



# CSURMA EXECUTIVE COMMITTEE MEETING AGENDA

“This is an Open Public Meeting”

In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in publicly accessible places, including the Internet, at least ten (10) days in advance of the meeting.

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

1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach, CA
2. Dave Nakamura, Humboldt State University Center, 1 Harpst Street, Arcata, CA

Meeting Date:	March 8, 2018	Primary Location:	CSU Chancellor’s Office
Time:	2:30 PM to 7:00 PM		401 Golden Shore, Munitz Room
Dinner:	5:30 PM		Long Beach, CA 90802

Reconvene:	March 9, 2018
Time:	8:00 AM to 12:00 PM
Breakfast:	7:30 AM

Legend: **A** = Action  
**I** = Information  
**V** = Verbal  
**S** = Separate

## A. CALL TO ORDER

1. **Approval of the Agenda** A p. 5

## B. PUBLIC COMMENTS

## C. CONSENT CALENDAR A

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is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.*

1. **Approval of Minutes – January 7, 2018** p. 6  
*The Committee will be asked to approve the minutes from their last meeting.*
2. **Financial Report**
  - a. Draft Financial Statement at December 31, 2017 p. 13
  - b. Treasurer’s Quarterly Investment Report at December 31, 2017 p. 24
3. **Agreement to Provide Systemwide Training for Loss Control** p. 31  
*The Committee will be asked to approve the new agreement with SPD and continue to provide funding for the Systemwide loss control training as proposed*
4. **Witt O’Brien Consulting Services - Two-Year Contract Extension** p. 34  
*The Committee will be asked to delegate authority to the CSURMA Secretary-Auditor to approve a two-year extension of the existing Witt O’Brien’s contract*

5. **Sedgwick CMS Three-Year Contract Extension** p. 50  
*The Committee will be asked to delegate authority to the CSURMA Secretary-Auditor to approve a three-year extension of the existing contract with Sedgwick CMS for workers' compensation claims administration*

**D. GENERAL ADMINISTRATION**

1. **Annual Review of the CSURMA's Data Security Policies** A p. 84  
*The Committee will be asked to review the Data Security Policies of CSURMA*
2. **Annual Review of the Applicable Integrated CSU Administrative Manual Policies** A p. 89  
*The Committee will be asked to review the applicable sections and updates thereto of the Integrated CSU Administrative Manual which have been adopted by CSURMA and Adoption of Resolution No. 02-18 (EC)*
3. **CSURMA Master Investment Policy and Related Investment Policies and Adoption of Resolution No. 03-18 (EC)** A p. 97  
*The Committee will be asked to review and approve the CSURMA Master Investment Policy and Related Investment Policies and Adoption of Resolution No. 03-18 (EC)*
4. **FY 2017/2018 Midterm Budget Amendments and Adoption of Resolution No. 01-18 (EC)** A p. 125  
*The Committee will be asked to approve the mid-term amendments to the FY 17/18 budget and to adopt of Resolution 01-18 (EC)*
5. **Chancellor's Office Services Budget Proposal for FY 2018/2019** A p. 168  
*The Committee will be asked to approve the Chancellor's Office Services budget proposals for FY 18/19, taking action as appropriate*
6. **Excess Liability Program Insurance Renewals and Underwriter Meetings Report** A p. 176  
*The Committee will receive a verbal report on the Underwriters Meetings report and take action as appropriate.*
7. **CSAC EIA Workers' Compensation Program Costs Adjustment** A p. 192  
*The Committee will be asked to approve a ledger transfer between the Campus and AORMA programs.*
8. **FY 2018/2019 Operating Budget** A p. 193  
*The Committee will be asked to review and recommend approval for the FY 18/19 budget to the Board of Directors, with revisions as necessary*
9. **\*\*Presentation\*\* Owner Controlled Insurance Program (OCIP) Renewal** A p. 234  
*The Committee be asked to ratify the decision to bind the renewal OCIP program coverage for a five-year period.*
10. **Risk Management Innovation Grant Program** A p. 311  
*The Committee will be asked to review and approve, as appropriate, grant proposals*

- 11. Agility Recovery**  
*The Committee will be asked to review the usage and outcome reports and determine whether to continue the program for FY 18/19* **A** p. 318

**E. STANDING COMMITTEE REPORTS**

- 1. AIME Program Update**  
*The Committee will receive a verbal report of the AIME programs* **I** p. 348
- 2. AORMA Programs Update**  
*The Committee will receive a verbal report on the AORMA programs* **I** p. 349

- F. CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) – A**  
*Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.*

1. Chili vs SFSU
2. SF State Science Building Coverage Claim
3. Burns vs SDSU
4. SLO Hillside update / SLO Landslide (property loss)?
5. ADA accessibility claim against Cal Poly Pomona and Foundation
6. CalPERS adv. HSU Auxiliary
7. Apodaca v. CSU and ASI

**G. LONG RANGE ACTION PLANNING ITEMS**

- 1. Review of CSURMA FY 2017/2018 Long Range Action Plan** **I** p. 350  
*The Committee will be asked to review the FY 2017/18 Long Range Action Plan.*
- 2. \*\* Presentation \*\* Risk Management Information System (Ventiv) Update** **I** p. 355  
*The Committee will discuss the long-term benchmarking program and will hear an update on the Ventiv Phase I project.*
- 3. Campus Risk Pools Funding Status** **A** p. 356  
*The Committee will be asked to review the Campus estimated pool layer funding exhibits and take action as it deems appropriate.*
- 4. \*\* Presentation \*\* CSURMA CAJPA Operational Review Report** **A** p. 363  
*The Committee will hear a report regarding the Operational Review of CSURMA, taking action as it deems appropriate.*
- 5. GenSource Corporation – Campus Support for Alternate EH&S Software Package** **A** p. 364  
*The Committee will be asked to discuss an alternate to the UC Risk and Safety Solutions Software currently available to CSU, providing direction to Staff as appropriate.*

- 6. **Learning Management System for all CSU Students** A p. 369  
*The Committee will be asked to approve funding for a new LMS*
- 7. **Development of New Programs, Services and Projects** A p. 371  
*The Committee will be asked to discuss new programs, services and projects to be developed as part of the long range action plan.*
- 8. **Development of CSURMA Goals for Next One to Three Years** A p. 372  
*The Committee will discuss the items to be included on CSURMA's long range action plan for FY 18/19.*

**H. INFORMATION ITEMS**

- 1. **CSAC EIA Annual Report** p. 377  
*The Committee will review the CSAC EIA 2017 Annual Report*
- 2. **2018 CSURMA Meeting Calendar** p. 432  
*The Committee will review the 2018 CSURMA Meeting Calendar.*
- 3. **CSURMA Administrative Service Calendar** p. 434  
*The Committee will review the CSURMA Administrative Service Calendar*
- 4. **CSURMA Executive Committee & Staff Contact List** p. 440  
*The Committee will review the contact list, making revisions as appropriate*

**H. ADJOURNMENT A**

*The next CSURMA Executive Committee meeting is scheduled for Wednesday, April 25, 2018, at the conclusion of the Fitting the Pieces Together Conference in San Diego, CA.*

*If you have questions regarding the agenda package, please contact Mimi Long at [mlong@alliant.com](mailto:mlong@alliant.com) / (415) 403-1423 or Tevea Him at [thim@alliant.com](mailto: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 – JANUARY 7, 2018**

**ISSUE:** The Executive Committee will be asked to review and approve the draft minutes from its January 7, 2018 meeting.

**RECOMMENDATION:** It is recommended that the Executive Committee approve the minutes from its January 7, 2018, meeting, including corrections as necessary.

**FISCAL IMPACT:** None.

**BACKGROUND:** The minutes reflect the actions taken by the Executive Committee at its last meeting.

**PUBLICATION:** All CSURMA Executive Committee meeting minutes are posted on the CSURMA website once they are approved.

**ATTACHMENT(S):**

- a. CSURMA Executive Committee Meeting Minutes – January 7, 2018

**MINUTES OF THE  
CSURMA EXECUTIVE COMMITTEE MEETING**

**JANUARY 7, 2018**

**HYATT REGENCY SACRAMENTO  
1209 L Street, Sacramento, CA**

**3:30 PM**

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**MEMBERS PRESENT**

Scott Apel, California State University Long Beach  
Dwayne Brummett AORMA Vice-Chair, Associated Students, Inc. at San Luis Obispo (*arrived at 3:31pm*)  
Lisa Chavez (Vice-Chair), California State University Los Angeles  
Thom Davis, California State University, Bakersfield (*arrived at 3:34pm*)  
Robert Eaton (Treasurer), California State University, Office of the Chancellor  
Mike Lee (Chair), California State University, Sacramento  
Kevin Saunders, California State University, Monterey Bay (*arrived at 3:31pm*)  
Jody Van Leuven, California State University, San Bernardino

**MEMBERS ABSENT**

None

**STAFF, GUESTS & CONSULTANTS**

Andrew Gaspari, Alliant Insurance Services, Inc.  
Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
William Hsu, CSURMA General Counsel, CSU Office of the Chancellor (*via Teleconference*)  
Rob Leong, Alliant Insurance Services, Inc.  
Amy Lightner, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.  
Nada Moeiny, CSURMA General Counsel, CSU Office of the Chancellor (*via Teleconference*)

**A. CALL TO ORDER**

The meeting was called to order by the Chair, Mike Lee at 3:30 PM.

**A1. Approval of the Agenda**

A motion was made to approve the agenda as presented.

**MOTION:** Jody Van Leuven

**SECOND:** Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett				X
Lisa Chavez	X			
Thom Davis				X
Robert Eaton	X			
Mike Lee	X			
Kevin Saunders				X
Jody Van Leuven	X			

**MOTION CARRIED**

**B. PUBLIC COMMENTS**

There were no comments from the public.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – October 27, 2017**

**C2a. Financial Report – Treasurer’s Report**

A motion was made to approve the items within the consent calendar.

**MOTION:** Robert Eaton

**SECOND:** Scott Apel

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis				X
Robert Eaton	X			
Mike Lee	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D. GENERAL ADMINISTRATION**

**D1. Executive Committee Appointments / Nominations**

Daniel Howell noted that the following seats are up for re-election for a two-year term (July 1, 2018 to June 30, 2020):

- Chair: Currently held by Mike Lee
- Vice-Chair: Currently held by Lisa Chavez
- CSU Seat #3: Currently held by Scott Apel
- CSU Seat #4: Currently held by Kevin Saunders

Mike Lee appointed Robert Eaton, Thom Davis and Jody Van Leuven to serve on the Nominating Committee to seek nominations for the election to be held at the April 25, 2018 Board of Directors meeting. Eaton will serve as the Chair.

### D3. Excess Insurance Renewals and Underwriter Meetings Report

Daniel Howell provided a summary of the meetings with underwriters in London on November 13-14, 2017. CSURMA was represented by Timothy White, CSU Chancellor, Steven Relyea, CSU Executive Vice Chancellor, Robert Eaton, CSU Assistant Vice Chancellor, Financing, Treasury and Risk Management, Daniel Howell, CSURMA Program Director, P.J. Skarlanic, CSURMA Program Administrator and Amy Lightner, CSURMA Program Administrator. Over the two days of meetings there were over 10 meetings with over 25 market participants. The meetings focused on CSURMA's Excess Liability, Property, Fine Arts, SAFECLIP, SPLIP, and Medical Malpractice coverage programs. The meetings included discussion regarding the potential for CSURMA to retain more risk on the SAFECLIP and SPLIP programs, as well as establishment of a blanket student organization liability program modelled after SAFECLIP. Meetings with CSURMA's excess liability underwriters included discussion in response to industry concern for traumatic brain injury (TBI) claims by student athletes. The performance of the Fine Arts, Archives and Artifacts Program and renewal outlook was discussed considering the CSU's high claims costs. The impact of the significant catastrophic losses (Harvey, Irma and Maria hurricanes, Mexico Earthquakes and California Wildfires) was reviewed along with CSU's recent high cost claims on the property insurance renewal.

As summarized by Howell, the **Excess Liability** program has seen loss development in the first excess layers for both the AORMA and Campus programs. Staff anticipates rate increases in the lower layers and possible rate increases in the excess layers due to catastrophic losses impacting the entire marketplace. Underwriters have concerns about TBI injuries in professional and college sports and we anticipate pressure to reduce or eliminate the coverage, which may require changing our insurer partners. **Property** losses to both the AORMA and Campus programs has increased the past two years. While CSU performed well in the wet winter and recent wildfires, related losses and other losses continue to mount. Significant rate decreases in recent years will likely be partially eroded by increases this coming renewal. CSURMA has an existing two year rate agreement for **Workers' Compensation**. A current year increase in the number of temporary disability claims may reduce the ability to negotiate an additional FY 19/20 extension at favorable terms. The **Builders Risk** program is stable and the Program Administrator expects a flat rate renewal, though general market pressures due to catastrophic property losses may result in an increase. Rates are down 25% in recent years. The **Fine Arts** program was launched in 2016 and the Program Administrator anticipates underwriters will require a rate increase due to a loss ratio above 100% in the first 24 months of the program. Both the **SPLIP** and **SAFECLIP** programs

perform exceptionally well with no losses and rates will continue to drop. The loss ratio within **FTIP** has stabilized at a level acceptable to underwriters. Staff expects a flat rate renewal. The **Aviation** program has no losses and the market is soft. Staff expects a flat rate renewal or slight decrease; however, general market firming may come into play. The **Medical Malpractice** program is at minimum premiums and Staff expects a flat renewal; however, general market firming may come into play. **Fidelity** claims have remained low and Staff expects a premium decrease on renewal unless new claims materialize prior to renewal.

**D3. Liability Program Memoranda of Coverage – Medical Malpractice Endorsement**

Robert Leong explained that CSURMA provides Health & Medical Professional Liability coverage for physicians, dentists, pharmacists, optometrists, and all other health and medical professionals who are employed by the University. Because Medical Professional Liability is self-insured, the coverage is not specifically defined in the Memorandum of Liability Coverage (Liability MOC). Some campuses have received requests from employed physicians for a copy of the University’s medical malpractice liability insurance policy. The Liability MOC does not specifically address medical malpractice liability, but coverage is afforded because the MOC does not exclude it. Further, CSURMA’s reinsurance excludes physicians and other professionals such as dentists, but does provide coverage for some medical and health services. The proposed endorsement serves to provide documentation for CSURMA’s Medical Professional Liability coverage. The endorsement will be attached to the Liability MOC in effect now.

A motion was made to approve the Medical Malpractice endorsement as presented.

**MOTION:** Jody Van Leuven  
**SECOND:** Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**D4. Policies and Procedure (Even-Numbered)**

Mike Lee explained that Executive Committee adopted Resolution No. 04-13 (EC) directing review of the Authority’s Policies & Procedures on a regular basis to ensure administrative processes of the Authority and their documentation remain relevant and effective. The resolution defines the process for the Executive Committee to review even-numbered Policies & Procedures

in even-numbered calendar years, and odd-numbered Policies & Procedures in odd-numbered calendar years.

Rob Leong noted that Staff had reviewed all even-numbered Policies & Procedures and finds they reflect CSURMA’s current administrative practices, and therefore recommends no amendments to even-numbered Policies & Procedures Nos. from 2 to 24. Leong explained that Policy and Procedure No. 26 was revised to define how the property deductibles will apply when two or more buildings having different deductibles are damaged in the same loss occurrence. The Committee directed Staff to add to the next Rating Plan Task Group agenda a discussion regarding the ability of a Member to changes its property deductible mid-term.

A motion was made to approve the changes to Policy and Procedure No. 26 and to table the review of Policy and Procedure No. 20 until the March, 2018 meeting.

**MOTION:** Lisa Chavez  
**SECOND:** Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

**E. OTHER PROGRAMS**

**E1. AORMA Programs Update**

Dwayne Brummett reported on the recent activities of the AORMA Committee.

**E2. AIME Programs Update**

Jody Van Leuven reported that the AIME Committee had not met since the last report given to the Executive Committee on October 27, 2017. Their next meeting is scheduled for Monday, January 15<sup>th</sup>.

**F. CLOSED SESSION**

1. CalPERS Audit Finding regarding Humboldt State University Board of Directors
2. Chili vs SFSU

- 3. Burns vs SDSU**
- 4. Benjamin vs SSU**
- 5. Villarreal vs CSUMB**

A motion was made to enter closed session at 4:21 PM.

**MOTION:** Jody Van Leuven  
**SECOND:** Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Kevin Saunders	X			
Jody Van Leuven	X			

**MOTION CARRIED**

The Committee came out of closed session 4:41 PM. The Chair reported that no action was taken during the closed session.

**G. INFORMATION ITEMS**

The Committee reviewed the information items, but there was no discussion.

- G1. Review of FY 2017/2018 Long Range Planning Goals**
- G2. CSURMA Administrative Service Calendar**
- G3. 2018 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

**H. ADJOURNMENT**

The meeting was adjourned at 4:47 PM.

**FINANCIAL REPORT**  
**DRAFT FINANCIAL STATEMENT AT DECEMBER 31, 2017**

**ISSUE:** The Chancellor's Office Financial Services Accounting prepares Financial Statements for CSURMA. The Executive Committee is asked to review the Draft Financial Statement as a part of the Consent Calendar. The Chancellor's Office Finance Services Accounting will be available at the meeting to answer questions.

**RECOMMENDATION:** It is recommended that the Executive Committee review and accept the Draft Financial Statement at December 31, 2017 as a part of the Consent Calendar.

**FISCAL IMPACT:** None.

**BACKGROUND:** Financial Statements provide a status of CSURMA's financial position and are relied upon for decision making by the Executive Committee.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft Financial Statement at December 31, 2017

**California State University Risk Management Authority**  
**Member Aged Accounts Receivable**  
**As of 1/22/2018**

Client Name	31-60	61-90	91-120	Over 121	Balance
a Associated Students Inc, CSU Dominguez Hills	\$0.00	\$2,034.00	\$0.00	\$0.00	\$2,034.00
a Associated Students Inc, CSU Sacramento	\$0.00	\$9,535.00	\$0.00	\$0.00	\$9,535.00
a Cal Poly Corporation	\$1,655.00	\$440.00	\$20,585.00	\$0.00	\$22,680.00
a Cal Poly Pomona Foundation, Inc.	\$60.00	\$0.00	\$0.00	\$0.00	\$60.00
a California State University San Marcos Corporation	\$73,807.00	\$0.00	\$0.00	\$0.00	\$73,807.00
a CSU Fullerton Univ Auxiliary Services Corporation	\$0.00	\$0.00	\$0.00	\$3,832.00	\$3,832.00
a Humboldt State Univ Sponsored Programs Foundation	\$1,159.00	\$0.00	\$0.00	\$0.00	\$1,159.00
a The University Corporation, San Francisco State	\$0.00	\$135.00	\$0.00	\$610.00	\$745.00
a University Corporation at Monterey Bay	\$2,562.00	\$12,688.00	\$0.00	\$0.00	\$15,250.00
<b>Totals:</b>	<b>\$ 79,243.00</b>	<b>\$ 24,832.00</b>	<b>\$ 20,585.00</b>	<b>\$ 4,442.00</b>	<b>\$ 129,102.00</b>

a Member has indicated that payment will be processed this month.

**California State University Risk Management Authority  
Outstanding Member Loan Status  
As of 12/31/2017**

**Loan Pool: 15% of the overall average cash and investment for the preceding 12 months (Jan 2017 - Dec 2017)** **\$ 25,288,000**

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 12/31/2017	Outstanding Loan Balance 06/30/2017
CSU Sacramento	Jun 2019	May 2014	\$ 4,000,000	\$ 734,068	\$ 1,225,760
Humboldt State University *	Oct 2022	Jun 2017	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000 *
<b>Total Loans</b>			<b>\$ 8,335,000</b>	<b>\$ 2,534,068</b>	<b>\$ 3,025,760</b>

**Remaining Amount Available for Member Loans** **\$ 19,488,000**  
*(The remaining amount reflects CSU Sacramento Line of credit balance of \$3,265,932)*

**Per CSURMA P&P No. 10:**  
A single Member loan and its associated Member's Auxiliary Organizations shall not exceed 5% of the overall average cash and investments for the preceding 12 months **\$ 8,429,333**

\* HSU Advancement Foundation transferred their loan to HSU campus in June 2017

**California State University Risk Management Authority  
Travel Expenses Report**

Processed from July 1, 2017 to December 31, 2017

Travel Dates	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expenses	Total Amount
10/3-10/6/2017	Zachary Gifford	SB / Bakersfield / SLO / MB / SJ / EB / Sacramento	Campus Outreach with Daniel Howell	\$ 541.87	\$ 88.35	\$ 22.38	\$ 652.60
10/18/2017	Zachary Gifford	Yorba Linda	CalPRIMA Conference Charity Gold Tournament	\$ -	\$ -	\$ 28.15	\$ 28.15
10/19-10/20/2017	Zachary Gifford	Anaheim	President of CalPRIMA Conference	\$ -	\$ -	\$ 41.10	\$ 41.10
10/22-10/23/2017	Zachary Gifford	San Luis Obispo	Foreign Travel Insurance Program meeting with Stacey Weeks from Alliant at CPSU San Luis Obispo campus	\$ 101.88	\$ 53.88	\$ 194.36	\$ 350.12
11/02/2017	Zachary Gifford	Long Beach	NCURA Export Controls Workshop	\$ -	\$ -	\$ 13.00	\$ 13.00
11/10-11/15/2017	Steven Relyea	London	CSURMA Underwriting meeting with Robert Eaton, Timothy White, and Daniel Howell	\$ 1,530.24	\$ 111.68	\$ 619.73	\$ 2,261.65
11/11-11/15/2017	Robert Eaton	London	CSURMA Underwriting meeting with Steven Relyea, Timothy White, and Daniel Howell	\$ 788.85	\$ 61.11	\$ 3,135.35	\$ 3,985.31
11/30/2017	Zachary Gifford	Century City	CNA vs. CSUF Auxiliary Services	\$ -	\$ -	\$ 63.96	\$ 63.96
12/4-12/7/2017	Zachary Gifford	Sacramento / Chico / Arcata / San Francisco	Campus visits & AORMA meeting	\$ 506.91	\$ 66.78	\$ 274.04	\$ 847.73
12/17-12/19/2017	Zachary Gifford	San Francisco	Chili mediation at JAMS office	\$ 370.32	\$ 107.78	\$ 217.70	\$ 695.80
<b>10/01/2017 to 12/31/2017 Travel Expenses Processed</b>				<b>\$ 3,840.07</b>	<b>\$ 489.58</b>	<b>\$ 4,609.77</b>	<b>\$ 8,939.42</b>
<b>Previously Reported</b>							
7/13/2017	Zachary Gifford	Woodland Hills	CNA vs CSUF Auxiliary Services Deposition Preparation at Tobin Lucks Office	\$ -	\$ -	\$ 48.26	\$ 48.26
7/13-7/17/2017	Joseph Shepler	Tucson, AZ	CSHEMA Conference	\$ 639.00	\$ 133.44	\$ 922.77	\$ 1,695.21
7/17-7/18/2017	Zachary Gifford	San Diego	CSURMA AORMA Officers Retreat at Alliant	\$ 156.88	\$ 7.00	\$ 189.91	\$ 353.79
7/21/2017	Zachary Gifford	San Francisco / Monterey Bay	CSURMA Risk Console Implementation Project Kick-Off meeting at Alliant; AOA HR Committee Meeting Presentation with Daniel Howell at CSU Monterey Bay	\$ 212.93	\$ 12.04	\$ 332.60	\$ 557.57
7/28-8/1/2017	Zachary Gifford	Los Angeles / Cal Maritime	CNA Ins vs. CSU Deposition at Jeffrey Adleson's office; Cal Maritime campus meeting with Franz Lozano, Marianne Spotorno, Amy Lightner	\$ -	\$ -	\$ 184.25	\$ 184.25
8/9-8/10/2017	Zachary Gifford	San Francisco / Oakland	Glazier mediation at JAMS office; WC Stewardship meetings at Sedgwick office	\$ 290.59	\$ 47.54	\$ 225.71	\$ 563.84
9/6-9/8/2017	Zachary Gifford	Sacramento	AORMA LEP, AORMA Committee, and EC meetings at Alliant office	\$ 241.10	\$ 49.07	\$ 333.61	\$ 623.78
9/28-9/29/2017	Zachary Gifford	Oakland	Alliant, Sedgwick, Genex, CWCI (California WC Institute) meetings	\$ 206.78	\$ 50.23	\$ 102.89	\$ 359.90
<b>07/01/2017 to 09/30/2017 Travel Expenses Processed</b>				<b>\$ 1,747.28</b>	<b>\$ 299.32</b>	<b>\$ 2,340.00</b>	<b>\$ 4,386.60</b>
<b>GRAND TOTAL</b>				<b>\$ 5,587.35</b>	<b>\$ 788.90</b>	<b>\$ 6,949.77</b>	<b>\$ 13,326.02</b>

