primarily in urban areas, their regulation has, to date been highly localized. However, given historic safety issues that arise (to pedestrians, operators of the scooters themselves, and operators of traditional motor vehicles) a survey of the various approaches to controlling their use is instructive as a potential issues that will arise in the litigation that will no doubt be attendant to the popularity of these vehicles' use.

Who Is Liable For Injuries Caused By Electric Scooters?

May 24, 2018 In [Pedestrian Accidents](#)

Tricia P. from South of Market asks: "I came out of my apartment front door and tripped over a Bird scooter and fell face first. I was able to catch myself on a nearby tree and wasn't seriously injured but I could have broken my arm. Just a few days earlier someone was riding one of the green scooters and almost clipped me as I exited Starbucks. What gives? Who would be responsible if I had been smashed into or if I fell and broke my wrist?"

Tricia, there has been a sudden proliferation of motorized scooters, available to rent by the hour via apps such as [Bird](#), [Spin](#), and [LimeBike](#). These businesses' approach to regulation recalls that used by [Uber](#) and [Lyft](#) several years ago: they just dropped in on San Francisco without checking on relevant laws, working with local authorities, or generally thinking of the consequences of their actions.

Your negative encounters with rented scooters, unfortunately, are hardly isolated. My firm has been contacted by several people who have [tripped over](#) carelessly-placed vehicles and one who was struck by a scooter driver on the sidewalk. While the technology is new, basic legal principles set up a framework for resolution of injury claims while the state and local legislatures race to catch up with the challenges these scooters present.

The simple answer to your question is both Bird and the scooter renter may be held liable for injuries caused by the scooter's use and/or misuse under traditional principles of product liability and negligence. Bird provides no return location and encourages users to leave scooters wherever they want; it is therefore foreseeable that a customer may dispense of the scooter without due care given to hazards posed to others.

Further, Bird can track its scooter locations through GPS, so they possess information that could enable them to identify and ameliorate possible obstructions to traffic and pedestrians. Additionally, if the last rider leaves a scooter blocking the sidewalk, for example, they could also be held liable for negligently creating a tripping hazard. Like all drivers, scooter users bear the responsibility to act reasonably and in compliance with applicable law, including the Vehicle Code.

Although there is a race to create additional laws to address the specific issues and risks posed by rented motorized scooters, existing state law already provides some guidance and regulation. Enacted in 2015, California Vehicle Code (CVC) [Section 313.5](#) reads as follows: "An 'Electrically Motorized Board' is any wheeled device that has a floorboard designed to be stood upon when riding that is not greater than 60 inches deep and 18 inches wide, is designed to transport only one person, and has an electric propulsion system averaging less than 1,000 watts, the maximum speed of which, when powered solely by a propulsion system on a paved level surface, is no more than 20 miles per hour. The device may be designed to also be powered by human propulsion."

Section 313.5 was intended to cover "hoverboards," although a strong argument can be made that electric scooters rented by Bird, Spin, and LimeBike also meet the definition of an EMB under Section 313.5. Therefore, although the definition has not yet been tested in court, any case law involving EMBs, including lawsuits for negligence, would likely guide cases involving scooters.

Although not necessarily implicated by the facts you describe, several California Vehicle Code regulations governing EMBs may also interest you:

[Section 21291](#) states that EMBs may only be operated by someone 16 years or older and [Section 21292](#) prohibits operation of EMBs on roadways, bikeways, sidewalks, bicycle paths, etc. without a helmet.

[Section 21293](#) states that EMBs operating on public streets, paths or trails at night must be equipped with proper white headlamps visible from a distance of 300 feet, red back reflectors visible from 500 feet, and white or yellow side reflectors visible from 200 feet.

[Section 21294](#) limits EMB operation on roadways to roads with speed limits of 35 miles or less, except within designated bikeways, and restrict EMB speed along highways or on bikeways, sidewalks or trails to a speed not exceeding 15 miles per hour. Notwithstanding the previous speed restrictions, EMBs may not be operated at any speed greater than is reasonable or prudent having due regard for weather, visibility, pedestrian and vehicular traffic, and the surface and width of the highway, bikeway, sidewalk or trail, nor at any speed that endangers the safety of any person or property.

[CVC 21296](#) states that it is unlawful to operate an EMB while under the influence of alcoholic beverages and/or drugs.

Stay tuned for next week, when I will discuss newly introduced and passed legislation aimed directly at addressing the hazards and nuisances created by scooter rental apps like Bird, Spin, and LimeBike.

<https://www.natlawreview.com/article/have-electric-scooters-pushed-cities-too-far>

Have Electric Scooters Pushed Cities Too Far?

Thursday, September 20, 2018

In our May 31 article, “[Scooters – The Next Mobility Wave](#)”, we talked about how electric scooters such as Lime, Bird, and Spin have been taking cities by storm. We noted how they are many times met with enthusiasm by the younger and more adventurous residents who can easily find a scooter using an app on their phone, unlock it by scanning a code on the handle, and off they go. On the other hand, cities and municipalities, are cautious to embrace the new technology (sound familiar?), frequently at the behest of the older or less technologically adept residents. Often, these cities cite a host of problems, including pedestrian injuries, people riding on sidewalks, riders not wearing helmets and unused scooters blocking walkways and critical access to curb space. Across the country, cities’ approaches to handling these new forms of transit have been mixed, at best, and convoluted at worst.

In many cities, these scooters are dropped off in the dark of the night, appearing with the morning dew, without warning or an offer of assistance to cities or the residents. As a result, it’s been the Wild West for the adventurous scooter pioneers, navigating potholed streets and pedestrian laden sidewalks as these scooters hit speeds close to 15 mph. Scooter companies have, in many instances, hoped cities will simply accept these new transit devices into the fabric of

their urban infrastructure without much of a fight. But, cities have been fighting back and now scooter companies are starting to take notice.