# California State University Risk Management Authority

## Balance Sheet - Campus Programs as of 12/31/2017

(Unaudited)

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>IDL/NDI/UI</u>	<u>Property</u>	<u>AIME</u>	<u>Auto Liability</u>	<u>Total Campus Programs as of 12/31/2017</u>
<b>Assets:</b>							
Cash and Investments	6,238,600	10,490,935	1,179,551	987,266	960,137	(84,364)	19,772,124
Other long-term investments	34,594,121	57,211,097	6,425,905	5,110,529	5,221,815	0	108,563,467
Accounts receivable	1,351,247	869,017	0	32,374	0	0	2,252,638
Loan receivable	0	0	0	0	0	0	0
Reinsurance receivable	0	68,633	0	0	0	0	68,633
Accrued interest receivable	(0)	0	0	0	0	0	(0)
Prepaid insurance	1,276,398	15,160,145	1,153	1,938,808	8,196	386,417	18,771,117
Prepaid expense	229,741	2,120,780	9,587	475,235	338,331	0	3,173,674
<b>Total assets:</b>	<b><u>43,690,107</u></b>	<b><u>85,920,606</u></b>	<b><u>7,616,195</u></b>	<b><u>8,544,212</u></b>	<b><u>6,528,480</u></b>	<b><u>302,053</u></b>	<b><u>152,601,652</u></b>
<b>Liabilities:</b>							
Accounts payable	72,570	3,645,644	2,015,933	3,263	101,782	0	5,839,192
Unearned revenue	6,928,221	18,168,811	7,500,000	1,809,744	2,253,165	414,755	37,074,695
SELF assessment liability	0	6,818,219	0	0	0	0	6,818,219
Reported claims	12,475,774	26,647,833	0	0	110,893	0	39,234,500
Claims incurred but not reported	10,985,689	13,056,845	0	0	2,217,851	0	26,260,385
<b>Total liabilities:</b>	<b><u>30,462,253</u></b>	<b><u>68,337,351</u></b>	<b><u>9,515,933</u></b>	<b><u>1,813,007</u></b>	<b><u>4,683,691</u></b>	<b><u>414,755</u></b>	<b><u>115,226,991</u></b>
Fund balance	13,227,854	17,583,254	(1,899,738)	6,731,205	1,844,789	(112,703)	37,374,661
<b>Total liabilities and fund balance</b>	<b><u>43,690,107</u></b>	<b><u>85,920,606</u></b>	<b><u>7,616,195</u></b>	<b><u>8,544,212</u></b>	<b><u>6,528,480</u></b>	<b><u>302,053</u></b>	<b><u>152,601,652</u></b>

# California State University Risk Management Authority

## Balance Sheet - AORMA Programs as of 12/31/2017

(Unaudited)

	<u>AORMA Liability</u>	<u>AORMA Workers' Comp</u>	<u>AORMA Property</u>	<u>AORMA Crime</u>	<u>AORMA UIP</u>	<u>Total AORMA Programs as of 12/31/2017</u>
<b>Assets:</b>						
Cash and Investments	1,528,406	1,085,368	353,175	69,821	762,601	3,799,370
Other long-term investments	8,114,440	6,408,258	1,963,058	407,441	5,251,793	22,144,990
Accounts receivable	132,357	169,623	17,965	6,799	22,223	348,967
Loan receivable	0	0	0	0	0	0
Reinsurance receivable	0	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0	0
Prepaid insurance	105,246	2,151,409	153,050	89,163	149	2,499,017
Prepaid expense	513,008	223,191	110,888	8,698	13,197	868,982
<b>Total assets:</b>	<b><u>10,393,457</u></b>	<b><u>10,037,849</u></b>	<b><u>2,598,135</u></b>	<b><u>581,923</u></b>	<b><u>6,049,962</u></b>	<b><u>29,661,326</u></b>
<b>Liabilities:</b>						
Accounts payable	1,246,910	601,063	821	110	305,761	2,154,665
Unearned revenue	1,395,826	244,994	499,721	138,882	31,648	2,311,070
SELF assessment liability	0	0	0	0	0	0
Reported claims	617,924	2,166,536	0	0	0	2,784,460
Claims incurred but not reported	829,780	1,709,404	0	0	0	2,539,184
<b>Total liabilities:</b>	<b><u>4,090,440</u></b>	<b><u>4,721,996</u></b>	<b><u>500,541</u></b>	<b><u>138,992</u></b>	<b><u>337,409</u></b>	<b><u>9,789,379</u></b>
Fund balance	6,303,016	5,315,852	2,097,594	442,931	5,712,553	19,871,947
<b>Total liabilities and fund balance</b>	<b><u>10,393,457</u></b>	<b><u>10,037,849</u></b>	<b><u>2,598,135</u></b>	<b><u>581,923</u></b>	<b><u>6,049,962</u></b>	<b><u>29,661,326</u></b>

# California State University Risk Management Authority

## Balance Sheet - Miscellaneous Programs as of 12/31/2017

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Loans	Total Misc Programs 12/31/2017	Grand Total All Programs 12/31/2017
<b>Assets:</b>						
Cash and Investments	(31,134)	737,571	66,844	(395,422)	377,859	23,949,353
Other long-term investments	(171,146)	4,066,613	363,172	(2,138,646)	2,119,993	132,828,450
Accounts receivable	9,079	0	103,147	0	112,226	2,713,831
Loan receivable	0	0	0	2,534,068	2,534,068	2,534,068
Reinsurance receivable	0	0	0	0	0	68,633
Accrued interest receivable	0	0	0	(0)	(0)	(0)
Prepaid insurance	0	347,068	96,079	0	443,147	21,713,281
Prepaid expense	0	36,158	37,258	0	73,415	4,116,071
<b>Total assets:</b>	<b>(193,201)</b>	<b>5,187,409</b>	<b>666,500</b>	<b>0</b>	<b>5,660,707</b>	<b>187,923,685</b>
<b>Liabilities:</b>						
Accounts payable	0	387,908	143	0	388,050	8,381,907
Unearned revenue	0	0	218,386	0	218,386	39,604,152
SELF assessment liability	0	0	0	0	0	6,818,219
Reported claims	0	0	0	0	0	42,018,960
Claims incurred but not reported	0	0	0	0	0	28,799,569
<b>Total liabilities:</b>	<b>0</b>	<b>387,908</b>	<b>218,529</b>	<b>0</b>	<b>606,436</b>	<b>125,622,806</b>
Fund balance	(193,201)	4,799,501	447,971	0	5,054,271	62,300,879
<b>Total liabilities and fund balance</b>	<b>(193,201)</b>	<b>5,187,409</b>	<b>666,500</b>	<b>0</b>	<b>5,660,707</b>	<b>187,923,685</b>

**California State University Risk Management Authority**  
**Income Statement - Campus Programs as of 12/31/2017**  
(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
<b>OPERATING REVENUES:</b>							
Contributions	8,336,536	18,168,810	7,500,000	4,464,973	2,253,165	414,755	41,138,239
Reinsurance premiums	(925,508)	0	0	(2,640,792)	0	0	(3,566,299)
<b>Total operating revenues:</b>	<b>7,411,028</b>	<b>18,168,810</b>	<b>7,500,000</b>	<b>1,824,181</b>	<b>2,253,165</b>	<b>414,755</b>	<b>37,571,940</b>
<b>OPERATING EXPENSES:</b>							
<b>DIRECT PROGRAM EXPENSES:</b>							
Claims payment & legal expenses	5,223,273	6,911,121	8,489,775	1,697,775	1,261,393	0	23,583,337
Deductible recoveries	(2,889,527)	0	0	0	0	0	(2,889,527)
Claims administrators	0	1,832,936	38,066	0	100,000	0	1,971,002
Claims management information system	36,025	57,898	12,861	7,026	3,838	0	117,648
Program administrator	134,536	354,751	86,482	108,254	5,294	0	689,317
Brokerage commissions	177,432	105	42	272,553	1,224	0	451,356
Insurance premiums	1,730,273	15,157,347	0	834,723	9,639	386,417	18,118,398
Actuarial services	4,932	5,712	173	102	2,803	0	13,722
Miscellaneous program services	11	0	0	0	0	0	11
Workshops/training	16,349	26,432	8,231	5,007	0	0	56,019
Loss control	159,665	14,240	0	31,588	0	0	205,493
Reinsurance/excess recovery	0	(5,485,653)	0	0	0	0	(5,485,653)
Program committee	0	0	0	0	1,802	0	1,802
Dividend distributions	3,304,943	3,722,665	0	0	0	0	7,027,608
<b>Total direct program expenses:</b>	<b>7,897,911</b>	<b>22,597,554</b>	<b>8,635,630</b>	<b>2,957,028</b>	<b>1,385,992</b>	<b>386,417</b>	<b>43,860,531</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>							
Financial audit	5,505	12,847	5,303	2,917	1,593	0	28,164
Executive committee & board expenses	220	513	212	116	64	0	1,124
JPA insurance	1,209	2,828	1,164	642	349	0	6,192
Memberships, associations & dues	2,561	13,357	343	209	106	0	16,576
Chancellor's office accounting services	28,899	67,447	27,842	15,313	8,360	0	147,861
Risk management expenses	73,170	170,756	70,489	38,766	21,176	0	374,357
Miscellaneous indirect services	3,285	5,690	2,227	1,262	674	0	13,139
<b>Total general &amp; administrative expenses:</b>	<b>114,849</b>	<b>273,438</b>	<b>107,579</b>	<b>59,225</b>	<b>32,322</b>	<b>0</b>	<b>587,413</b>
<b>Total operating expenses:</b>	<b>8,012,760</b>	<b>22,870,992</b>	<b>8,743,210</b>	<b>3,016,253</b>	<b>1,418,314</b>	<b>386,417</b>	<b>44,447,944</b>
<b>NON-OPERATING REVENUES:</b>							
Investment income	78,220	115,850	67,162	20,459	6,207	0	287,897
<b>Total non-operating revenues:</b>	<b>78,220</b>	<b>115,850</b>	<b>67,162</b>	<b>20,459</b>	<b>6,207</b>	<b>0</b>	<b>287,897</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>14,251,365</b>	<b>22,169,586</b>	<b>(723,690)</b>	<b>7,902,818</b>	<b>503,731</b>	<b>(141,041)</b>	<b>43,962,769</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>(500,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>13,751,365</b>	<b>22,169,586</b>	<b>(723,690)</b>	<b>7,902,818</b>	<b>1,003,731</b>	<b>(141,041)</b>	<b>43,962,769</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(523,511)</b>	<b>(4,586,331)</b>	<b>(1,176,048)</b>	<b>(1,171,613)</b>	<b>841,058</b>	<b>28,338</b>	<b>(6,588,108)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>13,227,854</b>	<b>17,583,254</b>	<b>(1,899,738)</b>	<b>6,731,205</b>	<b>1,844,789</b>	<b>(112,703)</b>	<b>37,374,661</b>

**California State University Risk Management Authority**  
**Income Statement - AORMA Programs as of 12/31/2017**  
(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
<b>OPERATING REVENUES:</b>						
Contributions	2,071,794	2,500,904	1,171,226	138,882	447,089	6,329,894
Reinsurance premiums	(668,137)	0	(671,395)	0	0	(1,339,533)
<b>Total operating revenues:</b>	<b>1,403,656</b>	<b>2,500,904</b>	<b>499,831</b>	<b>138,882</b>	<b>447,089</b>	<b>4,990,361</b>
<b>OPERATING EXPENSES:</b>						
<b>DIRECT PROGRAM EXPENSES:</b>						
Claims payment & legal expenses	524,677	1,105,466	117,261	0	681,650	2,429,054
Deductible recoveries	(94,582)	0	0	0	0	(94,582)
Claims administrators	7,500	112,080	0	0	15,023	134,603
Claims management information system	3,521	3,857	1,751	263	1,653	11,044
Program administrator	304,603	130,470	209,774	8,439	15,191	668,477
Brokerage commissions	36,173	13	97,088	7,862	6	141,141
Insurance premiums	104,930	2,151,065	60,592	89,142	0	2,405,729
Actuarial services	5,049	5,556	28	4	29	10,666
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	4,070	2,744	1,430	188	1,451	9,884
Loss control	39,754	42,575	12,788	647	4,491	100,255
Reinsurance/excess recovery	0	(525,884)	0	0	0	(525,884)
Program committee	1,896	2,073	960	128	890	5,947
Dividend distributions	1,118,476	531,921	0	0	0	1,650,397
<b>Total direct program expenses:</b>	<b>2,056,066</b>	<b>3,561,936</b>	<b>501,673</b>	<b>106,672</b>	<b>720,384</b>	<b>6,946,732</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>						
Financial audit	1,449	1,584	734	98	680	4,545
Executive committee & board expenses	58	63	29	4	27	181
JPA insurance	318	349	162	22	151	1,001
Memberships, associations & dues	9	1,388	5	1	6	1,409
Chancellor's office accounting services	7,608	8,317	3,851	515	3,572	23,864
Risk management expenses	19,260	21,055	9,751	1,303	9,044	60,412
Miscellaneous indirect services	617	688	331	44	304	1,984
<b>Total general &amp; administrative expenses:</b>	<b>29,319</b>	<b>33,444</b>	<b>14,863</b>	<b>1,985</b>	<b>13,784</b>	<b>93,396</b>
<b>Total operating expenses:</b>	<b>2,085,386</b>	<b>3,595,380</b>	<b>516,537</b>	<b>108,657</b>	<b>734,168</b>	<b>7,040,128</b>
<b>NON-OPERATING REVENUES:</b>						
Investment income	10,845	722	3,230	102	6,989	21,889
<b>Total non-operating revenues:</b>	<b>10,845</b>	<b>722</b>	<b>3,230</b>	<b>102</b>	<b>6,989</b>	<b>21,889</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>6,973,901</b>	<b>6,409,607</b>	<b>2,111,069</b>	<b>412,604</b>	<b>5,992,643</b>	<b>21,899,825</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>6,973,901</b>	<b>6,409,607</b>	<b>2,111,069</b>	<b>412,604</b>	<b>5,992,643</b>	<b>21,899,825</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(670,884)</b>	<b>(1,093,754)</b>	<b>(13,476)</b>	<b>30,327</b>	<b>(280,090)</b>	<b>(2,027,878)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>6,303,016</b>	<b>5,315,852</b>	<b>2,097,594</b>	<b>442,931</b>	<b>5,712,553</b>	<b>19,871,947</b>

**California State University Risk Management Authority**  
**Income Statement - Miscellaneous Programs as of 12/31/2017**  
(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
<b>OPERATING REVENUES:</b>					
Contributions	214,022	1,316,704	185,740	1,716,466	49,184,599
Reinsurance premiums	0	0	0	0	(4,905,832)
<b>Total operating revenues:</b>	<b>214,022</b>	<b>1,316,704</b>	<b>185,740</b>	<b>1,716,466</b>	<b>44,278,767</b>
<b>OPERATING EXPENSES:</b>					
<b>DIRECT PROGRAM EXPENSES:</b>					
Claims payment & legal expenses	0	0	21,808	21,808	26,034,199
Deductible recoveries	0	0	0	0	(2,984,109)
Claims administrators	0	0	4,667	4,667	2,110,272
Claims management information system	0	5,230	299	5,529	134,221
Program administrator	0	0	0	0	1,357,794
Brokerage commissions	68,275	15,292	8,425	91,991	684,488
Insurance premiums	394,603	3,529,248	83,613	4,007,463	24,531,591
Actuarial services	0	76	4	80	24,468
Miscellaneous program services	0	0	0	0	11
Workshops/training	0	0	0	0	65,902
Loss control	0	0	0	0	305,748
Reinsurance/excess recovery	0	0	0	0	(6,011,537)
Program committee	0	0	0	0	7,749
Dividend distributions	0	0	0	0	8,678,005
<b>Total direct program expenses:</b>	<b>462,877</b>	<b>3,549,845</b>	<b>118,816</b>	<b>4,131,538</b>	<b>54,938,801</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>					
Financial audit	0	2,163	127	2,290	35,000
Executive committee & board expenses	0	86	5	91	1,397
JPA insurance	0	476	28	504	7,697
Memberships, associations & dues	0	14	1	15	18,000
Chancellor's office accounting services	0	11,357	669	12,026	183,750
Risk management expenses	0	28,750	1,694	30,443	465,212
Miscellaneous indirect services	0	936	48	984	16,107
<b>Total general &amp; administrative expenses:</b>	<b>0</b>	<b>43,782</b>	<b>2,572</b>	<b>46,354</b>	<b>727,163</b>
<b>Total operating expenses:</b>	<b>462,877</b>	<b>3,593,627</b>	<b>121,387</b>	<b>4,177,892</b>	<b>55,665,964</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	0	0	(2,063)	(2,063)	307,723
<b>Total non-operating revenues:</b>	<b>0</b>	<b>0</b>	<b>(2,063)</b>	<b>(2,063)</b>	<b>307,723</b>
<b>BEGINNING RETAINED EARNINGS</b>	<b>55,653</b>	<b>7,076,425</b>	<b>385,682</b>	<b>7,517,760</b>	<b>73,380,353</b>
<b>ADJUSTMENTS TO RETAINED EARNINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ADJUSTED RETAINED EARNINGS</b>	<b>55,653</b>	<b>7,076,425</b>	<b>385,682</b>	<b>7,517,760</b>	<b>73,380,353</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(248,855)</b>	<b>(2,276,923)</b>	<b>62,290</b>	<b>(2,463,489)</b>	<b>(11,079,474)</b>
<b>ENDING RETAINED EARNINGS</b>	<b>(193,201)</b>	<b>4,799,501</b>	<b>447,971</b>	<b>5,054,271</b>	<b>62,300,879</b>

**California State University Risk Management Authority**  
**Income Statement as of 12/31/2017**  
(Unaudited)

	Budget vs. Actual			
	FY 2017/18 Budget	Year-to-Date 12/31/2017	Variance	Percent of Budget
<b>OPERATING REVENUES:</b>				
Contributions	100,263,631	49,184,599	51,079,032	49.06 %
Reinsurance premiums	(9,984,559)	(4,905,832)	(5,078,727)	49.13 %
<b>Total operating revenues:</b>	<b>90,279,072</b>	<b>44,278,767</b>	<b>46,000,305</b>	<b>49.05 %</b>
<b>OPERATING EXPENSES:</b>				
<b>DIRECT PROGRAM EXPENSES:</b>				
Claims payment & legal expenses	62,538,116	26,034,199	36,503,917	41.63 %
Deductible recoveries	(6,050,000)	(2,984,109)	(3,065,891)	49.32 %
Claims administrators	4,206,920	2,110,272	2,096,648	50.16 %
Claims management information system	84,999	134,221	(49,222)	157.91 %
Program administrator	2,738,950	1,357,794	1,381,156	49.57 %
Brokerage commissions	1,588,892	684,488	904,404	43.08 %
Insurance premiums	48,022,571	24,531,591	23,490,980	51.08 %
Taxes, assessments & fees	265,500	0	265,500	0.00 %
Actuarial services	386,000	24,468	361,532	6.34 %
Claims audit	22,000	0	22,000	0.00 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	24,500	0	24,500	0.00 %
Miscellaneous program services	10,000	11	9,989	0.11 %
Workshops/training	229,000	65,902	163,098	28.78 %
Loss control	964,426	305,748	658,679	31.70 %
Reinsurance/excess recovery	(17,927,963)	(6,011,537)	(11,916,426)	33.53 %
Program committee	0	7,749	(7,749)	0.00 %
Dividend distributions	1,712,755	8,678,005	(6,965,250)	506.67 %
<b>Total direct program expenses:</b>	<b>98,832,666</b>	<b>54,938,801</b>	<b>43,893,865</b>	<b>55.59 %</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>				
Financial audit	35,000	35,000	0	100.00 %
Executive committee & board expenses	34,036	1,397	32,639	4.10 %
JPA insurance	16,000	7,697	8,303	48.11 %
Memberships, associations & dues	35,000	18,000	17,000	51.43 %
Chancellor's office accounting services	367,500	183,750	183,750	50.00 %
Risk management expenses	1,034,500	465,212	569,288	44.97 %
JPA legal	108,150	0	108,150	0.00 %
Miscellaneous indirect services	15,000	16,107	(1,107)	107.38 %
<b>Total general &amp; administrative expenses:</b>	<b>1,645,186</b>	<b>727,163</b>	<b>918,023</b>	<b>44.20 %</b>
<b>Total operating expenses:</b>	<b>100,477,852</b>	<b>55,665,964</b>	<b>44,811,888</b>	<b>55.40 %</b>
<b>NON-OPERATING REVENUES:</b>				
Investment income	2,500,000	307,723	2,192,277	12.31 %
<b>Total non-operating revenues:</b>	<b>2,500,000</b>	<b>307,723</b>	<b>2,192,277</b>	<b>12.31 %</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(7,698,780)</b>	<b>(11,079,474)</b>	<b>3,380,694</b>	<b>143.91 %</b>

**FINANCIAL REPORT**  
**TREASURER'S QUARTERLY INVESTMENT REPORT AT**  
**DECEMBER 31, 2017**

**ISSUE:** California Government Code Section 53646(b)(1) requires that the CSURMA Treasurer submit a Quarterly Investment Report stating that all investments are in compliance with the current investment policy and that CSURMA has sufficient funds to meet its expenditure requirements for the next six months. The CSURMA Treasurer will be on hand to address questions.

**RECOMMENDATION:** It is recommended that the Executive Committee review the Treasurer's Report ending December 31, 2017.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Certification of Funds Letter dated February 13, 2018
- b. CSURMA Investment Report - October 1, 2017 to December 31, 2017



California State University Risk Management Authority

**Officers**


**Ming Tung (Mike) Lee**  
Chair - 916-278-6312

**Lisa Chavez**  
Vice Chair - 323-343-3500

**Robert Eaton**  
Treasurer - 562-951-4572

**Zachary Gifford**  
Secretary-Auditor - 562-951-4568

**To:** Executive Committee  
CSU Risk Management Authority

**From:** Robert Eaton   
Treasurer  
CSU Risk Management Authority

**Re:** Quarterly Investment Report  
Ending December 31, 2017

**Date:** February 13, 2018

Government Code Section 53646(b)(1) requires the Authority's Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending December 31, 2017. The report contains a portfolio summary which includes market value, return, yield, weighted average maturity (WAM), and duration for each of CSURMA Investment Portfolios: Fixed Income Portfolio with TCW (Met West) and CSU's SWIFT Portfolio.

The funds held in investments are sufficient to meet the Authority's cash-flow needs for the following six (6) months. The investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

Robert Eaton  
Treasurer  
CSU Risk Management Authority

# CSURMA

## Quarterly Investment Report

October 1, 2017 - December 31, 2017

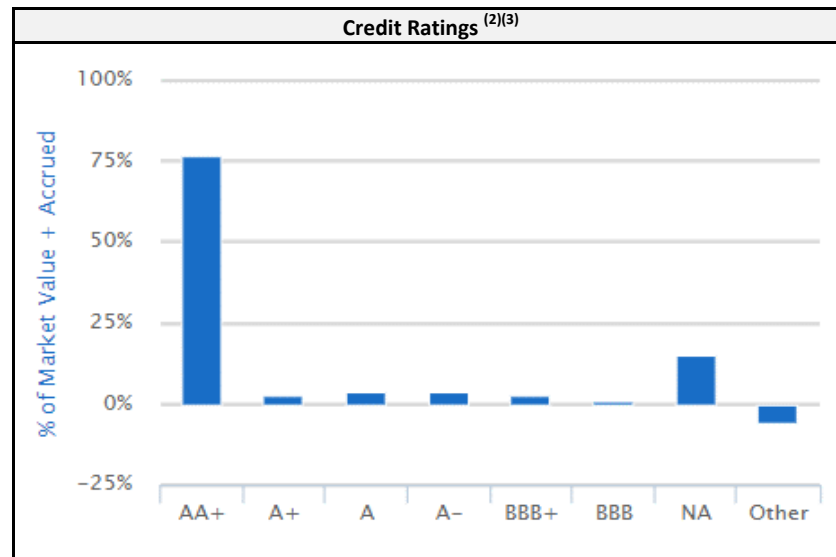
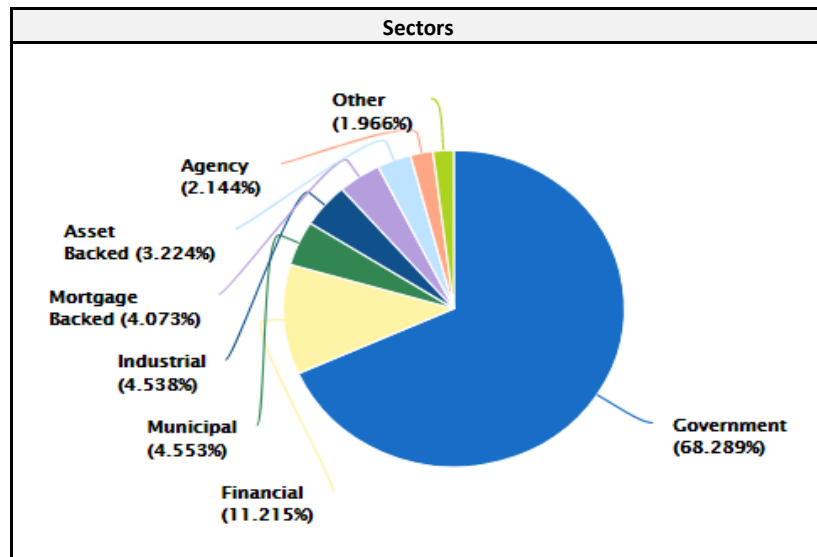
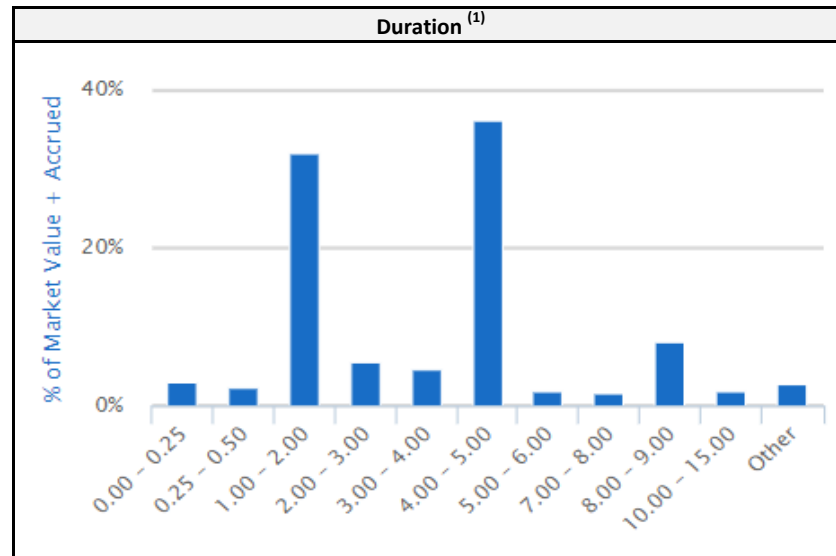
Prepared by Treasury

# California State University Risk Management Authority

## Fixed Income Portfolio (Auxiliary Investment Platform)

As of 12/31/2017

Portfolio Summary Total	
Total Assets	132,828,450
Duration	3.850
Yield	2.348
Avg Credit Rating	AA-/Aa3
QE Performance	-0.313%



<sup>(1)</sup> The Other category combines duration ranges and in aggregate equals 2.694% of the portfolio.

<sup>(2)</sup> The Other category contains assets that do not fall within the seven specific charted credit ratings. These assets make -5.734% of the portfolio and include the following ratings: AAA, AA, AA-, BBB- and A-1+. The Other category is negative due to a net payable balance of \$13.5 million for unsettled trades that are classified in the AAA credit rating.

<sup>(3)</sup> The NA category contains assets that do not have credit ratings available. These assets make up 15.241% of the portfolio. The NA balance is unusually high due to a balance in the amount of \$ 15.2 million held in a Government Money Market fund to cover the unsettled trades shown as a payable balance in the "Other" category in footnote (2). The net between the payable balance and money market fund balance is approximately \$1.7 million or 1.28% of market value.

# California State University Risk Management Authority

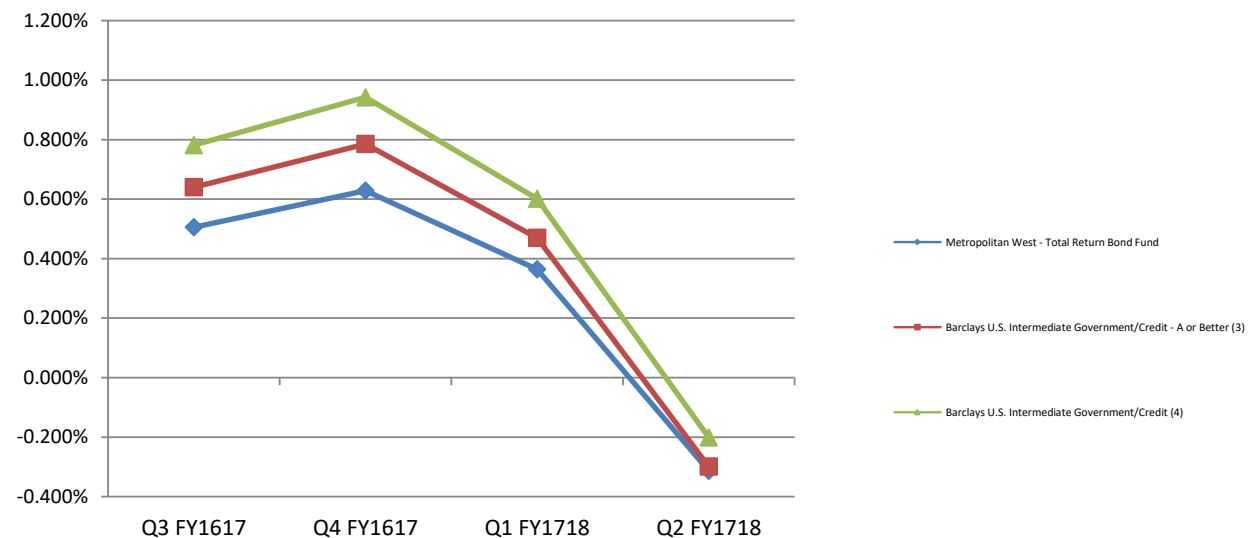
## Fixed Income Portfolio (Auxiliary Investment Platform)

### Performance Summary

Period Ending 12/31/2017

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	12/31/2017	10/01/17 - 12/31/17	01/01/17 - 12/31/17	01/01/15 - 12/31/17	01/01/13 - 12/31/17	07/01/07 - 12/31/17			
Metropolitan West - Total Return Bond Fund	132,828,450	-0.313%	1.186%	0.835%	0.837%	3.357%	2.348	5.397	3.850
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>		-0.299%	1.602%	1.447%	1.228%	2.747%	2.222	4.181	3.880
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>		-0.201%	2.137%	1.760%	1.501%	3.145%	2.376	4.348	4.006

Account / Index	Q3 FY1617	Q4 FY1617	Q1 FY1718	Q2 FY1718	Trailing 12 Month <sup>(1)</sup>
	01/01/17 - 03/31/17	04/01/17 - 06/30/17	07/01/17 - 09/30/17	10/01/17 - 12/31/17	01/01/17 - 12/31/17
Metropolitan West - Total Return Bond Fund	0.505%	0.628%	0.364%	-0.313%	1.186%
Barclays U.S. Intermediate Government/Credit - A or Better <sup>(3)</sup>	0.640%	0.785%	0.470%	-0.299%	1.602%
Barclays U.S. Intermediate Government/Credit <sup>(4)</sup>	0.781%	0.942%	0.601%	-0.201%	2.137%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

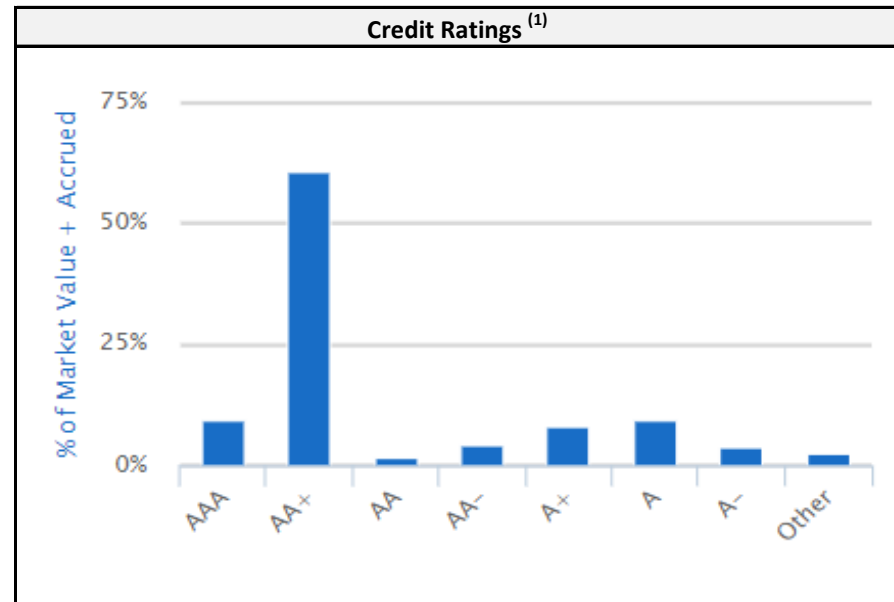
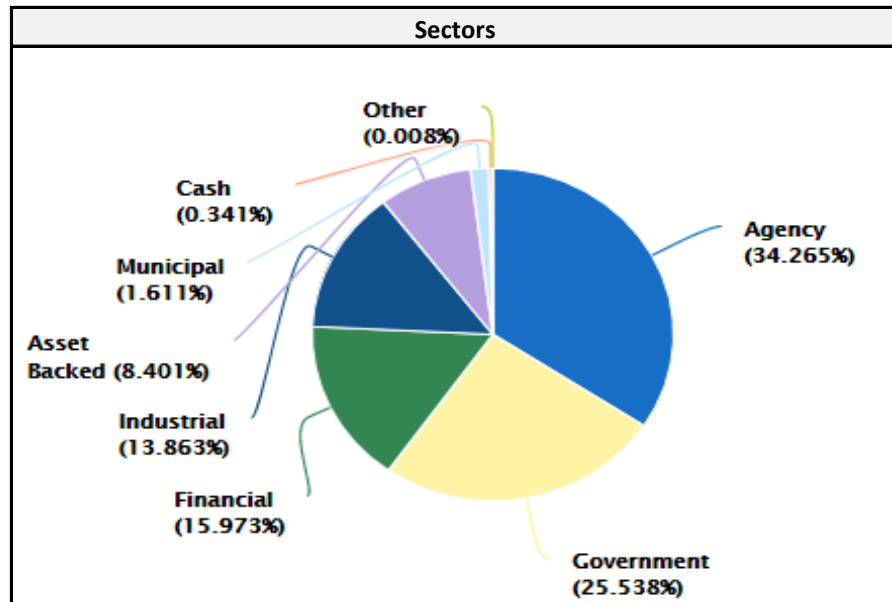
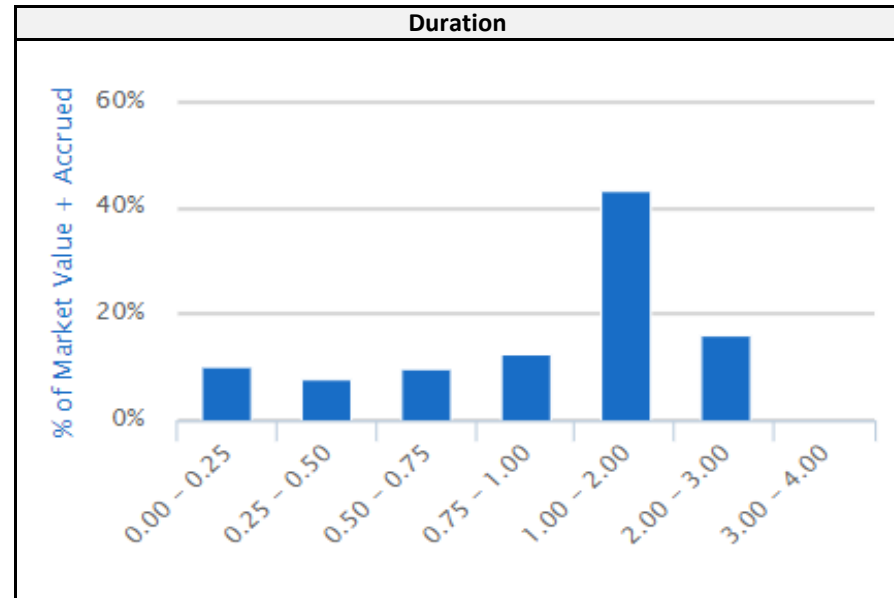
(3) Portfolio Benchmark as of 05/2014.

(4) Portfolio Benchmark prior to 05/2014.

# California State University SWIFT Portfolio

As of 12/31/2017

Portfolio Summary Total	
Total Assets	24,334,894
Duration	1.238
Yield	1.879
Avg Credit Rating	AA-/Aa3
QE Performance	0.007%



<sup>(1)</sup> The other bucket contains assets that do not fall within the top seven credit ratings.

# California State University Risk Management Authority

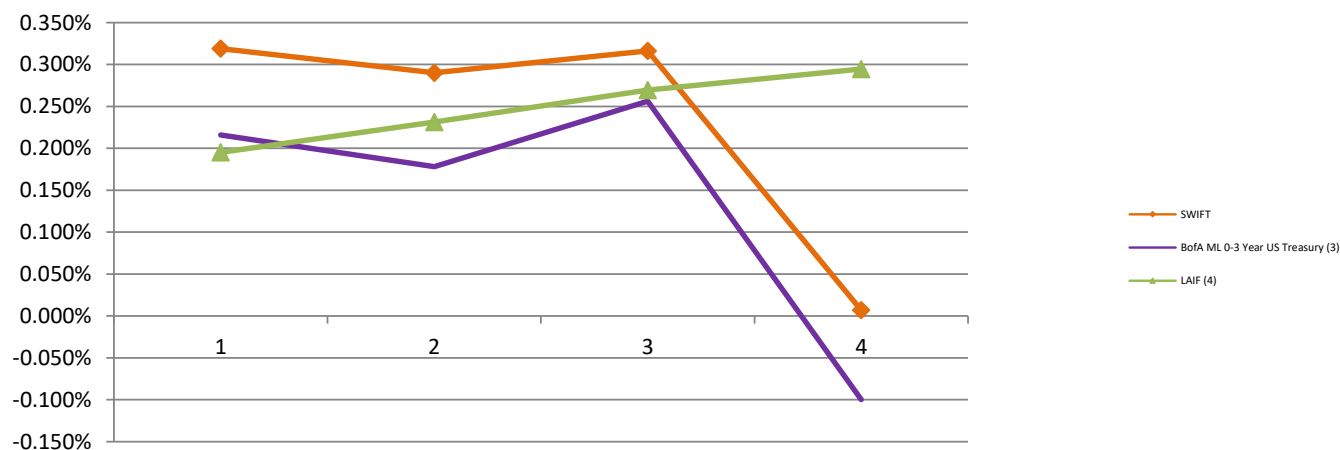
## SWIFT Portfolio

### Performance Summary

Period Ending 12/31/2017

Account / Index	Market Value	3 Month <sup>(1)</sup>	Trailing 12 Month <sup>(1)</sup>	Trailing 3 Year <sup>(1)</sup>	Trailing 5 Year <sup>(1)</sup>	Since Inception <sup>(1)</sup>	Yield	WAM <sup>(2)</sup>	Duration
	12/31/17	10/01/17 - 12/31/17	01/01/17 - 12/31/17	01/01/15 - 12/31/17	01/01/13 - 12/31/17	07/01/07 - 12/31/17			
SWIFT - CSU Systemwide Investment Fund Trust	24,334,894	0.007%	0.935%	0.851%	0.722%	1.243%	1.879	1.443	1.238
BofA ML 0-3 Year US Treasury <sup>(3)</sup>		-0.100%	0.551%	0.587%	0.503%	1.527%	1.780	1.464	1.421
LAIF - Local Agency Investment Fund <sup>(4)</sup>		0.295%	0.995%	0.630%	0.481%	1.017%	1.184		

Account / Index	Q3 FY1617	Q4 FY1617	Q1 FY1718	Q2 FY1718	Trailing 12 Month <sup>(1)</sup>
	01/01/17 - 03/31/17	04/01/17 - 06/30/17	07/01/17 - 09/30/17	10/01/17 - 12/31/17	01/01/17 - 12/31/17
SWIFT	0.319%	0.290%	0.316%	0.007%	0.935%
BofA ML 0-3 Year US Treasury <sup>(3)</sup>	0.216%	0.178%	0.256%	-0.100%	0.551%
LAIF <sup>(4)</sup>	0.195%	0.231%	0.269%	0.295%	0.995%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

(3) SWIFT Portfolio Benchmark

(4) LAIF returns calculated by CSUCO Treasury

**AGREEMENT TO PROVIDE SYSTEMWIDE TRAINING FOR LOSS CONTROL**

**ISSUE:** Systemwide Professional Development (SPD) negotiated a new contract with United Educators and will transition CSU's online training away from LawRoom. SPD has revised the existing agreement with CSURMA to provide systemwide loss control training.

**RECOMMENDATION:** Staff recommends that the Committee approve the new agreement with SPD and continue to provide funding for the systemwide loss control training as proposed in the agreement.

**FISCAL IMPACT:** There are two cost associated with the systemwide loss control training - \$40,000 for the SkillSoft EHS contract and content; and, \$30,000 for the United Educators' employment practices, cyber security and legal/statutory compliance training. The invoice from United Educators will be split between CSURMA, CSU Human Resources, and CSU Information Technology Services. The \$30,000 represents CSURMA's portion of the total.

**BACKGROUND:** None.

**PUBLICATION:** Staff will work with SPD to notify members, as appropriate, of this change.

**ATTACHMENT(S):**

- a. Systemwide Risk Management and Systemwide Professional Development Agreement to Provide Systemwide Training for Loss Control

**To:** Robert Eaton  
Acting Deputy Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

**From:** David Kervella  
Senior Director  
Systemwide Professional Development

**CC:** Zachary Gifford  
~~Robin Innes~~ [Chris Fondacaro](#)

**Date:** ~~June 26, 2014~~ [February 7, 2018](#)

**Re:** Systemwide Risk Management and Systemwide Professional Development  
Agreement to Provide Systemwide Training for Loss Control

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This memo outlines the ongoing services provided by Systemwide Professional Development (SPD) to Systemwide Risk Management (SRM) to provide loss control training in the areas of Environmental Health and Safety (EHS), ~~via Skillsoft and~~ employment practices, cyber security, and legal/statutory compliance ~~via LawRoom~~. These services are to be funded by the California State University Risk Management Authority (CSURMA). CSURMA has been funding SPD's EHS library, and SPD would like to update the commitment of services and funding between SPD and SRM. ~~In addition, SPD has signed a five year agreement with LawRoom that is renewed on a yearly basis.~~

#### Skillsoft

- SPD will administer the SkillSoft EHS contract and content for the approximately 45,000 California State University employees through our learning management system. The yearly invoice from the vendor will be fully charged to CSURMA. SPD will be paying the full invoice in January of every year and will be asking CSURMA for a reimbursement of \$40,000 every year for the duration of the Skillsoft contract to offset the content and services provided.

#### LawRoom United Educators

- SPD will administer the LawRoom-United Educators contract and content for the approximately 45,000 California State University employees through our learning management system. The yearly invoice from the vendor will be split between CSURMA, Systemwide

Human Resources, and Information Technology Services. SPD will be paying the full invoice in ~~June~~ January of every year and will be asking CSURMA for a reimbursement of up to \$30,000 every year for the duration of the ~~LawRoom-United Educators~~ contract to offset the content and services provided.