In Ann Arbor, Mi, the city council provided Bird with notice that their scooters currently violate city ordinances that prohibit the use of electric scooters on sidewalks and in bike-specific travel lanes, but noted that they are allowed on streets up against the right-most curb. That said, an Ann Arbor spokeswoman told the [Detroit Free Press](#) that “the scooters’ very essence violated a city ordinance [noting that] motorized vehicles cannot be used on sidewalks or impede public right-of-way.” The spokeswoman continued by noting that “Scooters also cannot be parked on roads, sidewalks or bike paths and must be clear from driveways, access ramps and fire hydrants.” As a result, the city has taken the approach of confiscating any scooter currently left in the city, and locking them in a secured trailer on city property.

Similarly, in June and July of this year, the city of [Indianapolis sent cease and desist](#) letters to Bird and Lime regarding scooter operations in the city. Indianapolis, rather than outright confiscating the scooters opted to pursue a licensing, stating that is illegal for any scooter company to operate within city limits without a license. While Lime complied with the cease and desist letter within two days, pulling all scooters off the street, Bird waited almost 3 weeks before complying. Moving forward, although Bird notes that “[t]he people of Indianapolis have enthusiastically embraced shared electric scooters,” the city says they will “consider, among other factors, the extent to which the applicant’s operations or the use of the applicant’s Shared Mobility Devices have complied with current law” when considering the approval of a permit, on top of the \$15,000 annual licensing fee required.

After experiencing the trials and tribulations opening shop in the “dark of night”, scooter companies are starting to realize creating less issues for cities is likely better than hoping they can simply be ignored. In an attempt to tackle the issues of dangerous and reckless riders, Bird is looking at new technology to keep riders honest and accountable. In San Diego, Bird has partnered with the city to share data on riding habits and now allows consumers to report dangerous riders in the Bird app. Bird and Lime have also looked into modifying the GPS components of the scooters to regulate speeds or disable scooters entirely when entering into high traffic areas. For example, San Diego is considering such limitations on riverwalks and boardwalks where the scooter can be regulated down to a safe speed or stopped entirely, until the rider leaves a pre-determined geofenced area. Additionally, these companies are looking into technologies that can assist with sensing when a scooter is being used on sidewalks, based on certain changes ride conditions, and encourage riders to use roads to avoid pedestrians and congestion.

<https://www.khslaw.com/insights/personal-injury/electric-scooter-accident/>

ELECTRIC SCOOTER ACCIDENT? HERE’S WHAT TO

Download the app, scan the bar code, and BOOM you are riding an electric scooter around the streets of Los Angeles for less than the price of a cup of coffee! The hype behind electric

scooters has grown exponentially and so has their usage. LimeBike, Spin, and Bird electric scooters have been flooding the streets of metropolitan areas including Los Angeles, San Diego, and San Francisco. Now one must wonder, what are these electric scooters? And how are they allowed to be parked anywhere? This article contains all the details you need, including what to do when you're involved in an accident with a scooter or suffer an injury from riding one.

WHAT ARE LIMEBIKE, SPIN, AND BIRD ELECTRIC SCOOTERS?

Bird is an electric scooter service that first launched on September 1, 2018 in Santa Monica. Birds can be parked and picked up almost anywhere in the city. Once you download the app and input your personal information, you will have access to thousands of Birds around the city. The Birds have a range of about 15 miles per hour and each ride costs \$1 initially, plus 15 cents per minute. Upon reaching your destination, you can leave the scooter anywhere and lock the scooter for the next rider using the app.

Each scooter has a GPS unit and is connected to the internet, which allows Bird to track any scooter that is potentially stolen. In fact, the electric lock restricts wheel movement and triggers an alarm if it is taken without being unlocked through the app. Also, if someone interferes with the electronics, the Bird loses power and the wheel locks are triggered, rendering it useless.

In June of 2018, Limebike brought their "Lime-S" scooters to Los Angeles to compete with Bird. LimeBike charges a \$1 fee to unlock the Lime-S scooter and an additional \$0.15 per minute. Lime-S scooters can go as fast as 14.8 mph and also can also be parked anywhere in the city.

The newest competitor in town is Spin, which was founded in San Francisco in 2016. Spin charges the same fees as Bird and LimeBike. Spin electric scooters can also go up to 15 mph and cover 18 miles on a single charge.

ARE ELECTRIC SCOOTERS A TREND, OR HERE TO STAY?

Some argue that the electric scooters are just a trend and will not last long, but many disagree. Electric scooters have allowed people to get from point A to B in a much faster and cheaper way. For example, if you are walking around Century City at 4 p.m. on a weekday and need to get to Westwood, which is 2 miles away, you can just go outside, hop on an electric scooter, and arrive at your destination within minutes. This is much faster and cheaper than ordering a Lyft or Uber and sitting in traffic. The convenience and flexibility has allowed electric scooters to become an ideal alternative form of transportation.

In fact, electric scooters companies have seen huge demand from potential investors and have formed partnerships with names such as Uber, which has invested almost half a billion dollars in electric scooter companies. This goes to show that these scooters are here to stay, at least for the foreseeable future.

Safety Issues

The convenience and flexibility of electric scooters have also caused many potential dangers. Many users weave in and out of traffic while riding these electric scooters, causing a risk not only to the users but to pedestrians as well. These scooters can also be difficult to spot by drivers on the road, increasing the risk of riders being hit by cars. These accidents can result in serious injuries or fatalities to both riders and pedestrians.

Riding Electric Scooters Safely

Both Bird and LimeBike have acknowledged the dangers of their own electric scooters. Both companies have recently released statements and videos advising that riders must wear helmets, be 18 or older to ride, not block pedestrian walkways, and park electric scooters safely.

It is important to remember that electric scooters are considered “motorized scooters” under California Vehicle Code Section 407.5, which defines a “motorized scooter” as any two-wheeled device that has handlebars, a floorboard that is designed to be stood upon when riding, and is powered by an electric motor. Thus, scooters are subject to the law promulgated under the California Vehicle Code.