~~SPD is in the process of prorating its agreements with SkillSoft so they are all billed in January of every year. Therefore, SPD had submitted a partial invoice this year to accommodate the proration we received from the vendor from June to January. I will advise you of any changes.~~

SPD agrees to continue the services and SRM agrees to continue providing funding for the SRM (CSURMA) portion of those services through the current contracts with the vendors, with the option to renew upon review by both SPD and SRM.

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David Kervella  
Senior Director  
Systemwide Professional Development

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Robert Eaton  
Acting Deputy Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

**WITT O'BRIEN CONSULTING SERVICES**  
**TWO-YEAR CONTRACT EXTENSION**

**ISSUE:** Witt O'Brien's provides emergency services consulting for the California State University System under an agreement dated July 1, 2012 between Witt Group Holdings, LLC and CSURMA. The agreement is renewable for successive two-year periods. The current service term is July 1, 2016-18. Witt O'Brien's has proposed the following scope of work during the period July 1, 2018 and June 30, 2019 is as follows:

- Task 1: Chancellor's Office Preparedness and Resiliency
- Task 2: Presidents and Senior Management Training Seminar
- Task 3: CSU System Emergency Management and Business Continuity Affinity Groups Support
- Task 4: System-Wide Coordination Resource Guide
- Task 5: CSU System Public Information Officer Training
- Task 6: Provide strategic advisory, representation, and technical services as needed
- Task 7: System-Wide Emergency Management Program Review – Follow-up
- Task 8: Support Systemwide Mitigation Plan (pending receipt of FEMA grant funding)

**RECOMMENDATION:** The Executive Committee is asked to review the Witt O'Brien's proposed scope of services for July 1, 2018 to June 30, 2019, and also to delegate authority to the CSURMA Secretary-Auditor, in coordination with the CSURMA Legal Counsel, to execute a new two-year addendum to the existing agreement.

**FISCAL IMPACT:** The annual fee of \$130,000 is included in the operating budget for FY 17/18 and the proposed budget for FY 18/19.

**BACKGROUND:** Witt O'Brien's provides emergency services consulting for the California State University System under an agreement between Witt Group Holdings LLC and CSURMA. The original two-year agreement was effective July 1, 2012 and is renewable for successive two-year periods subject to adjustments of costs and fees to be agreed upon in writing.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Scope of work and project outline for the period July 1, 2018 to June 30, 2019
- b. Witt O'Brien's Professional Services Agreement (2016 – 2018)

**Amendment #3 for Extension to Professional Services Agreement  
Between Witt O'Brien's, LLC and  
California State University Risk Management Authority**

This Third Amendment of the Agreement for Professional Services (this "Third Amendment") is made and entered into as of February 26, 2018, between California State University Risk Management Authority ("Client") and Witt O'Brien's, LLC ("Consultant").

Whereas, California State University Risk Management Authority and Witt O'Brien's, LLC entered into an Agreement for Professional Services on July 1, 2012 ("Agreement").

Whereas California State University Risk Management Authority and Witt O'Brien's, LLC entered into a First Amendment for Professional Services on May 27, 2014 ("First Amendment");

Whereas California State University Risk Management Authority and Witt O'Brien's, LLC entered into a Second Amendment for Professional Services on April 20, 2016 ("Second Amendment").

Whereas, Client and Consultant desire to amend the Agreement in accordance with the terms and conditions described below.

Now, therefore, in consideration of the terms and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Client and Consultant hereby agree as follows:

1. Section 3, Period of Performance, shall be amended as follows: The period of performance under the Agreement shall be from July 1, 2018 to July 1, 2020. The Agreement may thereafter, by mutual written agreement, be renewed for a successive two (2) year period. The renewal will be issued under the same terms and conditions as the Agreement, unless otherwise agreed to by the parties at that time.
2. Section 2, Scope of Work, is amended to add the attached scope of work as listed below for the period of July 1, 2018 – June 30, 2019. By no later than June 1, 2019, Consultant will provide an additional Scope of Work and Project Outline for the period July 1, 2019 – June 30, 2020, for review and approval of Client
3. Section 4, Fees and Payment, shall be amended to include the fees and payment chart listed below.
4. Other Terms and Conditions: All other terms and conditions of the basic Agreement remain in full force and effect.

IN WITNESS WHEREOF, Client and Consultant have executed this Amendment as of the date first above written:

Signature Page Follows  
**California State University,  
Risk Management Authority**

**Witt O'Brien's, LLC**

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Signature

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Signature

---

Name (Typed or Printed)

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Name (Typed or Printed)

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Title and Date

---

Title and Date

## **Witt O'Brien's and CSU System Contract July 1, 2018 – June 30, 2019 Scope of Work and Project Outline**

This document outlines proposed emergency management projects for both the CSU Chancellor's Office (CO) and the CSU System based on a continuation of successful preparedness programs, current emergency management needs, and inclusion of good practices and trends in higher education emergency management. These projects can be changed or adjusted as necessary, based on the needs of the CO and any emergency incidents that may affect the CSU System.

Witt O'Brien's will perform the following services:

### **Tasks specific to Chancellor's Office Emergency Management**

#### **Task 1: Chancellor's Office Preparedness and Resilience: Emergency Plans, Training, and Exercises. (\$130,000)**

##### *1. a. EOC Training and Exercises*

Assist the Chancellor's Office Emergency Manager with special training and exercises on an as-needed basis. This could include scenario-based exercises, and trainings related to emergency management plans and procedures, continuity plans, procedures for the CO, and coordination with external partners and guest speakers.

##### *1. b. Emergency Management Plan (EMP) and Emergency Annexes*

Witt O'Brien's will work with the Chancellor's Office Emergency Manager to provide updates to the CSU CO EMP as needed. This will involve reviewing and updating the various components of the plan. We will support development of specific annexes in coordination with the EMP. We will also provide forms and other guidance from FEMA and national standards, as needed.

##### *1. c. Continuity Planning –Departmental Continuity Annexes Update*

Witt O'Brien's will work with the Chancellor's Office Emergency Manager to assist with supporting the CO departments in development of their business impact analysis (BIA) data, including critical functions analysis, and in updating their existing plans.

##### *1. d. Provide Annual Update/Refresher to Chancellor and Campus Policy Groups*

Witt O'Brien's will provide annual update to the CO Chancellor and Policy Group, with new information related to good practices for executive policy group teams in response to emergencies and continuity events. If requested, we could also provide a two-hour 2018 update training seminar for the Chancellor and Cabinet.

*1. e. Multi-year Training and Exercise Plan (MYTEP)*

Witt O'Brien's will continue to assist the Chancellor's Office Emergency Manager in establishing training and exercises over a multi-year horizon. The MYTEP schedule includes: establish preparedness goal for the calendar year; scheduling exercises and drill to support the goals; outlining a schedule of trainings for CO EOC staff and others to support preparedness; and outlining program activities designed to meet the preparedness goal. Training and exercise focus areas could include: intentional human-caused threats such as cyber security, demonstrations, or acts of violence; human-caused accidents such as hazmat spills or fires; and natural hazards such as earthquakes and floods.

*1. g. Chancellor Office Staff Personal and Family Preparedness and Emergency Communications.*

Witt O'Brien's will assist the CO with developing tools and activities aimed to support the CO staff with enhancing their personal and their family's preparedness in the event of an emergency. This could involve education, communications plan templates, etc.

*1. h. Fire Code Compliance Support to the CO and system-wide*

Our team will support the CO and systemwide efforts toward meeting fire code compliance activities, including education, outreach, support of good practices, and integration of fire code awareness and compliance into preparedness activities.

## **Tasks Specific to Support of the CSU System-Wide Emergency Management**

### **Task 2: Presidents and Senior Emergency Management Training Seminar. (\$50,000)**

Witt O'Brien's will assist in promoting the availability of the Sr. Manager Training Seminars, and to work with campus emergency preparedness coordinators/directors to provide a robust, half-day emergency management training seminar for the campus Presidents and Senior Campus Management, to be conducted throughout the fiscal year (2018/2019) preferably on a regional, and/or campus by campus basis. This training will include:

- Executive Summary of the Campus Emergency Operations Plans (EOPs) Project.
- The Role of the Policy Group/Senior Executives, and Case Studies of successes and challenges.
- Crisis Communications, Reputation Management, and Public Perception.
- Tabletop Exercise.

Following this training, the CSU Presidents will have an enhanced concept of emergency management in general, their essential role in the process, the status of their specific campus emergency management program, and recent trends requiring focused attention.

### **Task 3: CSU System Emergency Management and Business Continuity Affinity Groups Support. (\$40,000)**

Witt O'Brien's will assist both the CSU System Emergency Managers Affinity Group, and the Business Continuity Coordinators Affinity Group with system-wide efforts that may include:

- Attending Affinity Group bi-monthly meetings and providing subject matter expertise as requested.
- Support and attend the annual EM Affinity Group Conference. Support any similar activities by the BC Affinity Group.
- Support development of revised Executive Orders and technical memos related to EM and BC programs.
- Conducting research and compiling information about good practices in higher education emergency management.
- Providing tools and resources to enhance the emergency management and business continuity programs at the campuses (e.g. plan templates, exercise scenarios, etc.).
- Provided expanded EOP Hazmat Annex template for campuses that would address hazmat by rail, crude by rail, pipeline, and chemical storage risks to campuses.
- Create and Active Shooter and Act of Violence Guidance Resource Guide or other material for affinity groups.
- Conducting training and exercise sessions for the emergency managers and business continuity coordinators (these may be conducted via webinar or in-person regionally or at conferences).

Witt O'Brien's will serve as a resource for the Emergency Managers and Continuity Coordinators in order to help enhance the campus emergency management and business continuity programs and increase consistency and collaboration system-wide.

### **Task 4: System-Wide Coordination Resources. (\$45,000)**

Witt O'Brien's will assist the Chancellor's Office and the Emergency Management Affinity Groups in identifying ways for the Chancellor's Office to assist campuses in an emergency response, how campuses should coordinate with each other in an emergency, and notification and communication requirements and recommendations between campuses and other local or state entities. The effort will include the following.

- Additional development of the Campus Emergency Management Mutual Aid Agreement (CEMMA).
- Support augmenting use of VEOCI software to support inter-and intra-campus coordination and management of major campus incidents. Develop templates for CO and system.
- Conduct regional coordination workshop(s) for EMs and Sr. VPs on campus. These might include an active shooter scenario, and other scenarios as developed in coordination with regional representatives.

- Identify Federal and State financial resources (e.g., post-disaster mitigation grants) for CSU System resiliency efforts such as development of mitigation plan. Support the grant application process as needed and assist with development of system plans, especially a Hazard Mitigation Plan.

**Task 5: CSU System Public Information Officer Training. (\$15,000)**

Witt O'Brien's will be available to work with the Assistant Vice Chancellor for Public Affairs to assist in developing and conducting PIO training for communications and public affairs staff from all of the CSU campuses and the Chancellor's Office as needed. These trainings may consist of Federal Emergency Management Agency (FEMA) PIO courses and/or training sessions using scenario-based discussions and exercises.

**Task 6: Provide strategic advisory, representation, and technical services as needed. (\$15,000)**

Witt O'Brien's will provide support to CSU CO initiatives including:

- Fitting the Pieces Conference
- California Higher Education conference
- Other representation as requested

We will also provide public assistance consulting support to campuses or CO as needed following a disaster, and provide a Public Assistance Seminar (or series of webinars) for CSU Campus finance officers related to intricacies of FEMA public assistance program.

**Task 7: CSU Risk Management Authority (CSURMA) Support. (\$5,000)**

Witt O'Brien's will provide assistance to CSURMA as needed and requested, including providing requested information on work completed, and a training seminar for the CSURMA Board of Directors, regular status presentations, and yearly reports.

**Task 8: Support Development of CSU Systemwide Mitigation Plan.**

This task is contingent on receipt of FEMA post-disaster mitigation funding that is available following the 2017 federally declared disasters in California. The work will be contingent on planning once potential grant money is provided. Work would include:

- Develop systemwide mitigation planning strategy
- Engage campuses toward developing their "Participating Campus" sections, with specific risk assessments and mitigation strategies
- Engage with Cal OES as needed for review

## Estimated Cost Structure

**Compensation.** For the services as described above, Consultant shall be compensated as follows:

<b>CSU Chancellor's Office July 1, 2018 – June 30, 2019</b>		
<b>Tasks related to Chancellors Office Emergency Management Program</b>		
		<i><b>BUDGET</b></i>
Task 1	Chancellor's Office Preparedness and Resiliency: Emergency Plans, Training, and Exercises	\$130,000
<b>Tasks related to CSU System-Wide Emergency Management Program</b>		
Task 2	Presidents and Senior Management Training Seminar	\$50,000
Task 3	CSU System Emergency Management and Business Continuity Affinity Groups Support	\$40,000
Task 4	System-Wide Coordination Resources	\$45,000
Task 5	CSU System Public Information Officer Training	\$15,000
Task 6	Provide strategic advisory, representation, and technical as needed	\$15,000
Task 7	CSU Risk Management Authority (CSURMA) Support	\$5,000
Task 8	Support Systemwide Mitigation Plan (pending receipt of FEMA grant funding)	
	Expenses are included in the tasks	
	<b>TOTAL</b>	<b>\$300,000</b>

The above costs include Witt O'Brien's out-of-pocket expenses reasonably associated with services performed and will be reimbursed by CSU in accordance with Witt O'Brien's expense reimbursement policy. Hours spent traveling by Witt O'Brien's personnel for tasks under this project will not be billed to the project, in accordance with CSU policies.

## **Amendment #2 for Extension to Professional Services Agreement Between Witt O'Brien's, LLC and California State University Risk Management Authority**

This Second Amendment of the Agreement for Professional Services (this "Second Amendment") is made and entered into as of April 20, 2016, between California State University Risk Management Authority ("Client") and Witt O'Brien's, LLC ("Consultant").

Whereas, California State University Risk Management Authority and Witt O'Brien's, LLC entered into an Agreement for Professional Services on July 1, 2012 ("Agreement").

Whereas California State University Risk Management Authority and Witt O'Brien's, LLC entered into a Second Amendment for Professional Services on May 27, 2014 ("First Amendment").

Whereas, Client and Consultant desire to amend the Agreement in accordance with the terms and conditions described below.

Now, therefore, in consideration of the terms and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Client and Consultant hereby agree as follows:

1. Section 3, Period of Performance, shall be amended as follows: The period of performance under the Agreement shall be from July 1, 2016 to July 1, 2018, and shall be automatically renewed at the same terms and conditions for additional one year periods subject to amendments changing the scope or terms of the contract.
2. Appendix B, Scope of Work, shall be amended to add Appendix B-1 for additional Scope of Work.
3. Appendix C, Compensation, shall be amended to add Appendix C-1 for additional funding and expenses in the amount of \$300,000.00.
4. Other Terms and Conditions: All other terms and conditions of the basic Agreement remain in full force and effect.

IN WITNESS WHEREOF, Client and Consultant have executed this Amendment as of the date first above written:

**California State University,  
Risk Management Authority**

**Witt O'Brien's, LLC**

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Signature

---

Signature

Zachary Gifford

\_\_\_\_\_  
Name (Typed or Printed)

\_\_\_\_\_  
Name (Typed or Printed)

CSURMA Secretary-Auditor

\_\_\_\_\_  
Title

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Title

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Date

\_\_\_\_\_  
Date

This contract has been reviewed and approved by CSURMA legal counsel.

\_\_\_\_\_  
William Hsu, CSURMA Legal Counsel

\_\_\_\_\_  
Date

## APPENDIX B-1 Witt O'Brien's and CSU System Contract July 1, 2016 – June 30, 2017 Scope of Work and Project Outline

This document outlines proposed emergency management projects for both the CSU System and for the Chancellor's Office (CO) based on a continuation of successful preparedness programs, current emergency management needs, and inclusion of best practices and trends in higher education emergency management. These projects can be changed or adjusted as necessary, based on the needs of the CO and any emergency incidents that may affect the CSU System.

Witt O'Brien's will perform the following services:

### Tasks specific to Chancellor's Office Emergency Management

#### Task 1: Chancellor's Office Emergency Plans, Training, and Exercises (\$60,000)

##### 1.a. *EOC Training – Quarterly Trainings and Exercises*

Witt O'Brien's will conduct quarterly trainings and exercises for the CSU CO Emergency Operations Center (EOC) staff in coordination with the Assistant Vice Chancellor, Strategic Initiatives and Support Services. These trainings will cover emergency management plans and procedures for the CO, continuity of government plans and procedures for the CO, coordination with external partners, guest speaker presentations, and scenario-based exercises.

##### 1.b. *Emergency Management Plan: Emergency Operations and Business Continuity*

Witt O'Brien's will work with the CO to provide edits and updates to the CSU CO Emergency Management Plan as needed following after action findings from exercises and trainings. The CSU CO Emergency Management Plan describes both response and continuity actions that must be taken by the CO in an emergency to protect its staff and facilities and continue its essential functions. The plan includes activation and operation of the Emergency Operations Center (EOC), building management and evacuation information, roles and responsibilities of CO staff in an emergency, and continuity plans for all critical departments at the CO. Plan updates will be provided based on After Action input following all trainings and exercises.

##### 1.c. *Policy Group Training and Tabletop Exercise*

Witt O'Brien's will conduct a training workshop and tabletop exercise for the CSU CO Policy Group (i.e. Senior Executives). The focus will be concepts outlined in the CSU CO Emergency Management Plan, with a focus on Policy Group roles and responsibilities. The exercise will include the use of *Veoci* software for information collection, sharing, and planning purposes. A guidance document will be developed and provided that will support the Policy Group with implementation of their specific roles and responsibilities.

## 1.d. Development of the *Multi-year Training and Exercise Plan (MYTEP)*

Witt O'Brien's will lead a workshop with the CO emergency management and continuity of operations staff members to establish the priorities for training and exercising over the next three years. The MYTEP schedule includes preparedness activities that enhance identified capabilities, support response to recognized threats, identify and use existing resources, and address recommendations derived from after action reports related to previous events and exercises.

## 1.e *Additional plans as needed*

Witt O'Brien's will assist the CO with additional emergency plans, as needed, such as the Emergency Notification Plan, standard operating procedures, and checklists. These will be completed under the direction of the Assistant Vice Chancellor, Strategic Initiatives and Support Services.

## 1.f *Crisis Communications Plan*

Witt O'Brien's will work with the Assistant Vice Chancellor for Public Affair to support her in developing and revising the CSU Chancellor's Office Crisis Communications Plan and other communications plans as needed. Witt O'Brien's will also assist with training and exercising the plans as requested.

## **Specific to Support of the CSU System-Wide Emergency Management**

### **Task 2: Presidents and Senior Emergency Management Training Seminar (\$40,000)**

Witt O'Brien's will work with campus emergency preparedness coordinators/directors to provide a robust, half-day emergency management training seminar for the campus Presidents and Senior Campus Management, to be conducted throughout the fiscal year (2016/2017) preferably on a regional, and/or campus by campus basis. This training will include:

- Executive Summary of the Campus Emergency Operations Plans (EOPs) Project.
- The Role of the Policy Group/Senior Executives, and Case Studies of successes and challenges.
- Crisis Communications, Reputation Management, and Public Perception.
- Tabletop Exercise.

Following this training, the CSU Presidents will have an enhanced concept of emergency management in general, their essential role in the process, the status of their specific campus emergency management program, and recent trends requiring focused attention.

### **Task 3: CSU System Emergency Management and Business Continuity Affinity Groups Support (\$45,000)**

Witt O'Brien's will assist both the CSU System Emergency Managers Affinity Group, and the Business Continuity Coordinators Affinity Group with system-wide efforts. These may include:

- Attending Affinity Group bi-monthly meetings and providing subject matter expertise as requested.
- Support development of revised Executive Orders related to EM and BC programs.
- Conducting research and compiling information about best practices in higher education emergency management.
- Providing tools and resources to enhance the emergency management and business continuity programs at the campuses (e.g. plan templates, exercise scenarios, etc.).
- Conducting training and exercise sessions for the emergency managers and business continuity coordinators (these may be conducted via webinar or in-person regionally or at conferences).

Witt O'Brien's will serve as a resource for the Emergency Managers and Business Continuity Coordinators in order to help enhance the campus emergency management and business continuity programs and increase consistency and collaboration system-wide.

#### Task 4: System-Wide Coordination Resource Guide (\$50,000)

Witt O'Brien's will develop a comprehensive system-wide coordination resource guide that describes how the Chancellor's Office can assist campuses in an emergency response, how campuses should coordinate with each other in an emergency, and notification and communication requirements and recommendations between campuses, with the Chancellor's Office, and with other local or state entities in an emergency that affects one or more campuses.

#### Task 5: CSU System Public Information Officer Training (\$25,000)

Witt O'Brien's will work with the Assistant Vice Chancellor for Public Affairs to develop and conduct PIO training for communications and public affairs staff from all of the CSU campuses and the Chancellor's Office. These trainings may consist of Federal Emergency Management Agency (FEMA) PIO courses and/or training sessions using scenario-based discussions and exercises.

#### Task 6: CSU Campuses Preparedness, Response, and Recovery Program Review and Recommendations; Assistance to the CSU Chancellor's Office Workgroup on Campus Safety (\$20,000)

Witt O'Brien's will assist the CSU Chancellor's Office Workgroup on Campus Safety with its endeavors to formulate and implement recommendations to improve system-wide preparedness, response, and recovery at the 23 CSU campuses via engagement with Risk Management, campuses, and existing working groups and affinity group. . Witt O'Brien's will also assist with system-wide training and exercise initiatives associated with the preparedness efforts as requested. As an example, in 2015-2016, some program review assistance was provided to the behavioral threat assessment program

## Task 7: System-Wide Emergency Management Program Review- Follow-up (\$35,000)

In 2015, Witt O'Brien's completed the comprehensive review of the campus's emergency management plans. This task will involve further support for EOP reviews, and support of individual campuses with EOP updates. Furthermore, an emergency management program review will be offered to the campuses on an individual basis, but may be initiated system-wide depending on executive leadership goals. If we are invited to conduct the emergency management program reviews, Witt O'Brien's will visit each campus being assessed in order to become familiar with the university's current emergency management program structure, plans, policies, and procedures. Additionally, Witt O'Brien's will conduct interviews / working sessions with key members of each campus's emergency management team, senior administrators, and external emergency management partners to discuss the current emergency management program, including successes and challenges, as well as potential changes necessary to enhance the program. Using the document review, site visit, and working sessions / interviews, Witt O'Brien's will conduct a gap analysis/review of each assessed campus's emergency management program structure, plans, responsibilities, authorities, and activities and evaluate them according to national best practices in higher education emergency management; current emergency management standards, laws, and authorities at the local, state, and federal levels; and the specific needs of the CSU System. Following the evaluation, Witt O'Brien's will develop an overall assessment report for each campus being assessed.

This project would span a number of years depending on the number of campus emergency management programs we review. The "initial tasks" as part of this budget will have to be determined prior to the start of the task.

## Task 8: CSU Risk Management Association (CSURMA) Support (\$10,000)

Witt O'Brien's will provide assistance to CSURMA as needed and requested, including a training seminar for the CSURMA Board of Directors, regular status presentations, and yearly reports.

## Task 9: Provide strategic advisory, representation, and technical services as needed (\$15,000)

**Appendix C-1  
Estimated Cost Structure**

**Compensation.** For the services as described above, Consultant shall be compensated as follows:

CSU Chancellors Office July 1 2016 – June 30, 2017		
Tasks related to Chancellors Office Emergency Management Program		
		<b>BUDGET</b>
Task 1	Chancellor’s Office Emergency Plans, Training, and Exercises	\$60,000
Tasks related to CSU System-Wide Emergency Management Program		
Task 2	Council of Presidents Emergency Management Training Seminar	\$40,000
Task 3	CSU System Affinity Groups Support	\$45,000
Task 4	System-Wide Coordination Plan	\$50,000
Task 5	CSU System Public Information Officer (PIO) Training	\$25,000
Task 6	CSU Campuses Behavioral Threat Assessment Program Review and Assistance to the CSU CO Workgroup on Campus Safety	\$20,000
Task 7	System-wide Emergency Management Program Review	\$35,000
Task 8	CSU Risk Management Association (CSURMA) Support	\$10,000
Task 9	Provide strategic advisory, representation, and technical as needed	\$15,000
	Expenses are included in the tasks	
	<b>TOTAL</b>	<b>\$300,000</b>

The above costs include Witt O’Brien’s out-of-pocket expenses reasonably associated with services performed and will be reimbursed by CSU in accordance with Witt O’Brien’s expense reimbursement policy. Hours spent traveling by Witt O’Brien’s personnel for tasks under this project will not be billed to the project, in accordance with CSU policies.

**SEDGWICK CLAIMS MANAGEMENT SERVICES, INC. AGREEMENT  
THREE-YEAR AGREEMENT EXTENSION**

**ISSUE:** The current contract with Sedgwick has a term of July 1, 2013 to June 30, 2018, and includes five one-year optional contract extensions. Systemwide Risk Management has exercised three one-year extensions.

**RECOMMENDATION:** Staff recommends that the Committee ratify the decision made by Systemwide Risk Management to exercise the three one-year extensions to the agreement.

**FISCAL IMPACT:** The claims administration costs are included in the CSURMA 18/19 budget. See below the historical costs for claims management services through Sedgwick for the Campus workers' compensation program:

<b>Term</b>	<b>Annual Cost</b>
Year 1	3,418,256
Year 2	3,486,621
Year 3	2,556,353
Year 4	3,627,480
Year 5	3,700,030
Year 6	3,849,166
Year 7	3,849,166
Year 8	3,849,166

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Sedgwick Agreement Extension from July 1, 2018 to July 1, 2021
- b. Original Sedgwick Agreement from July 1, 2013 to June 30, 2018

**ADDENDUM TO EXTEND TERM OF AGREEMENT FOR AN ADDITIONAL PERIOD**

This Addendum to Extend Term of Agreement for an Additional Period dated February 12, 2018 (the "Addendum"), shall be attached to and made a part of the Agreement for Administration of Workers' Compensation Self Insurance Program dated July 1, 2013 (the "Agreement"), by and between California State University Risk Management Authority, a California public entity established under a joint powers agreement entered into by the California State University and its participating auxiliary organizations (collectively, "CSURMA"), and Sedgwick Claims Management Services, Inc. ("Sedgwick") (CSURMA and Sedgwick together the "Parties").

In consideration of the Agreement recitals and the mutual covenants and conditions contained herein, the Parties acknowledge that the Agreement is hereby modified as follows:

1. Section X (A) of the Agreement is hereby modified and amended to provide that the term of the Agreement shall be extended for an additional period commencing July 1, 2018 and ending June 30, 2021.
2. Section V(A) of the Agreement is hereby only modified and amended to provide that Client shall pay Supplier the following fees on a life of contract basis for services provided during this additional period:

**A. Annual Flat Fee:**

In consideration for the services to be performed hereunder, CSURMA shall pay Sedgwick as follows:

<u>Year</u>	<u>Campus</u>	<u>AORMA</u>	<u>Total</u>
FY 18/19	\$3,849,166	\$235,368	\$4,084,534
FY 19/20	\$3,849,166	\$235,368	\$4,084,534
FY 20/21	\$3,849,166	\$235,368	\$4,084,534

Sedgwick will monitor and periodically review examiner's caseload, and shall endeavor to keep caseloads at a maximum of 125 claims per examiner. To this end, Sedgwick shall, six (6) months from the effective date of this Addendum, and each six (6) months thereafter, calculate the average monthly caseload (AMC) for CSURMA program examiner(s). In the event that an examiner's AMC exceeds 125, Sedgwick shall, to the extent reasonable and necessary, make reassignments among existing program staff in an attempt to decrease the program AMC to 125 or below.

**B. Miscellaneous Charges:**

- 1) viaOne access, which includes 4 query users and 16 view users, is provided at no additional cost. Additional access is available for a fee of \$336 per view user per year and \$1,675 per query user per year.
- 2) viaOne OSHA access is provided for \$380 per user per year and \$25 per incident.

All terms and conditions of the Agreement shall otherwise remain the same, except those terms and conditions which have been added, deleted, or modified by the Parties in writing

IN WITNESS WHEREOF, the Parties have caused this Addendum to be executed on the dates shown below.

California State University Risk Management Authority

Sedgwick Claims Management Services, Inc.

By 

By 

Title CSURMA Secretary Auditor

Title Senior Vice President

Date 2/23/18

Date 12 February 2018

**AGREEMENT**  
**FOR ADMINISTRATION OF**  
**WORKERS' COMPENSATION SELF-INSURANCE PROGRAM**

THIS AGREEMENT is entered into as of this 1st day of July, 2013 by and between, Sedgwick Claims Management Services, Inc. ("Sedgwick"), a corporation of the State of Illinois, and California State University Risk Management Authority ("CSURMA"), a California public entity established under a joint powers agreement entered into by the California State University and its participating auxiliary organizations.

WHEREAS, CSURMA, under a joint powers agreement, has established and administers a self-insured workers' compensation programs for the benefit of the University Campuses ("Campus Program") and the Auxiliary Organizations ("AORMA Program") and for their participating Members;

WHEREAS, CSURMA desires to engage Sedgwick to provide certain specific services to assist it in the administration of its Programs; and

WHEREAS, Sedgwick is willing and able to provide such services, on the terms and conditions hereinafter stated

**I. SERVICES TO BE PERFORMED BY SEDGWICK**

As described more fully in each Program's Client Service Instructions ("CSI's") which are hereby incorporated to this Agreement and which may be modified from time to time by mutual agreement, Sedgwick agrees to perform the following services:

A. With regard to CLAIMS ADMINISTRATION Sedgwick shall:

(1) Review all Applications for Adjudication of Claim and all claim or loss reports made by CSURMA, or its designee, to Sedgwick with regard to personal injury, sickness, disease or death that is

alleged to have resulted from an employee's work-related activity. (Services for claims reported outside the term of this Agreement may be provided subject to the mutual agreement of the parties.)

(2) Process each such claim or loss report in accordance with applicable statutory and administrative notification requirements;

(3) Conduct a timely investigation of each reported claim or loss under subparagraph (1) above to determine compensability;

(4) Engage independent investigators or medical or other experts as reasonably required by the circumstances in connection with processing any reported claim or loss;

(5) Make payment, from funds set aside by CSURMA pursuant to Section VII below, of medical and death benefits and temporary or permanent disability compensation, but only (i) if, in the reasonable judgment of Sedgwick, such payment would be in the best interest of CSURMA and the ultimate expected value of the specific claim does not exceed the limit specified in accordance with Section VIII below; or (ii) if the CSURMA has specifically directed such payment regardless of such amount; or (iii) if such payment is pursuant to a final judicial or administrative ruling.

(6) Perform reasonable and necessary administrative and clerical work in connection with the processing of reported claims or losses, including the preparation of checks or drafts bearing the name of CSURMA and drawn on the account established pursuant to Section VII below;

(7) Maintain a file for each reported claim or loss, which shall be available for review by CSURMA at any reasonable time;

(8) Notify excess carriers in accordance with such carrier's reporting guidelines, provided that Sedgwick has been advised in writing of same;

(9) Assist CSURMA in selection of counsel to defend reported claims or losses and contract for such services on behalf of CSURMA;

(10) Work with CSURMA's counsel in preparation of the defense of lawsuits and administrative claims, the negotiation of settlements, the preparation of subrogation, contribution and cross actions, and in the coordination of defense of multi-forum claims if requested by CSURMA;

(11) Assist CSURMA in evaluating defense counsel for adequacy, cost, and effectiveness, and recommend changes where indicated;

(12) Monitor the treatment programs recommended for employees by physicians or specialists by reviewing all initial reports prepared by treating physicians or specialists and maintaining contact with treating physicians or specialists managing the medical treatment as appropriate to effect optimum conclusion;

(13) Assist CSURMA in determining the circumstances under which an ill or injured employee could return to work in the shortest period of time;

(14) Assist in arranging for rehabilitation or retraining of employees where indicated;

(15) Maintain a current estimate of the cost of all anticipated losses on each qualified claim or loss;

(16) Provide claims forms necessary for the operation of the Program; and,

(17) Furnish such computer-generated data and reports for the management of the Program including as are agreed to in writing by the parties. All such reports will be provided at such frequency as CSURMA and Sedgwick shall mutually determine appropriate.

B. With regard to MEDICAL CONTROL, Sedgwick shall:

(1) Recommend to CSURMA a panel of physicians to provide initial treatment and a panel of medical specialists to provide long-term or specialty care;

(2) Consult with CSURMA on medical cost containment to assist managing medical costs with application of medical bill review and selection of contract service providers for treatment management and bill review;

C. With regard to EMPLOYEE COUNSELING, Sedgwick shall:

(1) Provide information to ill or injured employees regarding the benefits available under the Program;

(2) If CSURMA requests, consult with employee groups in regard to specific aspects of the Program; and,

(3) Assist CSURMA in developing policies and procedures to ensure that an employee's return to work or reassignment is not inconsistent with the findings of any applicable state administrative agency.

D. With regard to PROGRAM DEVELOPMENT, Sedgwick shall:

(1) Consult with CSURMA in the establishment and coordination of procedures and practices necessary to meet applicable regulatory requirements;

(2) Participate in the orientation of CSURMA's personnel who are directly or indirectly involved in the processing of workers' compensation claims or losses;

(3) Provide information on changes or proposed changes in legislation, rules and regulation affecting the responsibility of CSURMA; and

(4) Review the development of the Program periodically with CSURMA to identify problems and recommend corrective action.

E. With regard to LOSS CONTROL, Sedgwick shall:

(1) Maintain loss information in a data base and provide frequency and severity reports at CSURMA's request; and

(2) Upon request, assist CSURMA in the development, initiation and maintenance of loss prevention and loss control activities;

F. Sedgwick shall prepare all periodic reports as may be required by state administrative agencies, and shall, after consultation with and approval of CSURMA, file all such reports with the appropriate agency.

G. With regard to Information Technology, Sedgwick shall:

(1) Apply necessary iVOS system upgrades, enhancements and patches. This would include the application of service packs or hot fixes for critical issues. Where possible, Sedgwick will attempt to provide a workaround for critical issues until a hot fix is complete;

(2) Maintain all iVOS user setup and maintenance, including the addition, deletion and reactivations of users, resetting user passwords, or the modification of user security;

(3) Continue to provide all necessary table maintenance for iVOS as currently performed by Sedgwick;

(4) Provide iVOS application support for CSURMA users with a team of technology professionals who have experience with iVOS platforms;

(5) Provide full desktop and network support for Sedgwick users. If a CSURMA user reports a problem that is determined to be related to CSURMA systems or network, we will refer that user back to a designated CSURMA contact;

(6) Respond to all issues in a timely fashion. Sedgwick provides support from its Systems Support team in Memphis, TN; their hours of operation are from 7 a.m. to 9 p.m. CST. Additionally, Sedgwick Support colleagues are available off hours by beeper. Users can contact Sedgwick Support by

phone for urgent issues and by e-mail for all other issues. Support Analysts work directly with callers to resolve issues to their satisfaction and provide status updates as long as the issues are outstanding;

- (7) Continue to provide ad-hoc reporting as currently supplied to CSURMA by Sedgwick;
- (8) Provide standard Compliance reporting and interfaces. Sedgwick will provide electronic interface files with States as mandated by the IAIABC;
- (9) Work with CSURMA and American International Underwriters (AIU) to maintain their requested TPAIR interface;
- (10) Provide integration with the Sedgwick ACS imaging platform;
- (11) Provide a Medicare Reporting solution that is fully compliant with Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (P.L. 110-173);
- (12) Continue to extend iVOS functionality through the integration of other Sedgwick systems and technology. Sedgwick is currently in the process of integrating the iVOS platform with its enterprise data warehouse, viaOne dashboards and alerts;
- (13) Provide backups and data security in accordance with Sedgwick enterprise-wide standards;
- (14) Work closely with Operations to continually improve technology and the system. Sedgwick IT and Operations departments have a long history of continuous improvement through technology;
- (15) Engage an independent certified public accountant for the purpose of reviewing internal controls related to business process controls surrounding claim processing and benefit payment services for the University in accordance with Type II SAS-70;

(16) Sedgwick will work to develop and implement technology related enhancements that are specifically requested by CSURMA. If the requested enhancements are not included within the scope of (1) – (15), above, CSURMA agrees to pay an additional fee for any requested work. The amount of the fee will be determined and agreed to by CSURMA and Sedgwick prior to commencement of the requested work; and,

(17) Sedgwick will develop custom reports specifically requested by CSURMA. If the custom report is not one that CSURMA is entitled to receive, or one that Sedgwick is required to provide, under this Agreement, CSURMA agrees to pay an additional fee for any such report. The amount of the fee will be determined and agreed to by CSURMA and Sedgwick prior to the development of requested report.

#### H. Confidentiality and Security

Sedgwick shall hold in strict confidence, and in compliance with all applicable local, state or federal laws and regulations, all Highly Sensitive Personal Information (“HSPI”) it may receive in the course of performing its services under this Agreement. HSPI includes, but is not limited to, (i) an individual’s government-issued identification number (including social security number, driver’s license number or state-issued identified number); (ii) financial account number, credit card number, debit card number, credit report information; (iii) biometric or health data; and (iv) patient identifiable medical information.

Sedgwick shall also hold in strict confidence, and in compliance with all applicable local, state or federal laws and regulations, all data provided to Sedgwick by CSURMA or its members pertaining to CSURMA, the CSU, and the AORMA program members and the employees of the CSU and the AORMA program members (“Confidential Information”).

Sedgwick shall not release HSPI or Confidential Information to any outside person or agency except as may be necessary for the performance of its duties hereunder. Whenever the disclosure of HSPI

is necessary, such disclosure shall be made in accordance with all applicable laws, and, whenever required by law, pursuant to the written consent of the injured employee. Any HSPI that is required to be provided or disclosed to CSURMA pursuant to this Agreement shall be provided or disclosed only to those employees or representatives of CSURMA who have direct responsibility for the administration of the Program, and only to the extent that such disclosure is necessary for the administration of the Program.

Sedgwick represents and warrants that its collection, access, use, storage, disposal and disclosure of HSPI does and will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations.

In the event of a Security Breach, Sedgwick will notify CSURMA as soon as practicable, but no later than twenty-four (24) hours after it becomes aware of it. Sedgwick and CSURMA shall coordinate with each other to investigate the Security Breach. Sedgwick agrees to cooperate with CSURMA in CSURMA's handling of the matter and assist with any investigation by CSURMA. Sedgwick also agrees to use its best efforts to immediately remedy any Security Breach and prevent any further Security Breach. "Security Breach" means any act or omission that compromises either the security, confidentiality or integrity of HSPI or the physical, technical, administrative or organizational safeguards put in place that relate to the protection of the security, confidentiality or integrity of HSPI.

## **II. MINIMUM PERFORMANCE STANDARDS**

Sedgwick shall provide services in accordance with the minimum performance standards set forth below and in the CSI's as mutually agreed to between the parties.

### **A. Service Team**

Sedgwick shall assign Cindy Parker, or such other individual as may mutually be agreed to by the parties, as the Account Manager for CSURMA. Sedgwick reserves the right to change the Account Manager at any time upon provision of written notice to Client. Prior to any change in account

management, Sedgwick agrees to meet and confer with Client regarding the change. The Account Manager will provide the following:

(1) Ensure timely, efficient and effective performance of services as described in Section I above, and Section II herein;

(2) Monitor the accuracy and quality of the work product; and,

(3) Have overall responsibility to ensure quality services for CSURMA.

B. Other Staffing Requirements

Sedgwick will monitor and periodically review examiner's caseload, and shall endeavor to keep caseloads at a maximum of 125 claims per examiner. To this end, Sedgwick shall, six (6) months from the effective date of this Agreement, and each six (6) months thereafter, calculate the average monthly caseload (AMC) for CSURMA program examiner(s). If an examiner's AMC exceeds 125, Sedgwick shall, to the extent reasonable and necessary, make reassignments among existing program staff in an attempt to decrease the program AMC to 125 or below. If an examiner's AMC is consistently below 115 cases during a six month period, Sedgwick shall review the examiner assignments with CSURMA and mutually agree on appropriate action.

C. File Organization

All files are the sole and exclusive property of CSURMA and will be maintained in an organized and orderly fashion.

D. File Documentation

(1) A Claims Status Report including an action plan will be in each claim file (paper and/or on-line). This will include steps taken to move the file to conclusion in accordance with the proposed plan of action. The report will identify issues and the actions taken to finalize the claim.

(2) All activities will be documented in detail, identify the author, date stamped, and be legible.

(3) File reviews will be conducted at the request of CSURMA at a mutually agreed location and time.

E. Diary

(1) Every active claim file (which includes maintenance files with outstanding liens, legal issues, rehabilitation, or active medical treatment) will be diared for follow-up at least once every thirty (30) days. Follow up documentation of files will be in accordance with industry standards for the type of claim reviewed. Review of the claim file may include follow-up contact with the injured worker.

(2) Consistent policies and procedures will include diaries for all claims service personnel assigned under this Agreement.

(3) Files of employees on Industrial Disability Leave ("IDL") and Temporary Disability ("TD") will be reviewed every fourteen (14) days.

F. Supervision

(1) Active files will contain evidence of participation by supervisors in the development of case strategy, quality control and case management guidance.

(2) Delayed cases will be reviewed at a minimum at thirty (30), sixty (60), and ninety (90) day intervals.

(3) Active cases will be reviewed every ninety (90) days or sooner if requested.

(4) Case loads for each claims examiner assigned to CSURMA will be reviewed by the supervisor every ninety (90) days.

(5) Supervisors will review and decide which cases are to be assigned to outside counsel.

(6) For the AORMA Program, Sedgwick will notify CSURMA monthly of any cumulative change in reserves of twenty-five thousand dollars (\$25,000) or more per claim.

G. Medical Control and Direction

(1) Sedgwick is responsible for coordinating the provision of medical treatment for the injured workers.

(2) At the request of CSURMA, Sedgwick will send to any physician (with proof of service) a copy of 8 California Code of Regulations Section 9785 within five (5) days.

Sedgwick will exercise all reasonable efforts to obtain necessary physician reports in accordance with 8 California Code of Regulations Section 9785.

Within fourteen (14) days of notification of change of treating physician, Sedgwick will send to the new treating physician the complete medical file with the 8 California Code of Regulations Section 9785 notification, a copy of the auxiliary organization's return-to-work policy, and a written description of the injured worker's essential day-to-day job duties, tasks, and responsibilities.

Sedgwick will provide Medical Management Services to CSU Auxiliary Members.

Sedgwick will endeavor to respond to requests for authorization of treatment and surgery on accepted cases within two (2) working days.

Sedgwick will pay all bills within thirty (30) days from receipt of invoice, except disputed amounts, in which case Sedgwick will pay only the undisputed portion of the invoice provided there are adequate funds in the Client Escrow Account to pay such bills.

(8) Files will be reconciled for accuracy of payments at least once every twelve (12) months, and at the time the file is closed.

H. Reserves

(1) Reserves will be set for probable outcome within Sedgwick's guidelines. Reserve amounts will be evaluated and adjusted on a regular basis, but at a minimum, any time the medical prognosis changes.

(2) For the AORMA Program, CSURMA will be specifically notified within thirty (30) days when incurred costs (total of paid and reserves) on any claim reach twenty-five thousand dollars (\$25,000.00).

I. Carrier Notification

Sedgwick will comply with carrier notification procedures for each insurance policy purchased by CSURMA, and CSURMA shall provide in writing such notification procedures.

J. Investigation

(1) Sedgwick will conduct a thorough investigation to determine if the claim is a result of Arising Out of Employment/during the Course of Employment ("ACIE/COE") immediately upon receipt of the claim.

(2) If additional investigation is necessary, the case will be assigned to a licensed investigator with Errors & Omissions Liability coverage limits of not less than \$1,000,000.00 and must be coordinated through CSURMA.

(3) Sedgwick will seek CSURMA Member approval prior to the initiation of the investigation.

(4) Copies of investigation reports will be sent to CSURMA provided that the provision of such reports does not violate any applicable privacy laws, rules or regulations.

K. Communication

Sedgwick shall make every reasonable effort to comply with the following service standards:

- (1) Sedgwick will complete three-point contact (injured employee, physician, employer) within one (1) working day of receipt of notice of injury. If contact is not made on the first day, subsequent calls will be made daily until the injured employee is contacted;
- (2) Sedgwick will return all telephone calls within one (1) working day;
- (3) All medical reports and copies of all correspondence will be mailed to the employer within three (3) working days from receipt by Sedgwick;
- (4) Sedgwick will request medical releases within five (5) working days of file make-up, and will follow-up every thirty (30) days until received;
- (5) Accurate claim information, including the current status report, will be available to CSURMA on-line; and,
- (6) Communication with the injured worker will be available in the worker's primary language or translation available upon request.

L. California Division of Workers' Compensation Audit

Unit Requirements

All CSURMA claims will be administered in compliance with all California Division of Workers' Compensation Audit Unit standards.

M. Litigation

- (1) Cases will be assigned to those defense firms selected by CSURMA from the approved counsel panel;
- (2) Sedgwick will follow up with defense counsel if a case analysis is not completed within thirty (30) days from date of referral;
- (3) All notices of medical appointments are to be sent by Sedgwick;

- (4) Sedgwick will attend all hearings and depositions at the request of CSURMA;
- (5) Attorney bills will be audited for accuracy by Sedgwick; and
- (6) Subrogation will be pursued unless otherwise indicated by CSURMA.