For example, California Vehicle Code Section 21235 requires motorized scooter operators to wear a helmet, have a valid driver’s license, not operate the scooters with any passengers, and not leave the scooter in a position that would not leave an adequate path for pedestrian traffic. Failing to follow these rules can put an electric scooter driver at risk of danger and cause them to be potentially liable for accidents.

In addition, given that electric scooters are considered a motorized vehicle, users must follow California Vehicle Code Section 21230. Section 21230 states that electric scooters may not be operated on a sidewalk. If electric scooter riders fail to abide by these rules, they will be issued citations. The City of Beverly Hills has reported or warned over 150 riders for riding without a helmet, on the sidewalk, or without a license.

Potential Electric Scooter Accidents

Here are some common electric scooter accidents:

- **Defective Conditions:** Many metropolitan areas have sidewalks, potholes, and surfaces that are poorly maintained. These cracks and defects of the roads and sidewalks can cause users to lose control.
- **Drivers:** The electric scooters can be hard to see and can often times be missed by drivers on the road leading to serious injuries if a car runs into a rider.
- **Pedestrians:** People on sidewalks can also be susceptible to injuries due to tripping on electric scooters, being hit by scooter riders, or becoming injured while avoiding a scooter.

CAN BIRD OR LIMEBIKE BE HELD LIABLE FOR YOUR ACCIDENT?

Depending on the circumstances, an electric scooter company may be liable for your injuries. The electric scooter could be liable if there is a manufacturing defect with the scooter, meaning the parts or design of the scooter is defective. This scenario is less likely, but there are other third parties that may be liable for your injuries.

If Bird is not liable, then who is?

- **Car Driver:** If an electric scooter is hit by a vehicle, the car driver may be held liable for the injuries suffered.
- **Electric Scooter Rider:** The rider of the electric scooter can be held liable when a pedestrian is hit by a rider. In this situation, you may be able to recover compensation for your damages if the scooter rider had homeowner's insurance or renter's insurance.
- **City:** The city may be held liable if there is defective condition such as poorly maintained surfaces or a pothole that causes scooter rider injuries.
- **Homeowner:** A homeowner may be held liable if he or she fails to address hazards that lead to injuries or accidents.
- **Business:** If a scooter rider is injured by a hazard created by business, the business may be held liable for the scooter riders' injuries. In addition, a business may be held liable if an employee use a scooter for business purposes.

What to do if you are involved in an Accident with an Electric Scooter?

- **Rule #1:** Make sure you are safe! If you are involved in a serious accident, you should immediately visit a local hospital or urgent care to get the treatment you need.
- **Rule# 2:** Call 911 to report what happened or to request an ambulance. Make sure you provide the reporting officer with an honest and truthful statement of how the accident occurred.
- **Rule#3:** Exchange Information. Make sure to get the information of any other person involved in the collision. This includes taking a picture of their driver's license and insurance card. If involved in an incident with a motor vehicle, document the make, model, year and license plate of the vehicles involved.
- **Rule #4:** Witnesses. It is important to gather as much evidence as you can at the scene. This includes take down a statement and information of any witness or anyone else involved in the incident.
- **Rule #5:** Bills. Make sure you keep a copy of your medical bills and records.
- **Rule #6:** Contact an attorney. Call a professional scooter accident lawyer as soon as possible, so they can guide your case as you focus on your health and recovery.

Public Nuisance?

As convenient and efficient these new electric scooters have been, local citizens have expressed their complaints over the dangers and nuisance of having electric scooters on sidewalks. Most recently, a San Diego citizen whose daughter and ex-wife suffered serious injuries in an electric scooter crash lobbied San Diego City Council members to have electric scooters banned from sidewalks. Him and other supporters of the ban reasoned that electric scooters are hazardous and should not be allowed on boardwalks.

Some cities have listened to the public outcry and have begun banning electric scooters. For example, the City of Beverly Hills recently issued a six month ordinance ban against electric

scooters. The new ordinance prohibits electric scooters from being in any public right-of-way or on public property, operated in any public-right-of-way or on public property, or offered for use anywhere in the City. The city council mentioned that the concern for public safety and a lack of any advanced planning and outreach by the motorized scooter companies as the primary reason for the new ordinance.

<https://www.wdtlaw.org/personal-injury-blog/2017/june/are-employers-liable-for-distracted-driving-acci/>

Are Employers Liable for Distracted Driving Accidents Caused by Their Employees?

Jun 8, 2017

What happens when a person is involved in a [car accident](#) with a distracted driver who is using his or her motor vehicle for work? Is the driver's employer liable for providing compensation to the victim for their injuries?

The simple answer is, yes.

The use of smartphones while on the job is a huge concern regarding distracted driving accidents. According to the National Safety Council, motorists are 400% more likely to have a car accident if they are driving distracted by using their phone. While hand-free devices are available, they do not keep people safer.

Vicarious Liability vs. Negligent Supervision

There are two main legal concerns for employers who require their employees to drive: vicarious liability and negligent supervision.

Vicarious liability is when an employer is liable for the negligence his occurs within "the scope of the employee's work duties." It is a doctrine of law which asserts that the actions of an agent are essentially the same as the actions of the principle directing the agent.

On the other hand, negligent supervision is another way in which an employer can become liable for employee accidents. Employers should have reasonable safety policies in place and should ensure all of their drivers comply with these safety laws.

<https://www.bellinghamherald.com/news/traffic/rules-of-the-road/article144668444.html>

RULES OF THE ROAD

Here's why your company should implement a policy against employees driving distracted

April 17, 2017 05:00 AM

Updated April 17, 2017 06:07 PM

Question: With all the attention on distracted driving lately, it got me thinking of an employee cell phone policy where I work. I like the idea, but where do I start?

Answer: I know we just addressed cell phones and driving a couple weeks ago, but employer/employee responsibility is a side of distracted driving that doesn't get much attention. Plus, April is distracted driving awareness month, so I feel justified in doubling down on this topic.

Whether you're an employer or an employee, you'll benefit from a good distracted driving policy. For those who have not yet thought about distracted driving at work, here are a few reasons why this is so important.

The primary reason to have a company policy on phones and driving is safety. Traffic collisions are the No. 1 cause of workplace deaths, and not by a little bit. Of the roughly 4,000 workplace deaths in a year, 1,600 are from motor vehicle crashes. The next highest category is responsible for half as many deaths per year.

Of those 1,600 deaths from crashes, about a fourth of them involve distracted driving. By developing and enforcing a company distracted driving policy, an employer can have a real impact on the safety of employees.

The second reason for an employer to establish a distracted driving policy is liability. I learned a new legal term while investigating this topic: *respondeat superior*, which is Latin for "let the master answer." As you might guess, it basically means that the boss is ultimately responsible for the actions of employees.

This legal theory applies in any situation in which the employee (or even a contractor) is taking an action in the interests of the company.

Employers have been found liable for employee crashes in all of the following situations (I've included what it cost the employer):

- Employee driving a company car makes a personal call and rear-ends another car (\$21.6 million).
- Employee talking hands-free on a business call, according to company policy, strikes another vehicle (\$21 million).
- Tractor-trailer driver checks texts and crashes into stopped traffic (\$24.7 million).

- Employee who was lost and using GPS on his phone ran a red light and crashed (\$4.1 million)
- Off-duty police officer driving a patrol car caused a crash while texting (\$4 million)
- Sales person making “cold calls” on his personal phone while driving his own car to a non-work event on a Saturday night caused a crash (\$500,000)

Every one of these crashes resulted in a fatality or serious injury. If an employee crashes while driving a company vehicle or using a company phone or driving a personal vehicle and using a personal phone for company concerns, the employer can be held liable.

And a third reason: It’s bad for business. Studies show that in negotiations or other important discussions, a person driving a car is at a strategic disadvantage compared to someone who is not driving. As an employer, allowing your employees to make sales calls or handle business transactions while driving means you’re probably not getting the best deal.

Is it really that important to establish a policy? Maybe you have great employees who would never use their phones while driving. If that’s true, you’re in the minority. Over half of workers admit to job-related phone use while driving.

This isn’t just for business owners. If you’re an employee working at a company with out a distracted driving policy, getting your boss to establish a policy can take pressure off you to respond to work-related calls and texts while driving. Without that policy, the expectations, whether unstated or overt, can push employees to take unnecessary risks while driving.

If you develop a distracted driving policy for your business, it’s important to make sure that employees understand the policy as well as the consequences for violation. The policy needs to be more than just words in a manual; it should be modeled by the leadership.

When you’re ready to start the distracted driving policy process, the National Safety Council is a great place to begin. They offer a free cell phone policy kit ([safety.nsc.org/cellphonekit](https://www.safety.nsc.org/cellphonekit)) that will help you write and implement a successful distracted driving policy.

To quote Mark Twain, “It is better to be careful 100 times than to get killed once.” That applies both to the lives of drivers and the life of a business. For the safety of your employees and for the sustainability of your company, I’d recommend a distracted driving policy.

<https://washingtoninjury.com/can-an-employer-be-responsible-for-an-employees-car-accident/>
Can an Employer Be Responsible for an Employee’s Car Accident?

May 7, 2018

When you are involved in a motor vehicle accident and the other driver caused that accident, you assume that they would be held responsible for your injuries. In most instances, this is the case. However, there are times when the driver is involved in an accident while performing their

regular job duties. This scenario opens the potential for holding not only the employee but the employer responsible as well.

Determining when an employer is responsible for the actions of an employee is not easy. Instead, it comes down to the circumstances of the crash, the statute, and the employer's role in the incident. Therefore, if you are involved in an accident with a commercial vehicle or an employee driving a company car, consult with an attorney to see if your case is one that falls under this exception.

Exploring Employer Liability in Mt. Vernon Car Accidents

When a motor vehicle accident happens and the driver was performing work duties, employers could be liable. Determining if you can hold that employer responsible means showing there is legal precedent to assign the responsibility from the employee over to the employer.

When Would Employers Be Liable?

There are a few situations where an employer might be liable for a car accident caused by an employee.

Employer Negligence

Sometimes, the employer's negligence causes the accident – such as negligent hiring or supervision of an employee. When a company hires their workers, they are required to make sure that the worker is qualified and will not create hazardous conditions for the public. For example, if an employer hires a worker with a history of DUIs and allows them to drive a company vehicle, even though the employer is aware of the worker's DUI record. By failing to exercise their reasonable due diligence and ensuring they put a safe driver behind the wheel of a company vehicle, they could be liable if that driver becomes intoxicated while driving a company car and causes an accident.

Bottom line, if an employee is using a company vehicle of any kind, the employer must ensure that the employee has the right license and that the license has not expired and has a solid driving record. Checking their past driving record and even performing intermittent drug and alcohol screening should also be done by an employer to ensure their driver is complying with company protocols and state regulations.

Another example would be an employer blatantly ignoring safety regulations. For instance, a commercial truck company forcing their employees to work beyond the federal maximum allowed hours.

Negligent Supervision

Negligent supervision is another way in which employers take the responsibility of an employee-caused accident. Employers must have safety protocols in place and should enforce them with all workers. Furthermore, they must ensure their drivers follow all state or county safety laws.

For example, a company with commercial truck drivers must ensure their drivers follow all state and federal trucking laws. When employers fail to check and ensure these drivers are exercising a reasonable duty of care or complying with local regulations, they could be held at fault for that negligent supervision.

Vicarious Liability

Under vicarious liability, the employer might not need to be negligent. Instead, this doctrine of the law allows a person to ascertain that the actions of the employee are still the responsibility of the employer – despite the employer not being negligent.

For example, the employee uses a company car to pick up documents at the local copy shop. On the way there, they run a red light and cause an accident. Because they were running an errand for the company as part of their job duties, under vicarious liability, the employer may still be liable for the incident despite doing nothing wrong themselves.