N. Finalization

- (1) Finalization of CSURMA cases shall be authorized and processed in

compliance with the applicable CSI's.

O. Rehabilitation

Sedgwick will provide copies of all rehabilitation reports to CSURMA.

P. Reports

- (1) Sedgwick will provide reports as mutually agreed upon by it and CSURMA; and,
- (2) Sedgwick will produce an annual loss run, with reserves valued at a date specified by CSURMA for use by CSURMA's actuary in preparation of annual actuarial reports.

R. Fraud

- (1) Every claim will be reviewed prior to assignment for compensability. If Sedgwick believes that the facts merit delay, investigation will be initiated with CSURMA's approval;
- (2) Complex claims requiring outside investigators will be assigned to vendors approved by CSURMA;
- (3) All assignments will be limited and specific. The costs will be a portion of the claim file's allocated loss expense. Upon submission, CSURMA will identify claims that require delay and investigation procedures to be initiated. Additionally Sedgwick will communicate with CSURMA to identify submitted claims that appear inappropriate; and,

(4) Upon mutual agreement and with CSURMA's approval, Sedgwick will initiate and complete the appropriate investigation.

S. Case Closures

Sedgwick's management will closely monitor performance in this area. Sedgwick will endeavor to maintain a closing ratio that meets or exceeds 100% monthly. Management reports by desk, office, and region will be produced monthly, and reviewed by the Sedgwick's management to ensure that the goals are met. Cases will be closed consistent with the Labor Code and best claim practices.

T. No Conflict of Interest

Sedgwick acknowledges that in performing its services under this Agreement, it owes a duty of fidelity to CSURMA and it cannot place itself in a position where its self-interest may conflict with this duty.

Sedgwick represents that it has no current business or financial relationships that are in conflict with the interests of CSURMA or that would compromise its judgement or ability to act in the best interests of CSURMA. Such relationships include, but are not limited to, an ownership or financial interest in an entity that either competes with CSURMA or that sells goods or provides services to CSURMA.

In the event that Sedgwick becomes aware of any actual or potential conflict that may affect its judgement or ability to act in the best interests of CSURMA, it shall promptly disclose that fact to CSURMA.

U. Standards of Fiscal Responsibility and Accountability

Sedgwick will adhere to sound business practices and standards and maintain business processes compliant with a SAS 70 review, which shall be prepared annually by an independent auditor and such independent auditor's reports shall made available to CSURMA upon request..

V. Vendor Selectivity

To provide the best combination of quality service and price, Sedgwick will maintain professional relationships with vendors providing services to the CSURMA program and its claimants. Sedgwick shall regularly explore and compare groups of similar vendors and share the results with CSURMA.

W. Program Management

(1) Sedgwick shall prepare and provide CSURMA with an annual stewardship report describing at an executive level the results of Sedgwick's services under this agreement with both a historical and forward looking perspective.

**III. OWNERSHIP OF DATA AND PROPRIETARY INTERESTS**

A. The term "DATA" means and refers to (i) all and raw data provided to Sedgwick either by CSURMA or a third-party on behalf of CSURMA, (ii) all documents, analyses, compilations, forecasts or studies produced based on the raw data provided by CSURMA or on behalf of CSURMA to Sedgwick, (iii) HSPI, and (iv) Confidential Information.

B. The DATA is solely and exclusively the property of CSURMA. Sedgwick disavows any ownership interest of any kind in the DATA and any such documentation.

C. CSURMA is not intending to, and does not, grant to Sedgwick any express or implied license or other rights in the DATA, except the limited right to use the DATA in accordance with this Agreement. Sedgwick agrees not to assert any rights at common law or in equity with respect to the DATA, including, but not limited to, the federal copyright laws or other intellectual property laws. Sedgwick agrees not to reproduce any DATA, or authorize others to reproduce any DATA, without the express written consent of CSURMA.

D. CSURMA may at any time request that Sedgwick provide CSURMA with all, or a part of, the DATA. The request shall be in writing. Sedgwick will provide CSURMA with the requested DATA within 30 (thirty) calendar days of receiving CSURMA's written request at a cost to CSURMA of no more than Five Hundred Dollars (\$500.00). Sedgwick will provide the requested DATA in a useable

format and will provide a legend of the DATA that includes summaries, totals, indexes, table mapping and any such other information as would commonly be provided and be necessary to ensure a successful conversion of DATA by a successor third-party administrator (“TPA”). The production of any employee medical records shall be in accordance with all applicable Workers Compensation laws and all applicable federal, state and local privacy laws.

E. Within seven (7) calendar days from the termination or expiration of this Agreement, Sedgwick will return all DATA to CSURMA. The DATA will be returned to CSURMA in a useable format. Sedgwick will provide a legend of the DATA that includes summaries, totals, indexes, table mapping and any such other information as would commonly be provided and be necessary to ensure a successful conversion of DATA by a successor TPA. Upon receipt of the DATA, CSURMA will assume sole responsibility for returning DATA to the appropriate entities, employees or individuals; transmitting the DATA to a successor TPA; or, destroying or otherwise disposing of the DATA as necessary. CSURMA agrees that it will provide Sedgwick reasonable access to any DATA that it requires for a legitimate business purpose including, but not limited to, any dispute or litigation with CSURMA regarding the Agreement.

F. All proprietary Sedgwick documents, forms, reports, assessment tools, software, educational and other materials provided to CSURMA by Sedgwick in conjunction with this Agreement are solely and exclusively the property of Sedgwick and shall not be photocopied, reproduced, marketed or distributed by CSURMA without the written consent of Sedgwick. No grant or license to any copyright, trade secret or intellectual property of Sedgwick is granted by this Agreement. Notwithstanding the foregoing, CSURMA shall be the sole owner of the content of any such document, form, report, assessment tool, software, or other material, to the extent that such content is based upon DATA or contains DATA.

#### **IV. CSURMA RESPONSIBILITIES**

CSURMA shall timely and appropriately respond to all Sedgwick inquiries or requests as may be necessary for the performance of its (Sedgwick's) duties hereunder. Sedgwick shall not be responsible for any failure to meet any of its duties hereunder if such failure is the result of a failure of CSURMA to respond to an inquiry or request from Sedgwick.

**V. FEES AND ADJUSTMENTS**

A. In consideration for the services to be performed hereunder, CSURMA shall pay Sedgwick as follows:

<u>Annual fee</u>	<u>Campus program</u>	<u>AORMA program</u>	<u>Total</u>
Year 1	\$3,418,256	\$207,089	\$3,625,345
Year 2	\$3,486,621	\$211,231	\$3,697,852
Year 3	\$3,556,353	\$215,456	\$3,771,809
Year 4	\$3,627,480	\$219,765	\$3,847,245
Year 5	\$3,700,030	\$224,160	\$3,924,190
Total	\$17,788,740	\$1,077,701	\$18,866,441

B. TPA will monitor and periodically review examiner's caseload, and shall endeavor to keep caseloads at a maximum of 125 claims per examiner. To this end, TPA shall, six (6) months from the effective date of this Agreement, and each six (6) months thereafter, calculate the average monthly caseload (AMC) for CSURMA program examiner(s). In the event that an examiner's AMC exceeds 125, TPA shall, to the extent reasonable and necessary, make reassignments among existing program staff in an attempt to decrease the program AMC to 125 or below.

C. The above pricing is valid for an open inventory of no more than 1950 indemnity claims and 325 medical only claims. It also assumes a reported claim frequency of not more than 800

indemnity claims and 825 medical only claims per each service year. If at any time during the term of this Agreement the open inventory exceeds 2000 indemnity claims or 875 medical only claims, or if during any service year (defined as Year 1, Year 2, Year 3, Year 4 or Year 5 as applicable and noted above) the reported claim frequency for the year exceeds 850 indemnity claims or 875 medical only claims, an excess claim charge can be negotiated. Upon written agreement by CSURMA's authorized representative, excess claim charges may be added to the regular quarterly invoice, and will reflect any charges assessed during the prior quarter.

D. Miscellaneous fees

CSURMA acknowledges that Sedgwick offers various services that fall outside the scope of this Agreement. Additional services offered by Sedgwick include the following;

- Care Management
- Bill Review
- Pharmacy Program
- Peer Review
- Field Case Management

In the event that CSURMA requests Sedgwick to provide any of these additional services, CSURMA agrees to pay an additional fee for any such service. The amount of the fee must be determined and agreed to by an authorized representative of CSURMA and Sedgwick before the service is provided.

E. If at any time during the term of this Agreement, the reported inventory of claims is consistently below 115 cases during a six month period, Sedgwick shall review the examiner assignments with CSURMA and mutually agree on appropriate action as respects modification of the service

F. The service fees noted above will be billed in advance in equal quarterly installments. Payment is due in full within thirty (30) days following the date of Sedgwick's invoice, except for reasonably disputed invoices. Sedgwick shall charge a late fee of five percent (5%) per month on the amount of any balance that remains unpaid for more than thirty (30) days from the invoice date. Further, in addition to such other remedies as may be available to it, Sedgwick shall have the right to cease performance of its duties hereunder if payment is more than thirty (30) days late.

## **VI. CASHIERING**

A. Checks, money orders, and cash, received by Sedgwick for reimbursement or refund of claim expenditures shall be credited to the applicable claim file. A record of receipt will be maintained in the claim files and record of deposits furnished to CSURMA. Returned checks shall be secured in locked cabinets, behind closed doors overnight or when office is unoccupied. An alarm system shall be in place.

B. A record of all checks issued, cashed, voided, or cancelled shall be kept by Sedgwick and furnished to CSURMA at the beginning of each month. All checks voided during the previous month will be returned to the CSURMA at that time.

C. Sedgwick shall operate all CSURMA accounts on a positive pay basis, and shall provide to CSURMA's accountant a reconciliation at least once every month.

## **VII. FUNDING**

A. CSURMA shall at all times provide funds adequate for the payment of reported claims or losses, and allocated loss expenses. The amount of such funds shall be based on estimates furnished by Sedgwick of the anticipated or actual level and volume of reported claims or losses and allocated loss expenses. For purposes of this Agreement, allocated loss expense means all costs, charges and expenses payable to third parties that are properly chargeable to a reported claim or loss, and approved in advance by CSURMA, when required. These shall include, without limitation, court costs, fees and expenses of

attorneys, investigators, experts and witnesses, and fees for obtaining diagrams, reports, documents and photographs.

B. CSURMA shall deposit such funds in a bank account established by CSURMA and is solely responsible for the care, custody and control of such account. At the beginning of each month, Sedgwick shall provide CSURMA with a detailed statement of prior month disbursements. Such bank account shall be established with an institution selected at the sole discretion of CSURMA.

C. It is expressly understood that Sedgwick shall not be required to advance its own funds to pay reported claims or losses or allocated loss expenses or Program expenses described above, or to perform any services hereinabove, if CSURMA fails to provide adequate funds as herein set forth.

**VIII. DISCRETIONARY DISBURSEMENT AUTHORITY**  
**LIMIT AND SIGNIFICANT CLAIM PROCESSING**

A. With respect to any Compromise and Release or settlement of any reported claim or loss, any disbursement or processing shall be performed as described in the CSI's. As long as Sedgwick performs its obligations under this Agreement and acts in good faith in doing so, failure of Sedgwick to settle a qualified claim or loss, shall not subject Sedgwick to liability to any party in the event of an adverse judgment by any court or the settlement of such claim or loss.

**IX. SCOPE OF OPERATIONS**

In performing its services hereunder, Sedgwick agrees to meet or exceed industry standards, and to comply with all applicable local, state and federal laws and regulations related to the services provided under this Agreement.

**X. TERM OF THE AGREEMENT AND TERMINATION**

A. The term of this Agreement is for thirty six (30) months beginning July 1, 2013 and expiring June 30, 2018. CSURMA, in its sole discretion, shall have the option of extending this

Agreement for five consecutive one year periods. If CSURMA elects to exercise its option and extend the Agreement an additional year, it will provide Sedgwick with written notice of that fact at least 30 (thirty) calendar days prior to the expiration date then in effect.

B. Notwithstanding any other provisions of this Paragraph X, either CSURMA or Sedgwick may, with 90 days advance written notice, terminate this Agreement with or without cause. In the event that CSURMA terminates the Agreement without cause, CSURMA shall not be entitled to a refund of any fees previously paid to Sedgwick. In the event that CSURMA terminates this Agreement with cause, Sedgwick shall be entitled to retain only those fees earned for work actually performed through the date of termination and will refund to CSURMA any excess fee amount.

C. Notwithstanding any other provisions of this Paragraph X, Sedgwick may immediately terminate this Agreement if it determines, in good faith, that CSURMA has engaged in illegal conduct is illegal or that CSURMA's conduct is acutely and substantially contrary to the business financial interests or professional reputation of Sedgwick. Sedgwick shall provide CSURMA with a written explanation identifying the conduct which Sedgwick determined, in good faith, allowed it to terminate the Agreement.

D. If requested by CSURMA, Sedgwick agrees to handle any reported claims or losses remaining open at the termination or expiration of this Agreement, provided that CSURMA shall continue to make adequate funds available for the payment of such reported claims or losses and any allocated loss expenses. CSURMA agrees to pay Sedgwick an additional fee for any such service it requests. The amount of the fee will be determined and agreed to in writing by CSURMA and Sedgwick prior to the termination or expiration of this Agreement. If an agreement as to the additional fee is not reached before the termination date of this Agreement, Sedgwick shall be under no obligation to continue performing services for CSURMA, unless it has otherwise agreed in writing.

D. Within three (3) calendar days of the termination or expiration of this Agreement, Sedgwick shall deliver to CSURMA all claim files, records, reports and other documents or material pertaining to claims processed under this Agreement and shall provide a comprehensive electronic

download of all claims data suitable for use by any subsequent third-party administrator (TPA) for claims and any information system vendor at no additional cost to CSURMA. CSURMA agrees that it will provide Sedgwick with reasonable access to any claim files, records, reports and other documents it requires for a legitimate business purpose including, but not limited to, any dispute or litigation with CSURMA regarding the Agreement.

**XI. PRACTICE OF LAW**

Sedgwick warrants and represents that in performing its duties hereunder, Sedgwick shall not perform any service, which may constitute the unauthorized practice of law.

**XII. INDEMNIFICATION AND INSURANCE**

A. Sedgwick agrees to indemnify and hold harmless CSURMA with regard to any and all claims, penalties, liabilities, damages, actions, causes of action and expenses of any nature, including related legal costs and attorney's fees, which may be incurred by CSURMA as a result of the negligence or willful misconduct of Sedgwick. It is agreed that the mere fact that a claim determination made by Sedgwick is successfully challenged by a claimant shall not, in the absence of other evidence, be deemed to constitute negligence, or give rise to CSURMA's right of indemnification under this paragraph.

Sedgwick's obligation to indemnify and hold CSURMA harmless pursuant to this Paragraph XII.A. shall be binding upon Sedgwick irrespective of whether or not the claim, penalty, liability, damage, action, cause of action and/or expense for which CSURMA is to be indemnified is covered by any policy of insurance secured by Sedgwick pursuant to Section C of this Paragraph XII.

B. CSURMA agrees to indemnify and hold harmless Sedgwick with regard to any and all claims, liabilities, damages, actions, causes of action and expenses of any nature, including related legal costs and attorneys fees which may be incurred by Sedgwick as a result of the sole negligence or willful misconduct of CSURMA in performing its duties hereunder. This indemnification includes, among other things, any claims, liabilities, damages, actions, causes of action and expenses, legal costs and attorney's

fees arising out of or with regard to (i) CSURMA's payment or non-payment of any claim by or for any party, and (ii) CSURMA's authorization or failure to authorize settlement of any claim by or for any party, except, however, that CSURMA shall have no obligation to indemnify or hold Sedgwick harmless with regard to any and all claims, liabilities, damages, actions, causes of action and expenses of any nature, including legal costs and attorney's fees resulting solely from the primary negligence or willful misconduct of Sedgwick.

C. Sedgwick agrees to maintain all of the following insurance coverage during the term of the Agreement:

(1) Commercial General Liability Insurance (including both owned and non-automobile liability) in a combined single limit of not less than one million dollars (\$1,000,000.00) per occurrence with CSURMA named as additional insured;

(2) Workers' Compensation insurance as required by the State of California;

(3) Employee Dishonesty insurance covering all employees of Sedgwick providing services under this Agreement in an amount of not less than one million dollars (\$1,000,000.00) per occurrence;

(4) Errors and Omissions coverage for all employees of Sedgwick providing service under the agreement in an amount of not less than five million dollars (\$5,000,000.) per occurrence; and,

(5) Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of CSURMA and Sedgwick against other insurable risks relating to performance of this Agreement.

D. Sedgwick agrees to submit statements evidencing existence of such insurance (including but not limited to Declarations Pages showing CSURMA as an additional insured and copies of the applicable policies) and to provide notice to CSURMA of any significant change in such coverage.

E. In the event that Sedgwick fails to obtain and/or maintain any or all of the insurance coverage outlined in this Paragraph XII, Section C, Sedgwick agrees that it shall indemnify and hold harmless CSURMA with regard to any and all claims, penalties, liabilities, damages, actions, causes of action and expenses of any nature, including related legal costs and attorney's fees, which may be incurred by CSURMA as set forth in this Paragraph XII, Sections A and B.

F. In the event that Sedgwick fails to obtain and/or maintain any or all of the insurance coverage outlined in this Paragraph XII, Section C, Sedgwick shall forfeit any and all right to be indemnified by CSURMA as set out in this Paragraph XII. Section B.

G. In the event Sedgwick fails to obtain and/or maintain the insurance required in this Paragraph Section XII, Section C, such failure shall be considered a material breach of this Agreement.

### **XIII. PENALTIES**

A. Sedgwick and CSURMA acknowledge that various obligations and penalties specified in the California Labor Code may be imposed with respect to the management and payment of workers' compensation claims. Accordingly, Sedgwick and CSURMA agree to the following:

(1) Penalties for delay in payment of benefits caused by CSURMA or failure to timely report claims to Sedgwick shall be the responsibility of CSURMA.

(2) Except as noted in (3) below, any penalties resulting from Sedgwick's failure to perform as required by this Agreement, including penalties for wrongful delay of payment or notice of benefits, shall be the responsibility of Sedgwick.

(3) Without limiting the provisions set forth above, penalties shall become the obligation of CSURMA, and not subject to reimbursement by the Sedgwick, if at least one of the following conditions give rise to the violation that resulted in penalty:

a. Sedgwick acted upon request of CSURMA;

b. Sedgwick acted upon the advice of legal counsel representing CSURMA or acted in good faith in furtherance of the best interest of CSURMA;

c. Sedgwick did not receive the employer's report of injury, notice of loss, or other CSURMA approval in time to issue benefits and/or payments in accordance with required timeframes provided no action or inaction by Sedgwick contributed to the delay or failure to act by CSURMA;

d. CSURMA failed to provide information with respect to wages or period of disability; or

e. CSURMA more directly controlled circumstances surrounding the violation (e.g. posting notice requirements).

B. Penalties that arise from violations set forth under these provisions shall be paid from CSURMA loss funds, issued by Sedgwick to the injured worker or to the injured workers' legal counsel. Such penalties shall be charged against claim file to which they apply, and may be subject to reimbursement by Sedgwick to CSURMA as provided above.

#### **XIV. NOTICES**

Any notices required to be given under this Agreement shall be delivered in person or sent by certified or registered mail to: Sedgwick Claims Management Services, Inc., Attention: Chief Legal Officer, 1100 Ridgeway Loop Road, Suite 200, Memphis, TN 38120, in the case of Sedgwick, and to: Secretary, California State University Risk Management Authority., c/o Chief Risk Officer, CSU Office of the Chancellor, 401 Golden Shore, Long Beach, CA 90802, in the case of CSURMA. These addresses may be changed at any time by either party upon written notice to the other party. Notices shall be effective when delivered, or, if refused, when delivery is attempted.

#### **XV. SUCCESSORS AND ASSIGNS**

Sedgwick shall not assign this Agreement, or any part thereof, without the express written consent of CSURMA.

**XVI. APPLICABLE LAW AND VENUE**

This Agreement shall be deemed to be made in California, and shall be governed by and interpreted in accordance with the laws of the State of California. Any disputes arising from or relating to this Agreement shall be adjudicated by a court of competent applicable jurisdiction located in the County of Los Angeles, State of California unless otherwise agreed by the parties.

**XVII. INDEPENDENT CONTRACTOR**

In performing its services hereunder, Sedgwick shall be an independent contractor and not an employee of CSURMA. As such, Sedgwick shall be responsible for the payment of all taxes, federal and state for which it is liable, and for obtaining any license or permit necessary to perform its services hereunder. Except as may be specifically provided for herein, Sedgwick shall have no authority to bind CSURMA and shall not hold itself out as an employee or representative of CSURMA.

**XVIII. ENTIRE AGREEMENT AND MODIFICATION OR AMENDMENT**

This Agreement and any attachments thereto shall constitute the entire and exclusive statement of the agreement of the parties and shall supersede any prior statement, writing or understanding of the parties with respect to the subject matter hereof. This Agreement may be modified or amended only by a written statement signed by both parties. Such modification or amendment shall be attached to, and shall thereupon become a part of, this Agreement.

**XIX. SEVERABILITY**

Should any portion of this Agreement be determined to be illegal or unenforceable, the remainder of this Agreement shall be interpreted, construed and enforced as if such illegal or unforced portion were not a part of this Agreement.

## **XX. DISPUTE RESOLUTION**

The parties agree that any claim or dispute between or among them, their agents, employees, assignees, or successors, in any way related to or arising out of this Agreement may be resolved by arbitration under the commercial arbitration rules of the American Arbitration Association and California Code of Civil Procedure §1 280 et seq., which code sections shall prevail in the case of any conflict with the rules of the American Arbitration Association. In any such arbitration, the arbitrator's powers may include, without limitation, the power to determine the scope of the arbitration, including the arbitrability of any issues raised by either party, the power to grant any relief which may be granted by a court of law or equity, including money damages, specific performance, injunctive relief, both temporary and permanent, or other equitable relief and the power to award costs as well as attorneys fees to the prevailing party. The venue and location for any such arbitration shall be Los Angeles County, California.

The parties further agree that with regard to any dispute or claim related to this Agreement, prior to the initiation of arbitration or other dispute resolution mechanism, they shall and must, in good faith, submit the claim or dispute to mediation with any mutually agreeable neutral possessing not less than three years mediation or other neutral alternative dispute resolution experience. To initiate the mediation process, the aggrieved party shall notify the other of the party's intent to seek mediation and provide a name for consideration as the neutral. The parties shall, within seven (7) days thereafter, in good faith select the neutral, and, as soon as such agreement is reached, the mediation process shall proceed. If the parties are unable to reach agreement as to the selection of a neutral, they shall immediately submit the claim or dispute to the American Arbitration Association for mediation. The parties agree to share equally the cost of the mediation, except that each party shall pay and bear its own attorney's fees and attorney related costs. At such time as the parties agree or the mediator declares that an impasse exists, either party, may, at its own discretion, submit the matter to arbitration or other adjudication as provided for herein above.