Vicarious liability works both ways. An employer is not automatically responsible for everything their workers do. For example, the employee was not running a job errand and was in an accident on their way to work. Because they were not performing job duties and not currently on the clock, the employer is unlikely to be found responsible through vicarious liability.

The Going and Coming Rules

Realize that under the going and coming rules, employers are not liable for employee car accidents if the employee's incident occurs during non-working hours – including their commute. Even if the employee were in a company car at the time, the employer would not be liable because the employee was not working as an agent of the company during the accident.

Employer Liability Is a Complex Area of the Law

Holding employers responsible for the actions of their workers is a complicated area of the law that is best left to [attorneys](#). If you are injured in a car accident with an employee and you are curious if you could hold the employer liable, you need to speak with an attorney.

If the insurance coverage or assets of the driver are inadequate, do not assume that you can use a suit against the employer to fill that gap. Specific legal theories must be proven by a preponderance of the evidence in order to win your case.

CSURMA AORMA 2019 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 – 2019 Meeting Calendar

2019 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
13	3:30 PM	EC (AOA Conference)	Indian Wells					7	10:00 AM	AORMA	TBD
13 - 16		AOA Annual Conference	Indian Wells					7	2:30 PM	EC	TBD
14	10:30 AM	AIME	TBD					8	8:30 AM	EC LRP	TBD
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
					2:00 PM	BOD Orientation	Teleconference	TBD		AOA EC	TBD
				2	10:00 AM	AORMA	Long Beach				
				3	8:30 AM	EC	Long Beach				
				3	10:30 AM	BOD	Long Beach				
				6	10:30 AM	AIME	TBD				
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
TBD	11:00 AM	AORMA Officers Retreat	TBD	TBD		AOA EC	TBD	4	9:00 AM	AORMA New Member	TBD
								4	10:00 AM	AORMA LRP	TBD
								5	9:00 AM	AORMA	TBD
								5	4:00 PM	EC Orientation	TBD
								6	8:30 AM	EC	TBD
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
14	10:30 AM	AIME	TBD	TBD		AOA EC	TBD	5	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	8	8:30 AM	EC	San Francisco	6	8:30 AM	EC	TBD
24	10:00 AM	AORMA	TBD	8	10:30 AM	BOD	San Francisco				
25	8:30 AM	EC	TBD								
25	10:30 AM	BOD	TBD								
				*** The EC and BOD meetings will be held during FTFC *** *** Crowne Plaza SFO Airport Hotel ***							

AORMA = Auxiliary Organizations Risk Management Alliance Committee

AIME = Athletic Injury Medical Expense Committee

AORMA LRP = AORMA Long Range Planning Meeting

AOA = CSU Auxiliary Organizations Association

BOD = CSURMA Board of Directors

EC = CSURMA Executive Committee

EC LRP = EC Long Range Planning Meeting

CSURMA AORMA PROGRAM ADMINISTRATOR’S 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	Van Rin Andrew Gaspari	vrin@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1412	415-874-4810 415-874-4810
General CSURMA Coverage Questions	Robert Leong Van Rin Amy Lightner Daniel Howell	rleong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1441 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
General AORMA Coverage Questions	Mimi Long Van Rin Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 415-403-1426	415-874-4810 415-874-4810 415-874-4810 415-874-4810
AIME	Stacey Weeks Robert Leong	sweeks@alliant.com rleong@alliant.com	415-403-1448 415-403-1441	415-874-4810 415-874-4810
Inland Marine	Van Rin Mimi Long Andrew Gaspari	vrin@alliant.com mlong@alliant.com andrew.gaspari@alliant.com	415-403-1408 415-403-1423 415-403-1412	415-874-4810 415-874-4810 415-874-4810
Participant Accident Insurance (PAI)	Van Rin Tevea Him	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 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 Amy Lightner Daniel Howell	mlong@alliant.com vrin@alliant.com amy.lightner@alliant.com dhowell@alliant.com	415-403-1423 415-403-1408 415-403-1457 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 Elaine (Kim) Tizon Sheila McClenaghan	rfrey@alliant.com dwalizada@alliant.com elaine.tizon@alliant.com sheila.mcclenaghan@alliant.com	415-403-1445 415-403-1453 415-403-1458 415-403-1492	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	La Shaunda Gaines Tevea Him Myron Leavell	lashaunda.gaines@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1489 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
CSU Chancellor's Office				
CSU Chancellor's Office	Leona Ching	lching@calstate.edu	562-951-4580	562-951-4859
	Robert Eaton	reaton@calstate.edu	562-951-4572	562-951-4971
	Zachary Gifford	zgifford@calstate.edu	562-951-4568	562-951-4859
	Martha Guiditta	mguiditta@calstate.edu	562-951-4557	562-951-4859
	Audra Reed	areed@calstate.edu	562-951-4564	562-951-4971
	Steve Relyea	srelyea@calstate.edu	562-951-4600	562-951-4971
	Jody VanLeuven	jvanleuven@calstate.edu	562-951-4574	
CSU Chancellor's Office Office of General Counsel	William Hsu Nada Moeiny	whsu@calstate.edu nmoeiny@calstate.edu	562-951-4500 562-951-4500	562-951-4956 562-951-4956
CSU Chancellor's Office Financial Services Division Systemwide Accounting & Reporting	Alice Kim Cindi Le Jessica Liu Tanaka	akim@calstate.edu cle@calstate.edu jliu@calstate.edu	562-951-4627 562-951-4651 562-951-4621	562-951-4865 562-951-4865 562-951-4865
Chancellor's Office Systemwide Professional Development	David Kervella Chris Fondacaro	dkervella@calstate.edu cfondacaro@calstate.edu	562-951-4403 562-951-4403	

Coverage	Contact	E-Mail Address	Office	Fax
Loss Control Consultants – Alliant Risk Control				
Alliant Risk Control Consulting	John Owen <i>Northern California</i>	jowen@alliant.com	916-643-2736	
	Kristina Loiselle <i>Southern California</i>	kloiselle@alliant.com	949-260-5042	
	Tim Leech <i>Central California</i>	tleech@alliant.com	949-260-5008	

CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
Unemployment Insurance Claims Administrator – Equifax				
Account Manager	Kevin Sullivan	kevin.sullivan@equifax.com	714-421-8145	
Unemployment Insurance Consultant & Unemployment Hearing Coordinator	Irene Wang	irene.wang@equifax.com	317-684-2885	866-219-8844
Claims Assistant Manager	Trisha Milton	trisha.milton@equifax.com	314-214-7883	

Coverage	Contact	E-Mail Address	Office	Fax
Human Resources Consulting – Employers Group				
Helpline	Mark Nelson	mnelson@employersgroup.com	213-765-3952 or 800-748-8484	
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	Helpline	helpline@employersgroup.com	800-748-8484	
Research and Surveys	Juan Garcia	jgarcia@employersgroup.com	213-765-3969	
Employee Opinion Survey	Megan Vallone	mvallone@employersgroup.com	213-765-3920	
Training Services	Somaly Heng	sheng@employersgroup.com	213-765-3962	
Employer Advocacy	Ken Tiratira	ktiratira@employersgroup.com	213-765-3915	



LIABILITY – CLAIMS REPORTING CONTACT

In the event of a loss, please contact:

Yumi Augustus
Litigation Manager
Carl Warren & Company
PO Box 2411
Tustin, CA 92781
csurma@carlwarren.com

or

yaugustus@carlwarren.com
Tel: 818-265-6765



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

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

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) Tizon, Claims Advocate	OR	Diana Walizada, Claims Unit Manager
Alliant Insurance Services, Inc.		Alliant Insurance Services, Inc.
E-mail: elaine.tizon@alliant.com		E-mail: dwalizada@alliant.com
Tel: 415-403-1458		Tel: 415-403-1453
Fax: 415-403-1466		Fax: 415-403-1466
Cell: 415-609-2133		Cell: 415-693-8714

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) Tizon, Claims Advocate **OR**

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

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) Tizon, Claims Advocate **OR**

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

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

Robert Frey, First Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
E-mail: rfrey@alliant.com
Tel: 415-403-1445
Fax: 415-403-1466
Cell: 415-518-8490

OR

Elaine (Kim) Tizon, Claims Advocate

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

AND COPY TO:

Sandra Doig
McLaren's

180 Montgomery Street, Suite 2100
San Francisco, CA 94104
Sandra.Doig@mclarens.com
Tel: 415-392-6034
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 and Medical Only Examiner
Sedgwick CMS

E-mail: biba.olson@sedgwickcms.com
Tel: 916-636-4439

Susan Neville
Adjuster, Northridge Auxiliary Only
Sedgwick CMS

E-mail: susan.neville@sedgwickcms.com
Tel: 916-636-4455



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 Equifax Workforce Solutions directly at:

Equifax Workforce Solutions

P.O. Box 283
St. Louis, MO 63166-0283

Kevin Sullivan

Account Manager
kevin.sullivan@equifax.com
(714) 421-8145

Irene Wang

UI Consultant/Hearing Coordinator
irene.wang@equifax.com
(314) 684-2885

Trisha Milton

Claims Assistant Manager
trisha.milton@equifax.com
(314) 214-7883

State Agency Response Center: (800) 829 -1510

Should you receive any calls from the state agencies directly, requesting information related to a claim, please provide them the above number.

UC Support: (866)723-4800 or
ucsupport@equifax.com

Should you encounter any issues logging into the UC Web Manager (CaseBuilder, Insight) application, please reach out to UC Support.

AORMA'S TRAVEL REIMBURSEMENT POLICY

ISSUE: Reasonable expenses associated with travel to and from the AORMA Committee meetings and CSURMA Board of Directors meetings are reimbursable by CSURMA. Attached is Policy & Procedure A-7 - CSURMA AORMA Travel Reimbursement Policy.

RECOMMENDATION: No action is requested on this item.

FISCAL IMPACT: None.

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

PUBLICATION: None.

ATTACHMENT(S):

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



CSURMA AORMA

POLICY AND PROCEDURE NO. A-7

SUBJECT: CSURMA AORMA TRAVEL REIMBURSEMENT
POLICY

ADOPTED: MARCH 21, 2013
AMENDED: MARCH 19, 2015
MARCH 9, 2017
SEPTEMBER 6, 2018

EFFECTIVE: MARCH 21, 2013

PURPOSE:

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

POLICY:

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

PROCEDURE:

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



- b) Completed State of California (or AUTHORIZED TRAVELER's member auxiliary organization) – Travel Expense Claim form
- c) Documentation of the purpose of the travel such as a copy of the agenda, presentation, etc. for the COVERED PURPOSE that the AUTHORIZED TRAVELER attended.

DEFINITIONS:

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

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

COVERED PURPOSES – covered purposes shall include attendance at meetings of the CSURMA AORMA Committee, standing committees, task group meetings, program presentations, member meetings, and approved professional development trainings. Any other COVERED PURPOSES must be approved for reimbursement by the AORMA Committee. The AORMA Committee Chair or designee is expected to attend the AOA Executive Committee meetings as the representative of the AORMA Committee and therefore reasonable expenses associated with travel to and from as well as participation in the AOA Executive Committee meetings are reimbursable by CSURMA. As directors on the CSURMA Board, AORMA Committee Members are expected to attend CSURMA Board of Directors meetings and therefore reasonable expenses associated with travel to and from as well as participation in the CSURMA Board of Directors meeting 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.