**XXI. HEADINGS**

Headings herein are for convenience or reference only and shall not be considered in any interpretation of this Agreement.

**XXII. EXCLUSIVITY**

This Agreement is non-exclusive and nothing herein shall in any way limit the right of Sedgwick, its parent or any affiliate or subsidiary thereof, to enter in to agreements with other individuals or entities, to provide the same or similar services, or to use the same or similar tools and/or materials as were used by Sedgwick in providing services under this Agreement.

**XXIII. USE OF NAME**

Neither CSURMA nor Sedgwick shall use the name of the other party or any employee thereof, in any advertising or promotional materials, or other publication, including on the Internet, without the written consent of the other party.

**XXIV. FORCE MAJEURE**

In the event that either party is kept from performing its obligations hereunder because of strike, war, riot, fire, flood, earthquake, natural disaster or any other even beyond its control, then such party shall be relieved of its obligation to perform until such time as the factor inhibiting performance has abated.

**XXV. COOPERATION**

A. CSURMA shall at all times cooperate with Sedgwick as is necessary for the performance of Sedgwick's duties hereunder. Sedgwick shall not be responsible for the failure to perform any of its obligations if such failure is the result of a refusal or failure of CSURMA to respond to Sedgwick's reasonable requests for information, consultation, direction or authorization.

B. CSURMA shall provide Sedgwick with a written copy of all policies and procedures with which Sedgwick must comply in carrying out its duties hereunder. Sedgwick shall not be required to comply with any such policy or procedure, or any modification, change or amendment thereto, until it has received a written copy of same. In the event any policy issued or provided to Sedgwick subsequent to the effective date of this Agreement conflicts with Sedgwick's best practices currently in place, the parties will mutually agree to compliance.

\*\*\*\*\*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the day and date first above written

.SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC.

CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY

BY: J. Glatstein

BY: M. Rodriguez

NAME: Jeff Glatstein \_\_\_\_\_

NAME: Mary Ann Rodriguez

TITLE: Corporate Counsel \_\_\_\_\_

TITLE: Vice Chair - CSURMA

SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC.

CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY

Witness:

Witness:

Anna Power

[Signature]

CARA ROYCEL SYSTEMS ASST.

Associate Director, Systemic Risk Mgt.

Name/title

Name/title

## **ANNUAL REVIEW OF THE CSURMA'S DATA SECURITY POLICIES**

**ISSUE:** The Executive Committee resolved to annually review CSURMA's data security policies.

**RECOMMENDATION:** It is recommended that the Executive Committee review the iVos and Financial Edge (Blackbaud) System user policies.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Executive Committee is being asked to review the iVOS and Blackbaud user policies. CSURMA uses many electronic data systems, but iVOS and Blackbaud are the only electronic data systems maintained by CSURMA and for which CSURMA is responsible for the security of the electronic data.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA iVOS User Policy
- b. CSURMA Financial Edge (Blackbaud) User Policy

## **CSURMA iVOS User Policy**

The iVOS Liability system has been operational since 2006. Beginning in 2006, CSURMA implemented the following policies and procedures designed to restrict access to the iVOS Liability system.

### **System Administrator(s)**

Administrative access to the iVOS Liability system is limited to individuals identified by CSURMA as being a system administrator. It is the responsibility of the system administrator to activate access for users, maintain user lists, and perform security functions.

### **Access Authorization**

User access to the iVOS Liability system is restricted. User access is granted on a “read-only” basis. Access is provided only to the Campus Risk Manager and other campus personnel who are directly involved in claims/risk management for the campus. In order to grant access to campus personnel (other than the Campus Risk Manager), a written request (e.g., an e-mail) must be received from the Campus Risk Manager requesting and approving access for that person. The Campus Risk Manager is responsible for determining and verifying that the identified person has had appropriate and adequate training and has signed all necessary and required data confidentiality agreements.

The system administrator maintains a list of all persons to whom user access has been granted. The list is updated and changed throughout the year as the system administrator receives information concerning personnel changes. The Campus Risk Manager is responsible for notifying the system administrator about any change in a user’s employment status. In addition, the system administrator independently reviews the list of users on no less than an annual basis.

### **Password Protocol**

The password protocol described below is utilized as a means of authentication control.

**CSU iVOS User Policy – Password Security Settings**

Controls	11/5/2009 Minimum Settings	3/1/2011 Revisions
minimumPasswordLength	8 characters	
passwordExpirePeriod	60 days	90 days (quarterly - CSU policy)
maximumInactiveDays	90 days	
minimumUppercaseChars	1 character	
minimumLowercaseChars	1 character	
minimumNumericChars	1 character	
minimumSpecialChars	0 characters	1 character (CSU policy)
maximumDuplicateCharsWithPrior	No more than 3 duplicate characters	No more than 6 duplicate characters
minimumPriorPasswords	12 prior passwords	
maximumFailedLoginAttempts	3 failed logins	
requireInitialPasswordChange	TRUE - initial password change	

*(Document Origination Date: April 2013)*



**CSURMA Financial Edge User Policy**

In compliance with *ICSUAM Section 8000 Information Security* adopted by the CSURMA Executive Committee, these guidelines for managing access to the Financial Edge (Blackbaud) System are provided. Since access to Financial Edge (Blackbaud) is restricted, this form must be completed, signed by the employee, and sent to CSURMA Accounting in order to gain access.

**Introduction and Scope**

CSURMA uses Financial Edge as the main accounting system. Access to Financial Edge is limited to CSURMA Accounting and Systemwide Risk Management staff.

**Access Authorization**

- User access to Financial Edge is restricted and based on the principle of least privilege. The principle of least privilege requires that a user be given no more privilege than necessary to perform their job.
- It is the responsibility of the system administrator to activate access for users, maintain users, and perform security functions.
- The Confidentiality Form for Chancellor’s Office Employees and Consultants required by the CSU ([http://www.calstate.edu/hrs/policies/documents/co\\_confidential\\_form.pdf](http://www.calstate.edu/hrs/policies/documents/co_confidential_form.pdf)) must be completed before access is granted.
- Financial Edge users are required to be a member of a user group. When possible, access levels should correspond to the user group as shown below.

<b>Access Level</b>	<b>User Group</b>
Level 5	Manager
Level 4	Lead Accountant
Level 3	Accountant
Level 2	Student Assistant
Level 1	View Only

- The system administrator performs an online review at least annually, of all user accounts of Financial Edge to ensure access complies with these guidelines.
- Account controls must be in place to ensure accounts are authorized and current. This includes:
  - Prohibiting the use of shared accounts.
  - Prohibiting the use of guest accounts.
  - Disabling accounts of transferred or terminated employees.

**SECTION 1 – EMPLOYEE/USER INFORMATION**

New User? Yes  No  If No, Update  Terminate

Name: \_\_\_\_\_  
(Last, First, Middle Initial)

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Department: \_\_\_\_\_

Email: \_\_\_\_\_

User Signature: \_\_\_\_\_

FE Oper ID: \_\_\_\_\_  
(If Current User)

**SECTION 2 – FE ACCESS**

<input type="checkbox"/> Supervisor Rights	<input type="checkbox"/> Selected Group Rights <input type="checkbox"/> Level 5 - Managers <input type="checkbox"/> Level 4 - Lead Accountant <input type="checkbox"/> Level 3 - Accountant <input type="checkbox"/> Level 2 – Student Assistant <input type="checkbox"/> Level 1 – View Only	<input type="checkbox"/> Copy Access from Existing User  Name of Existing User: _____ _____
Comments/Job Functions in relation to FE:  _____ _____		

**SECTION 3 – TO BE FILLED OUT BY CSURMA ACCOUNTING**

Access Granted? Yes  No

Date Access Granted: \_\_\_\_\_

Additional Comments/Information:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
System Administrator Name (Please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ANNUAL REVIEW OF THE APPLICABLE INTEGRATED CSU  
ADMINISTRATIVE MANUAL POLICIES**

**ISSUE:** The Executive Committee resolved to annually review applicable sections of the Integrated CSU Administrative Manual (ICSUAM) and any updates thereto.

**RECOMMENDATION:** (1) The following sections of the ICSUAM have been adopted by CSURMA and therefore it is recommended that the Executive Committee review these sections:

- Section 1101..... Delegation of Authority to Obligate the University
- Section 1301..... Hospitality, Payment or Reimbursement of Expenses
- Section 3000..... General Accounting
- Section 6000..... Financing, Treasury, and Risk Management
- Section 7100..... Identity Access Management
- Section 8000..... Information Security
- Section 13175..... Auxiliary Organizations External Auditor Firms Qualifications
- Section 13680..... Placement and Control of Receipts for Campus Activates and Programs

(2) CSURMA Accounting Staff is also recommending that the following section be adopted by CSURMA:

- Section 2002 – Budget Oversight

(3) Pass Resolution 02-18 (EC) – Resolution Adopting Administrative Policies and Procedures, which documents the Sections of the ICSUAM that have been adopted by CSURMA.

**FISCAL IMPACT:** None.

**BACKGROUND:** Staff reviewed all sections of the Integrated CSU Administrative Manual and determined that the following sections are relevant and beneficial to the operation of CSURMA:

- Section 1101..... Delegation of Authority to Obligate the University
- Section 1301..... Hospitality, Payment or Reimbursement of Expenses
- Section 2002..... Budget Oversight (*new*)
- Section 3000..... General Accounting

Section 6000..... Financing, Treasury, and Risk Management  
Section 7100..... Identity Access Management  
Section 8000..... Information Security  
Section 13175..... Auxiliary Organizations External Auditor Firms Qualifications  
Section 13680..... Placement and Control of Receipts for Campus Activates and Programs

CSURMA has specifically adopted its own policies and procedures, such as travel reimbursement (CSURMA P&P No. 17), invoice payments (CSURMA P&P No. 6), use and disposition of equipment (CSURMA P&P No. 16) and it is recommended that CSURMA's adopted policies apply where they overlap with the ICSUAM.

ICSUAM Section 2002 – Budget Oversight, states the following:

Policy Objective

It is the policy of the CSU that the campus chief financial officer ensure budget reviews occur during the fiscal year that compare budgeted and actual revenues and expenditures and take action to resolve any discrepancies.

Policy Statement

Each campus and the chancellor's office must establish written policies and procedures that specify the minimum level and frequency of reviews to monitor budget performance. Reviews to compare budgeted and actual revenues and expenditures must be documented, occur at least twice per year, and include any actions taken to resolve discrepancies. The documentation should be retained in accordance with campus written retention policies. Documentation should include details on the research to be conducted, a resolution plan, expected and final completion dates.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. ICSUAM Compliance List at February, 2018
- b. Resolution 02-18 (EC) – Resolution Adopting Administrative Policies and Procedures



California State University Risk Management Authority

CSURMA - Integrated CSU Administrative Manual (ICSUAM)

<https://csyou.calstate.edu/Policies/icsuam/Pages/default.aspx>

Reviewed: Feb 2018

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<b>Section 1000 – General</b>			
<a href="#">1101.00 – Delegation of Authority to Obligate the University</a>	Yes	CSURMA follows the CO structure for delegation of authority	No change
<a href="#">1201.00 – Intercollegiate Athletics Administration</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1202.00 – Athletics Trade Usage (Trade Out)</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1203.00 – Fringe Benefits Management</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1204.00 – Cheerleading</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1205.00 – Group Travel</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1206.00 – Inventory Control of Athletic Equipment, Apparel and Gear</a>	No	CSURMA is not involved in intercollegiate athletic programs	No change
<a href="#">1301.00 – Hospitality, Payment or Reimbursement of Expenses</a>	Yes	CSURMA has hospitality expenses	No change
<b>Section 2000 – Budget</b>			
<a href="#">2001.01 – Campus Reserves</a>	No	CSURMA does not maintain reserves in the CSU funds listed	No change
<a href="#">2002.00 – Budget Oversight</a>	Yes	CSURMA reviews budget to actual revenues & expenditures quarterly	New*
<b>Section 3000 – General Accounting</b>			
<a href="#">3102.06 – Returned Items</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	No change
<a href="#">3102.08 – Recording Deposits to the General Ledger</a>	Yes	CSURMA Accounting records deposits to Blackbaud General Ledger with sufficient segregation of duties	No change
<a href="#">3102.09 – Bank Reconciliations</a>	Yes	CSURMA Accounting performs monthly bank reconciliations with sufficient segregation of duties	No change
<a href="#">3102.10 – Change Funds</a>	Yes	CSURMA Accounting does not maintain change funds, but may in the future	No change
<a href="#">3103.01 – Disbursements - General</a>	Yes	CSURMA Accounting issues paper & electronic disbursements upon approval by SRM	No change
<a href="#">3103.02 – Outgoing Payments - Electronic and Paper</a>	Yes	CSURMA Accounting issues paper & electronic disbursements upon approval by SRM	No change
<a href="#">3103.05 – Payroll Payments Issued by Accounts Payable</a>	Yes	CO AP handles this function on behalf of CSURMA	No change
<a href="#">3103.11 – Petty Cash (Superseded by 6320.00)</a>	Yes	CSURMA Accounting does not maintain a petty cash fund, but may in the future	No change
<a href="#">3130.01 – Accounts Receivable Management</a>	Yes	CSURMA adopted P&P No.6 to manage the AR process, which complies with this policy	No change
<a href="#">3141.01 – Administration of Student Organization Funds (Supersedes 1401.00)</a>	No	CSURMA is not involved in administering student organization funds	No change
<a href="#">3150.01 – Administration of University Property</a>	Yes	CSURMA adopted P&P No.16, which complies with this policy	No change
<a href="#">3250.01 – Disposition of Lost, Unclaimed or Abandoned Property</a>	Yes	CSURMA has no lost, unclaimed and abandoned property for disposition	No change
<a href="#">3250.02 – Disposition of Unclaimed Negotiable Instruments</a>	Yes	CSURMA reviews outstanding checks monthly and contacts payees if over 60 days	No change
<a href="#">3552.01 – Cost Allocation / Reimbursement Plans for the CSU Operating Fund</a>	Yes	CSURMA cost allocation/recovery uses the Cost Recovery Fund instead of the CSU Operating Fund	No change
<a href="#">3601.01 – Travel Policy</a>	Yes	CSURMA adopts the CSU Travel Policy	Revised - Cash advances for student meals related to group student travel allowed; AB 1887 travel restrictions updated; Minor corrections or verbiage changes.
<a href="#">3801.01 – Tax Administration</a>	Yes	CSURMA tax compliance follows direction under SW Tax Administration	No change
<b>Section 4000 – Police Services</b>			
<a href="#">4701.00 – Body Worn Cameras</a>	No	CSURMA does not employ the use of CSU Campus Police Department officers	New*
<b>Section 5000 – Contracts and Procurement</b>			
<a href="#">5000.00 - Contracts and Procurement Policy Introduction</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5100.00 - Responsibility and Authority</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5101.00 - Delegation to the Chancellor</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5102.00 - Delegation to the Campus Presidents</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5103.00 - Role of General Counsel</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5104.00 - Role of the Chancellor's Office Contract Services &amp; Procurement CS&amp;P Department</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5201.00 - Fair and Open Competition</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5202.00 - Classification of Contract</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5203.00 - Solicitation Methodologies</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5204.00 - Strategic Sourcing Options and Alternatives</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5205.00 - Low-Value Purchases</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5206.00 - Limits on Competition</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5208.00 - Multi-Year Contracts</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5209.00 - Emergency Transactions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5210.00 - Prohibited Practices</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5212.00 - Protests, Disputes, and Complaints</a>	No	CSURMA does not engage in competitive contracting/procurement	No change

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<a href="#">5213.00 - Vendor Records</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5214.00 - Tax-Exempt Financed Acquisitions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5215.00 - Disabled Veteran Business Enterprise (DVBE) Participation Goals</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5216.00 - Small and Micro Businesses</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5217.00 - Target Area Contract Preference Act (TACPA)</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5219.00 - Community Rehabilitation Programs and Workshops</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5220.00 - Non-Discrimination</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5221.00 - National Labor Relations Board (NLRB) Compliance</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5222.00 - Audit of Contract</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5223.00 - Drug-Free Workplace Certification</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5224.00 - Prison Industry Authority</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5225.00 - Use of the State Department of General Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5226.00 - Use of Electronic Transmission in Bids</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5227.00 - Direct Payments</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5228.00 - Accessibility of Public Solicitations and Acquisition of Electronic and Information Technology (E&amp;IT) Goods</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5229.00 - Child Support Compliance Act</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5231.00 - Ethnicity Race Gender and Sexual Orientation Business Enterprises Participation Contract Requirements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5232.00 - Expatriate Corporations</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5233.00 - Risk Allocation and Performance Assurance</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5235.00 - CSU Buy Recycled Products Campaign</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5235-00-DRAFT - Sustainable Procurement</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5240.00 - Standard Contracting Forms and Terms</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5245.00 - Advertising in the California State Contracts Register (CSCR)</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5250.00 - Procurement Cards (University Liability Credit Cards)</a>	No	CSURMA reimburses CO for expenses paid via the ProCard program	No change
<a href="#">5251.00 - Corporate Cards (Employee Personal Liability Credit Cards)</a>	No	CSURMA employees are not issued corporate credit cards	No change
<a href="#">5300.00 - Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5301.00 - Bid Thresholds for Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5302.00 - Formal Bidding for Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5302-00-DRAFT - Formal Bidding for Personal Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5303.00 - Commodities with Special Purchasing Requirements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5400.00 - Procurement of Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5401.00 - Solicitation Thresholds for Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5402.00 - Formal Solicitation for Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5402-00-DRAFT - Formal Solicitation for Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5403.00 - Services with Special Purchasing Requirements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5404.00 - Contract Award Report to Department of Fair Employment and Housing</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5405.00 - Amendments to Service Agreements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5406.00 - Service Orders</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5412.00 - Special Processing Requirements for Contracts</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5500.00 - Information Technology Resources (ITR) Procurement Policy</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5501.00 - Solicitation for ITR Goods and Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5502.00 - Formal Solicitation for ITR Goods and Services</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5503.00 - Information Technology Resources (ITR) Project Solicitation Plans</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5505.00 - Competitive Solicitation</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5507.00 - Special Provisions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5602.00 - Sale of License of Intellectual Property</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5603.00 - Disposal of Vehicles</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5604.00 - Services Provided by the CSU</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5700.00 - Public Agency and Auxiliary Agreements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5702.00 - Intra-Agency Agreements</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5703.00 - Contracts with Local Government Entities</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5704.00 - Contracts with State Boards and Commissions</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5705.00 - Printing and Binding Orders</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<a href="#">5706.00 - Services Provided by Campus Auxiliary Organizations</a>	No	CSURMA does not engage in competitive contracting/procurement	No change
<b>Section 6000 – Financing, Treasury, and Risk Management</b>			
<a href="#">6100.00 – Centralized Management of Cash and Investments (Supersedes 3101.01)</a>	Yes	CSURMA participates in the CSU consolidated investment pool	Relocated - Supersedes 3101.01
<a href="#">6200.00 – Campus Administration of Systemwide Cash Management Policy (Supersedes 3101.02)</a>	Yes	CSURMA Accounting alerts CO Treasury of individual commercial banking transactions exceeding \$200,000, at least one business day prior to the transaction settlement date	Relocated - Supersedes 3101.02
<a href="#">6201.00 – Sensitive Positions and Cash Handling Duties (Supersedes 3102.01)</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	Relocated - Supersedes 3102.01
<a href="#">6202.00 – Segregation of Cash Handling Duties (Supersedes 3102.02)</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	Relocated - Supersedes 3102.02

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<a href="#">6320.00 – Petty Cash Funds and Change Funds-DRAFT</a>	Yes	CSURMA Accounting does not maintain PCC funds, but may in the future	No change
<a href="#">6330.00 – Incoming Cash and Checks</a>	Yes	CO General Accounting handles this function on behalf of CSURMA	Revised - Effectively increased the frequency of depositing cash & checks
<a href="#">6310.00 – Debit/Credit Card Payment Policy (Supersedes 3102.05)</a>	Yes	CSURMA Accounting does not process credit card transactions at this time	Relocated - Supersedes 3102.05
<b>Section 7000 – Identity Access Management</b>			
<a href="#">7100.00 – Identity Access Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<b>Section 8000 – Information Security</b>			
<a href="#">8000.00 - Introduction and Scope</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8005.00 - Policy Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8010.00 - Establishing an Information Security Program</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8015.00 - Organizing Information Security</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8020.00 - Information Security Risk Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8025.00 - Privacy of Personal Information</a>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the CO confidentiality form is in place	No change
<a href="#">8030.00 - Personnel Information Security</a>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the CO confidentiality form is in place	No change
<a href="#">8035.00 - Information Security Awareness and Training</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8040.00 - Managing Third Parties</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8045.00 - Information Technology Security</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8050.00 - Configuration Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8055.00 - Change Control</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8060.00 - Access Control</a>	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases; certification on the CO confidentiality form is in place	No change
<a href="#">8065.00 - Information Asset Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8070.00 - Information Systems Acquisition, Development and Maintenance</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8075.00 - Information Security Incident Management</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8080.00 - Physical Security</a>	Yes	CO Public Safety handles this function on behalf of CSURMA	No change
<a href="#">8085.00 - Business Continuity and Disaster Recovery</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8090.00 - Compliance</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8095.00 - Policy Enforcement</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<a href="#">8100.00 - Electronic and Digital Signatures</a>	Yes	CSURMA uses digital signatures for travel pre-approval	No change
<a href="#">8105.00 - Responsible Use Policy</a>	Yes	CO IT handles this function on behalf of CSURMA	No change
<b>Section 9000 – Capital Planning, Design, and Construction</b>			
<a href="#">Section I: Capital Outlay and Public Works Contracts</a>	No	Not applicable to CSURMA	No change
<a href="#">Section II: Physical Master Plan and Off-Campus Centers</a>	No	Not applicable to CSURMA	No change
<a href="#">Section III: Land Use Planning and Environmental Review</a>	No	Not applicable to CSURMA	No change
<a href="#">Section IV: Fiscal Resources for Campus Development Programs</a>	No	Not applicable to CSURMA	No change
<a href="#">Section V: Measurement Devices for Physical Planning</a>	No	Not applicable to CSURMA	No change
<a href="#">Section VI: Standards for Campus Development Programs</a>	No	Not applicable to CSURMA	No change
<a href="#">Section VII: Five-Year Capital Improvement Program Procedures And Formats For Capital Outlay Submission</a>	No	Not applicable to CSURMA	No change
<a href="#">Section IX: Energy Conservation and Utilities Management</a>	No	Not applicable to CSURMA	No change
<a href="#">Section X: Professional Services for Campus Development - Public Works-Related Service Agreements</a>	No	Not applicable to CSURMA	No change
<a href="#">Section XI: Project Plan Development for Major Construction Projects</a>	No	Not applicable to CSURMA	No change
<a href="#">Section XII: Construction Management</a>	No	Not applicable to CSURMA	No change
<b>Section 10000 – Information Technology</b>			
<a href="#">10100.00 - Information Technology Procurement Project Policy</a>	No	CSURMA does not purchase Information Technology projects such as acquisitions of hardware or software and infrastructure design or system design and analysis	No change
<b>Section 11000 – Sponsored Programs Administration</b>			
<a href="#">11000.00 - CSU Sponsored Programs ICSUAM Policy Announcement - Uniform Guidance Addendum</a>	No	Not applicable to CSURMA	Implementation deadline was extended another year
<a href="#">11001.00 - Sponsored Programs Administration Introduction</a>	No	Not applicable to CSURMA	No change
<a href="#">11002.01 - General Policy Requirements for the Administration of Grants &amp; Contracts in Support of Externally Funded Research and Sponsored Program Activities</a>	No	Not applicable to CSURMA	No change
<a href="#">11002.05 - Subrecipient Monitoring</a>	No	Not applicable to CSURMA	No change
<a href="#">11003.05 - Allowable Costs</a>	No	Not applicable to CSURMA	No change
<a href="#">11003.06 - Effort Reporting</a>	No	Not applicable to CSURMA	No change
<a href="#">11003.07 - Cost Sharing</a>	No	Not applicable to CSURMA	No change
<a href="#">11005.00 - Externally Funded Equipment &amp; Property Management</a>	No	Not applicable to CSURMA	No change
<a href="#">11008.00 - Audit Monitoring &amp; Resolution</a>	No	Not applicable to CSURMA	No change
<a href="#">11010.02 - Financial Conflict of Interest (FCOI)</a>	No	Not applicable to CSURMA	No change