AORMA COMMITTEE MEMBERS

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 July 1, 2018

AORMA Committee
Ten voting members - two alternates - twelve members total
Effective at July 1, 2018

Committee	Seat	Member	Position	Campus	Type of Auxiliary	E-Mail	Telephone Number
AORMA	Chair	Dwayne Brummett	Associate Executive Director	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA	First Vice Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
AORMA	Second Vice Chair	Starr Lee	Director of Administration & Legal /Associate Executive Director	Monterey Bay	The University Corporation at Monterey Bay	stlee@csumb.edu	831-582-3000
AORMA	Seat 1	Bella Newberg	Associate Vice President, Business Dev	San Marcos	California State University San Marcos Corporation	newberg@csusm.edu	760-750-4700
AORMA	Seat 2	Chuck Kissel	Executive Director	Fullerton	CSU Fullerton Auxiliary Services Corporation	ckissel@fullerton.edu	657-278-4990
AORMA	Seat 3	Cecilia Ortiz	Director	Dominguez Hills	Loker Student Union	cortiz@csudh.edu	310-243-3854
AORMA	Seat 4	Russell Wittmeier	Human Resources Director	Chico	The CSU, Chico Research Foundation	rwittmeier@csuchico.edu	530-898-5731
AORMA	Seat 5	Trina Knight	Human Resources Director	Sacramento	University Enterprises, Inc., CSU Sacramento	trinak@csus.edu	916-278-7003
AORMA	Seat 6	Leslie Levinson	Chief Financial Officer	San Diego	San Diego State University Research Foundation	llevinson@mail.sdsu.edu	619-594-8941
AORMA	Seat 7	Bill Olmsted	Interim Executive Director	Sacramento	University Union Operation of CSUS, Inc.	olmsted@csus.edu	916-278-6744

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

CSURMA ADMINISTRATIVE SERVICE CALENDAR

ISSUE: This item is provided as information to advise the AORMA Committee of the various recurring administrative activities and when they take place over the course of the year. It includes items noting when they appear before the AORMA Committee, Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

RECOMMENDATION: It is recommended that the Committee review the CSURMA Administrative Service Calendar and provide direction to staff as appropriate.

FISCAL IMPACT: No direct fiscal impact is expected.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA Administrative Service Calendar

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
JANUARY 2018				
01/01/18	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed
01/02/18	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed
01/06/18	State Filing - Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Completed
01/06/18	State Filing - Joint Powers Authority - file with Secretary of State - As Needed	Alliant Staff	Tevea Him	In Process
01/06/18	State Filing - Financial Statement to the County Auditor and State Controller	Alliant Staff	Tevea Him	Completed
01/06/18	State Filing - Treasurers' Bond	Alliant Staff	Tevea Him	
01/07/18	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed
1/7-10/2018	CSURMA AOA CONFERENCE	Alliant Staff	Mimi Long	Completed
01/07/18	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
01/09/18	AORMA PC Meeting	Alliant Staff	Mimi Long	Completed
01/15/18	AIME Committee Meeting	Alliant Staff	Stacey Weeks	Completed
01/15/18	FORM 700 - JPA ADMIN sends Form 700 to CSURMA FILERS, including EC, BOD, AORMA, Standing Committees, and designated consultants, including identified Alliant personnel	Alliant Staff	Tevea Him	Completed
01/31/18	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed
01/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
FEBRUARY 2018				
02/01/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/01/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed
02/01/18	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed
02/01/18	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/01/18	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf	N/A
02/01/18	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf	Completed
02/01/18	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/01/18	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long	N/A
02/15/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
02/22/18	AORMA Program Committee Meeting (Teleconference) - Canceled	Alliant Staff	Mimi Long	Completed
MARCH 2018				
03/01/18	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	Completed
03/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	Completed
03/01/18	Chancellor's Office Services Budget Proposals	Alliant Staff	Mimi Long	Completed
03/01/18	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	Completed
03/01/18	Review of the CSURMA Master Investment Policy	Alliant Staff	Mimi Long	Completed
03/01/18	CSURMA Mid-Term Budget Amendments	Alliant Staff	Robert Leong	Completed
03/01/18	FORM 700 - Follow up No. 3 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
03/01/18	Review the Auxiliary Service Provider Report	Alliant Staff	Mimi Long	Completed
03/01/18	Appointment of the Campus Programs RPTG - Spring 2018 (FY 2019/2020)	Alliant Staff	Robert Leong	Completed
03/08/18	AORMA Committee Meeting	Alliant Staff	Mimi Long	Completed
03/08/18	CSURMA EC Meeting	Alliant Staff	Mimi Long	Completed
03/09/18	CSURMA EC LRP Meeting	Alliant Staff	Mimi Long	Completed
03/15/18	FORM 700 - Follow up - JPA ADMIN follows up with FILER, prepares status report for CSURMA EC review at Long Range Planning meeting	Alliant Staff	Tevea Him	Completed
03/20/18	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long	Completed

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
03/31/18	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him	Completed
APRIL 2018				
04/01/18	Campus Risk Pool Administrator verifies Campus Primary and Alternate representative remain in place by contacting campus representatives (i.e. ensure no leave of absence, retirement, change in duties, etc.)	Alliant Staff	Tevea Him	Completed
04/01/18	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him	Completed
04/01/18	Send out ballot for AORMA Committee term beginning on July 1, 2018	Alliant Staff	Tevea Him	Completed
4/23-24/2018	<i>Fitting the Pieces Together Conference, San Diego</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
04/25/18	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
04/25/18	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
04/25/18	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	
04/30/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
MAY 2018				
05/07/18	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	
05/01/18	Approval by EC Resolution allowing Treasurer to invest or reinvest funds (annual approval required - see Res 01-15 BOD)	BOD and Alliant Staff	Tevea Him	Completed
05/01/18	Approval of Conflict of Interest Code by BOD every even-number year - File with FPPC as required.	BOD and Alliant Staff	Tevea Him	Completed
05/04/18	Receive back all AORMA Committee ballots for the term beginning on July 1, 2018	Alliant Staff	Tevea Him	Completed
05/11/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
05/15/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
05/30/18	Send out appointment letters to the newly appointed AORMA Standing Committee Chairs for the term beginning on July 1, 2018	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/18	Send out appointment letters to the newly elected AORMA Committee members for the term beginning on July 1, 2018	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/18	Send out appointment letters to the newly elected Executive Committee members for the term beginning on July 1, 2018	AORMA Chair/Alliant Staff	Tevea Him	Completed
05/30/18	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2018	Alliant Staff	Tevea Him	Completed
05/30/18	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2018	Alliant Staff	Mimi Long	Completed
JUNE				
06/01/18	AORMA Liability Program - Reinsurance Recovery / EPL Deductible Recovery (verify w/ Yumi)	Carl Warren	Mimi Long	Completed
06/01/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
06/23/18	<i>AORMA Program Committee Meeting (Teleconference)</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2017 to June 30, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: Alliant Loss Control Services - July 1, 2017 to June 30, 2019</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2019</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2019</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2019</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: Agility - July 1, 2017 to June 30, 2019</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2019</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: Employers Group Service Corp - July 1, 2013 to June 30, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
06/30/18	<i>Expiring Contract: Sedgwick CMS - July 1, 2013 to June 30, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
06/30/18	<i>Expiring Contract: Witt O'Brien's, LLC (formally Witt Group Holdings, LLC) - July 1, 2014 to July 1, 2018</i>	Alliant Staff	Mimi Long	Completed
06/30/18	Request COI from all vendor's contract	Alliant Staff	Andrew Gaspari	Completed
JULY				
07/01/18	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long	Completed
07/01/18	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin	Completed
07/01/18	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin	Completed
07/04/18	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin	Completed
07/05/18	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long	Completed
07/07/18	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him	Completed
07/14/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/15/18	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong	Completed
07/15/18	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin	Completed
07/TBD/2018	AORMA Officers Retreat – TBD	AORMA Officers	Mimi Long	Completed
07/21/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed
07/28/18	FORM 700 - FORMS DUE TO FPPC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him	Completed
07/31/18	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong	Completed
07/31/18	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong	Completed
07/31/18	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin	Completed
07/31/18	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him	Completed
07/31/18	Survey legal counsel compensation and recommend to AORMA a fair and equitable maximum allowable hourly rate (every three years)	Liability TPA	Mimi Long	Completed
07/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
07/31/18	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong	Completed
07/31/18	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report	Alliant Staff	Robert Leong	Completed
AUGUST				
08/01/18	FORM 700 - JPA ADMIN sends entering and leaving office notices to AORMA FILERS who will be taking office on AORMA and Standing Committees	Alliant Staff	Tevea Him	Completed
08/01/18	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him	Completed
08/01/18	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him	Completed
08/01/18	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks	Completed
08/01/18	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long	Completed
08/01/18	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long	Completed
08/11/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
08/15/18	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long	Completed
08/31/18	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long	Completed
08/31/18	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long	Completed
08/31/18	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long	Completed
08/31/18	Completion of Financial Audit	CSU Accounting	Mimi Long	Completed

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
08/31/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him	Completed
Begin Task	Completion of the Public Self-Insurer's Annual Report for CSURMA (must be filed with the state by Oct 1st.)	Alliant Staff	Mimi Long	Completed
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long	In Process
SEPTEMBER				
09/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	Completed
09/01/18	Stewardship Report	Alliant Staff	Mimi Long	Completed
09/01/18	10/01 - EQ Renewal Anniversary	Alliant Staff	Daniel Howell	Completed
09/05/18	<i>AORMA Long Range Plan meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/05/18	<i>AORMA New Committee Member Orientation meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/06/18	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/06/18	<i>CSURMA EC Orientation Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/07/18	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/12/18	<i>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
09/14/18	CAJPA Standards review (2017 and every 3 years thereafter)	Alliant Staff	Mimi Long	N/A
09/15/18	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin	In Process
09/15/18	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	Completed
09/30/18	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin	In Process
09/30/18	Completion of the AORMA Committee (September Letter) updating all AORMA members on the funding and dividends approved for the upcoming fiscal year	Alliant Staff/AORMA C	Mimi Long	In Process
OCTOBER				
10/01/18	Request completion of the Liability application	Alliant Staff	Mimi Long	Completed
10/01/18	Update the CSURMA Tri-Fold based on June 30 financials.	Alliant Staff	Mimi Long	Completed
10/01/18	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long	Completed
10/15/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him	Completed
10/15/18	<i>AIME Committee Meeting</i>	<i>Alliant Staff</i>	<i>Stacey Weeks</i>	<i>Completed</i>
10/25/18	<i>AORMA Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
10/25/18	<i>CSURMA BOD NMO Meeting via Teleconference</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
10/26/18	<i>CSURMA BOD Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
10/26/18	<i>CSURMA EC Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	<i>Completed</i>
10/31/18	Government Compensation Report (request from CSU Accounting)	Accounting	Tevea Him	
10/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed
NOVEMBER				
11/01/18	Review CAJPA Accreditation Standard for new or reoccurring item	Alliant Staff	Tevea Him	
11/01/18	FORM 700 - Campus Risk Pool Administrator sends request to campus president to confirm appointments of primary and alternate representative to BOD (Note: AORMA Representatives are maintained through their election process)	Alliant Staff	Tevea Him	
11/28/18	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong	
11/28/18	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong	
11/28/18	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	N/A
11/30/18	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long	
11/30/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him	Completed
11/29/18	<i>AORMA Program Committee Meeting</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>	

CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS
DECEMBER				
12/01/18	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Risk Management	
12/01/18	Appointment of the Club Sport Insurance Programs RPTG - Spring 2019 (FY 2019/2020)	rob	Robert Leong	
12/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long	
12/06/18	AORMA Committee Meeting	Alliant Staff	Mimi Long	
12/07/18	CSURMA EC Meeting	Alliant Staff	Mimi Long	
12/15/18	FORM 700 - Campus Risk Pool Administrator sends revised Campus Primary and Alternate CSURMA BOD member listing to JPA ADMIN	Alliant Staff	Tevea Him	
12/15/18	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell	
12/30/18	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him	
12/31/18	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin	
12/31/18	Expiring Contract: Enterprises Rent A Car - January 1, 2018 - December 31, 2018	Alliant Staff	Mimi Long	