Section & Policy	Adopted by CSURMA (yes/no)	Review Notes	Policy Update
<b>Section 13000 – Auxiliary Organizations Administration</b>			
<a href="#">13175.00 - Auxiliary Organization External Auditor Firms Qualifications</a>	Yes	CSURMA is not technically an Auxiliary Organization, but complies with this policy	No change
<a href="#">13680.00 - Placement &amp; Control of Receipts for Campus Activities and Programs</a>	Yes	CSURMA is not technically an Auxiliary Organization, but complies with this policy	No change
<b>Section 15000 – University Advancement</b>			
<a href="#">15401.00 - Fundraising - Matching Gifts</a>	No	Not applicable to CSURMA	No change
<a href="#">15501.00 - Naming of California State University Facilities and Properties</a>	No	Not applicable to CSURMA	No change
<a href="#">15502.00 - Naming of California State University Schools, Colleges, Programs and Other</a>	No	Not applicable to CSURMA	No change
<a href="#">Academic and Non-Academic Units</a>	No	Not applicable to CSURMA	No change
<a href="#">15701.00 - Fundraising Events</a>	No	Not applicable to CSURMA	No change

Note: Deleted and superseded policies are not presented in this list

# CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

## EXECUTIVE COMMITTEE RESOLUTION NO. 02-18 (EC)

### Resolution Adopting Administrative Policies and Procedures

The Executive Committee of the California State University Risk Management Authority (“CSURMA”) finds and determines as follows:

- (1) CSURMA has engaged the Chancellor’s Office of the California State University to perform Accounting, General Counsel and Risk Management services.
- (2) The California State University has developed an Integrated CSU Administrative Manual that includes policies and procedures that will be beneficial to the operation of CSURMA for services provided by the Chancellor’s Office.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Executive Committee of the California State University Risk Management Authority as follows:

- (1) Except as more specifically addressed in a duly adopted CSURMA Policy and Procedure, the California State University Risk Management Authority does hereby adopt the following policies and procedures of the Integrated CSU Administrative Manual as the operating policies and procedures of the CSURMA for services provided by the CSU Chancellor’s Office:
  - a) Section 1101 Delegation of Authority to Obligate the University
  - b) Section 1301 Hospitality, Payment or Reimbursement of Expenses
  - c) Section 2002 Budget Oversight
  - d) Section 3000 General Accounting
  - e) Section 6000 Financing, Treasury, and Risk Management
  - f) Section 7100 Identity Access Management
  - g) Section 8000 Information Security
  - h) Section 13175 Auxiliary Organizations External Auditor Firms Qualifications
  - i) Section 13680 Placement and Control of Receipts for Campus Activities and Programs
- (2) CSURMA staff shall at least annually review with the Executive Committee the applicable Integrated CSU Administrative Manual sections and any updates thereto.

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**

\* \* \* \* \*

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on March 8, 2018 which was approved by the following vote:

AYES, and in favor thereof, members: Scott Apel, Dwayne Brummett, Lisa Chavez, Robert Eaton, Thom Davis, Mike Lee, Dave Nakamura, Kevin Saunders and Jody Van Leuven

NOES, members: None

ABSTAIN, members: None

ABSENT, members: None

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Mike Lee, Chair

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Zachary Gifford, Secretary-Auditor

**CSURMA MASTER INVESTMENT POLICY AND RELATED  
INVESTMENT POLICIES AND ADOPTION OF  
RESOLUTION NO. 03-18 (EC)**

**ISSUE:** The Treasurer of CSURMA is directed to adopt the CSURMA Investment Policy and related policies, as the Master Investment Policy of the CSURMA. As noted within Resolution 02-14 (BOD), the Executive Committee will annually review the Master Investment Policy and approve amendments as necessary.

**RECOMMENDATION:** It is recommended that the Committee review and approve the Master Investment Policy.

**FISCAL IMPACT:** None.

**BACKGROUND:** The CSURMA Investment Policy includes as attachment D, Policy and Procedure No. 10 – Member Loans. This policy and procedure was amended effective October 27, 2017 to include the following paragraph:

Purpose of Loan – The loan program is to provide low cost funding to a campus in order to implement a risk mitigation program (compliance or regulatory requirement, i.e. consent decree) that could not otherwise be implemented without CSURMA funding or to respond to a current risk / condition that if not addressed could demonstrate an enhanced potential risk to people and/or property.

The Investment Policy was amended to include this updated version of Policy and Procedure No. 10.

**PUBLICATION:** The approved Resolution and Master Investment Policy will be uploaded into the CSURMA website.

**ATTACHMENT(S):**

- a. Master Investment Policy and related investment policies

- b. Resolution 03-18 (EC) – CSURMA Master Investment Policy and Related Investment Policies
- c. Resolution 02-14 (BOD) – Resolution to Adopt the CSURMA Master Investment Policy and Investment Policy for the Fixed Income Portfolio

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

**MASTER INVESTMENT POLICY**

**March 19, 2015**

**I. PURPOSE**

The purpose of this master investment policy (MIP), and each of CSURMA’s other investment policies (collectively with the MIP, the “Policies”), is to provide a framework for the management of CSURMA assets. The Policies outline objectives, benchmarks, restrictions and responsibilities so that the Executive Committee of CSURMA (EC), officers, staff, consultants, investment managers, members and beneficiaries, and all CSURMA stakeholders clearly understand the objectives and policies of CSURMA’s investment program.

The Policies set forth the guidelines which the EC deems to be appropriate and prudent in consideration of the needs of and the legal requirements applicable to CSURMA’s investment program. The Policies provide criteria against which investment results will be measured and serve as a review document to guide ongoing operations and oversight. The Policies also are intended to ensure that the EC is fulfilling its fiduciary responsibilities in the management of CSURMA investments.

The EC intends for the Policies to be dynamic documents and will review them from time to time. Policies will be modified periodically to reflect the changing nature of CSURMA’s assets and investment programs, organizational objectives, and economic conditions.

In addition, within this MIP, the EC has delegated to the Treasurer of CSURMA (Treasurer) certain authorities that pertain to the ongoing management and administration of CSURMA assets and various investment programs.

**II. STRATEGIC OBJECTIVES**

The overall objective of the CSURMA investment program is to provide its stakeholders with an appropriate risk-adjusted return on assets available for investment. Because the primary source of CSURMA funding derives from the operations of the California State University (CSU) and because CSURMA has the authority to invest funds pursuant to California Government Code 6509.5, the EC has determined that CSURMA funds should be invested in a manner that draws from both the investment policy of the CSU, specifically, the sections labeled “Investment Policy Statement” and “Investment Authority” of the California State University Investment Policy (Attachment A), which are incorporated by reference into this MIP, as well as California Government Code 6509.5, specifically Section 53601.

Consistent with the California State University Investment Policy, when CSURMA Funds are invested, the primary objective shall be to safeguard the principal, the secondary objective shall be to meet liquidity needs, and the third objective shall be to provide an acceptable risk-adjusted return.

The EC also has the following objectives with respect to funds available for investment:

1. To ensure that CSURMA has, at all times, sufficient funds available to meet immediate liquidity needs.
2. To allow for the investment of funds not immediately needed for liquidity over a longer time horizon with the goal of providing the opportunity for greater risk-adjusted return.
3. To make periodic loans to CSU campuses or auxiliaries to mitigate potentially higher claims liability associated with certain situations.

### **III. INVESTMENT PORTFOLIOS**

Based on the investment objectives, the EC has determined that CSURMA assets should be invested in three portfolios, each with its own investment policy. The three portfolios, along with target ranges are as follows:

<u>Portfolio</u>	<u>Target Range</u>
CSU Systemwide Investment Fund Trust (SWIFT)	25-33%
Fixed Income Portfolio (FIP)	67-75%
Loan Portfolio (to be included within the SWIFT allocation)	0-15%

The SWIFT Investment Policy is attached as Attachment B

The FIP Investment Policy is attached as Attachment C

The Loan Portfolio Policy, titled “Member Loans Policy and Procedure No. 10”, is attached as Attachment D

The EC recognizes that the SWIFT Portfolio and the SWIFT Investment Policy are under the control of the CSU and are not under the EC’s ability to modify.

### **IV. RESPONSIBILITIES**

A. The EC’s responsibilities include, but are not limited to:

1. Acting as the investment committee for CSURMA.
2. Developing and adopting policies to achieve CSURMA’s strategic objectives.
3. Reviewing policy recommendations made by the Treasurer and staff.
4. Periodically reviewing and amending the Policies, as appropriate.

B. The Treasurer’s responsibilities include, but are not limited to:

1. Recommending policies for EC consideration.
2. Reviewing policy recommendations made by staff, investment consultants, and/or investment managers.

3. Periodically reviewing the Policies and recommending revisions, as appropriate.
4. Overseeing the engagement of CSU staff (to serve as CSURMA staff), investment consultants, investment managers, and other appropriate specialists.
5. Monitoring the portfolios' investments, risks, and performance.
6. Periodically, but at least annually, reporting to the EC on the portfolios' investments, risks, and performance.

The Treasurer may delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistant Vice Chancellor) in his/her capacity as staff to CSURMA.

Approved by the EC:

March 19, 2015

## **The California State University Investment Policy**

The following investment guidelines have been developed for use when investing California State University funds.

### **Investment Policy Statement**

The objective of the investment policy of the California State University (CSU) is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return. The Board of Trustees desires to provide the Chancellor and his designees with the greatest possible flexibility to maximize investment opportunities. However, as agents of the trustees, the Chancellor and his designees must recognize the fiduciary responsibility of the trustees to conserve and protect the assets of the portfolios, and by prudent management prevent exposure to undue and unnecessary risk.

When investing CSU funds, the primary objective of the CSU shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSU. The third objective shall be to return an acceptable yield.

### **Investment Authority**

The CSU may invest monies held in local trust accounts under Education Code Sections 89721 and 89724 in any of the securities authorized by Government Code Sections 16330 and 16430 and Education Code Section 89724 listed in Section A, subject to limitations described in Section B.

A. State Treasury investment options include:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)
- State Agency Investment Fund (SAIF)

Eligible securities for investment outside the State Treasury, as authorized by Government Code Section 16430 and Education Code Section 89724, include:

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States;
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States;

- Bonds or warrants of any county, city, water district, utility district or school district;
  - California State bonds, notes, or warrants, or bonds, notes, or warrants with principal and interest guaranteed by the full faith and credit of the State of California;
  - Various debt instruments issued by: (1) federal land banks, (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank Bd., (4) Federal National Mortgage Association, (5) Federal Home Loan Mortgage Corporation, and (6) Tennessee Valley Authority;
  - Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000, (4) approved by the PMIB. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30 percent of an investment pool;
  - Bankers’ acceptances eligible for purchase by the Federal Reserve System;
  - Certificates of deposit (insured by FDIC, FSLIC or appropriately collateralized);
  - Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration;
  - Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration;
  - Student loan notes insured by the Guaranteed Student Loan Program;
  - Debt issued, assumed, or guaranteed by the Inter-American Development Bank, Asian Development Bank or Puerto Rican Development Bank;
  - Bonds, notes or debentures issued by U.S. corporations rated within the top three ratings of a nationally recognized rating service;
- B. In addition to the restrictions established in Government Code Section 16430, the CSU restricts the use of leverage in CSU investment portfolios by limiting reverse repurchase agreements used to buy securities to no more than 20 percent of a portfolio.

Furthermore, the CSU:

- Prohibits securities purchased with the proceeds of a reverse repurchase from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding;
- Limits reverse repurchase agreements to unencumbered securities already held in the purchased with the proceeds of the repurchase (but in any event not more than one year) and;
- Limits reverse repurchase agreements to unencumbered securities already held in the portfolio.

**Investment Reporting Requirements**

Annually, the Chancellor will provide to the Board of Trustees a written statement of investment policy in addition to a report containing a detailed description of the investment securities held by the CSU, including market values.

(Approved by the CSU Board of Trustees in January 1997; and as amended in September 2011 and November 2013)

**Investment Policy for California State University Systemwide Investment Fund  
Trust (SWIFT)  
REVISED March 14, 2008**

The California State University Systemwide Investment Fund Trust (CSU SWIFT) has been created to facilitate the centralization of the investment management function on behalf of the California State University (CSU) System and its campuses, departments, auxiliaries, foundations, and other related entities. The following investment guidelines have been developed for management of the CSU SWIFT.

***Statement of Investment Policy and Guidelines***

When investing campus funds, the primary objective of the investment managers shall be to safeguard the principal. The secondary objective shall be to meet the liquidity need of the campus. The third objective shall be to return an acceptable yield.

The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume in obtaining such return.

***Adherence to Policy Guidelines***

CSU SWIFT assets are to be managed in accordance with the policy guidelines expressed herein, or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this policy document must be signed by the chair of the Investment Committee.

***Discretionary Authority***

The investment managers are expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this Statement of Investment Policy and Guidelines. Such discretion includes decisions to buy, hold, or sell fixed income securities (including cash equivalents) in amounts and proportions reflective of the managers' current investment strategy.

***Communication***

The Committee encourages, and the investment managers are responsible for, frequent and open communication with the Committee on all significant matters pertaining to the investment of the assets for the SWIFT. These communications should generally be addressed to the Office of the Vice Chancellor, Business & Finance. In this manner, the Committee expects to be advised of any major changes in investment outlook, investment strategy, portfolio structure, or market value of the assets, and other substantive matters affecting the SWIFT. The Committee also expects to be informed of any significant

changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the investment managers.

The Committee recognizes that the Statement of Investment Policy and Guidelines requires periodic examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever the investment manager believes this Statement should be altered, it is the responsibility of the managers to initiate written communication to the Committee.

***Benchmark***

Returns of the portfolio will be measured against the Merrill Lynch 0-3 Year U.S. Treasury Index (G1QA).

***Investment Authority***

The CSU SWIFT may invest in any of the securities authorized by government Code Section 16430 listed in Section A and Code Section 53601.

Securities eligible for investment include;

- Bonds, notes or obligations with principal and interest secured by the full faith and credit of the United States; (no limitations)
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States; (no limitations)
- Bonds or warrants of any county, city, water district, utility district or school district of the state of California; No issuer with a rating below A-/A3 is allowed; (no one issuer to exceed 5% of the portfolio)
- California State bonds or bonds with principal and interest guaranteed by the full faith and credit of the State of California; (no one issue to exceed 5%); (not to exceed 25% of portfolio)
- Obligations of the campus members authorized by California Education Code Section 89760(a).
- Various debt instruments issued by: (1) Federal Land Banks (FFCB), (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank (FHLB), (4) Federal National Mortgage Association (FNMA), (5) Federal Home Loan Mtg. Corp. (FHLMC), and (6) Tennessee Valley Authority (TVA); (no one issuer to exceed 25% of the portfolio)
- Mortgage Pass-Through Securities issued by GNMA, FNMA and FHLMC; (not to exceed 20% of the portfolio)
- Collateralized Mortgage Obligations issued by GNMA, FNMA and FHLMC which at time of purchase pass the FFIEC test; (not to exceed 20% of the portfolio)

- Asset Backed Securities which are rated Aaa by Moody's, AAA by Standard and Poor's, or AAA by Fitch with no rating below the top investment rating. Issuer will be rated at least single A; (no one issuer to exceed 5% of the portfolio); (not to exceed 20% of the portfolio)
- Commercial paper exhibiting the following qualities: (1) "prime" rated, (2) less than 180 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000. Investments must not exceed 10 percent of corporation's outstanding paper, and total investments in commercial paper cannot exceed 30% of an investment pool. Notwithstanding the above, no one issuer to exceed 5% of the portfolio. In addition, A-2/P-2/F-2 commercial paper will be limited to no more than 10% of the portfolio and limited in maturity to 14 days. No purchase will be made of paper rated below A-2/P-2/F-2; (not to exceed 30% of portfolio)
- Banker's acceptances eligible for purchases by the Federal Reserve System; Issuer's will be rated A-1/P-1 or F-1 with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Certificates of deposit (insured by FDIC, or appropriately collateralized); (not to exceed FDIC insurance limits)
- Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Administration; (not to exceed NCUA insurance limits)
- Negotiable certificates of deposit and bank notes which are rated A-1/P-1 or F-1 if short-term or A- by S&P, A3 by Moody's or A- by Fitch in both cases with no rating below those levels; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration; (no limitations)
- Student Loan Notes insured by the Guaranteed Student Loan Program; (no limitations)
- Debt issued, assumed, or guaranteed by the Inter-American Development Bank or Puerto Rican Development Bank; (no limitations)
- Bonds, notes or debentures (including medium-term notes) issued by U.S. Corporations rated within the top three ratings of a nationally recognized rating service. No issuer with a rating below A3/A- is allowed; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Repurchase Agreements. Repurchase agreements with banks and dealers with which the CSU System, or its agents on its behalf, has entered into a master repurchase contract which specifies terms and conditions or repurchase agreements, and are fully collateralized by delivery to an independent third party custodian for the CSU's System's account or to the CSU's custodian. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, only those marketable securities eligible for investment by the

CSU System are permitted as collateral. Treasuries, Agencies and eligible money market instruments will be collateralized at 102%. Corporates and other eligible collateral will be collateralized at 105%. Repurchase Agreements will be conducted exclusively with primary dealers. Repurchase Agreements may not exceed 90 days.

- Reverse Repurchase Agreements. The CSU limits reverse repurchase agreements to unencumbered securities already held in the portfolio. The CSU prohibits securities purchased with the proceeds of a reverse repurchase agreement from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding. Securities subject to a reverse repurchase agreement must have been owned a minimum of 30 days before being delivered in a reverse repurchase agreement. The total of all securities sold on reverse repurchase agreements will not exceed 20% of the market value of the portfolio. Reverse repurchase agreement will not exceed 92 days.
- Money Market Mutual Funds. Money market mutual funds registered with the Securities and Exchange Commission and rated AAA/Aaa by no less than two NRSROs.
- 144A Securities. 144A securities are allowed to be purchased and held in the portfolio; (not to exceed 20% of the portfolio).

### ***Duration Guidelines***

The maximum maturity of any security will be 5 years.

The maximum average duration of the portfolio will be 2 years.

For issues that trade to a weighted-average-life (WAL), the WAL will be used as the effective maturity for duration measurement and for maximum maturity constraints.

For issuers with variable interest rates, the reset date will be used as the effective maturity for duration measurement purposes and the legal final maturity date will be used for maximum maturity constraints.

All maturity and duration constraints are measured from trade date.

***Concentration/Diversification Guidelines***

All concentration guidelines are measured at the time of purchase with the exception of commercial paper which must be less than 30% at all times.

Concentration Limitations:

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations backed by the full faith and credit of the U.S Government	100%	100%
Obligations guaranteed by a federal agency of the U.S. Government	100%	100%
California Municipal Obligations	5%	100%
Obligations of the State of California	5%	25%

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations of campus members authorized under Code Section 89760a	100%	100%
Government-Sponsored Entities (FFCB, FHLB, FNMA, FHLMC, TVA)	25%	100%
Mortgage Pass-Through Securities issued by GNMA, FNMA FHLMC*	20%	20%
Collateralized Mortgage Obligations issued by GNMA, FNMA, FHLMC*	20%	20%
Asset-Backed Securities*	5%	20%
Commercial Paper	5%	30%
Banker's Acceptances	5%	30%
Certificate's of Deposit (insured by FDIC or properly collateralized)	\$100k	100%
Investment Cert. in federal or state credit unions (insured by NCUA)	\$100k	100%
Negotiable Certificates of Deposit	5%	30%
Obligations of the SBA or FHA	100%	100%
Student Loan Notes insured by the Guaranteed Student Loan Program	100%	100%
Obligations guaranteed by the Inter-Amer. Dev. Bank or Puerto Rico Dev.	100%	100%
Corporate Obligations	5%	30%
Repurchase Agreements	5%	100%
Reverse Repurchase Agreements	5%	20%
Money Market Funds	10%	20%

\* Mortgage Pass-Through Securities, Collateralized Mortgage Obligations and Asset-Backed Securites may not exceed 20% of the portfolio in aggregate.

For ABS issuers, securities issued by the same originator with different collateral types will not be aggregated at the issuer level for concentration measurement purposes.

### ***Reporting***

The Committee expects the Custody Bank to provide access to daily reports of the SWIFT via its online portal to CSU Office of the Chancellor staff, the respective investment managers, and other members of the Investment Committee as directed. Additionally, monthly reports will be provided by the Custody Bank highlighting the respective portfolios of each investment manager and the aggregate portfolio. These reports will include portfolio activity, market valuations, sector metrics, affirmation of compliance, and performance relative to agreed upon benchmarks. If a meeting is scheduled with the Committee, the reports should be received at least one week in advance of the meeting date.

### ***Compliance with Prudence and Diversification Measures***

As fiduciary, the investment managers are expected to diversify the portfolio to preserve the principal of the SWIFT assets. If diversification is deemed not to be prudent, the manager must communicate this decision to the Chair of the Investment Committee immediately. The manager is expected to invest the SWIFT assets with ease, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims.

All restrictions, minimum ratings requirements and diversification limitations pertain to the account at the time of purchase. In the event of a downgrade of any security to a level where the new rating would not comply with the minimum rating for new purchases of a similar asset, or a limitation being breached due to a change in portfolio size, the Investment Manager shall notify CSU.

### ***Evaluation and Review***

The objective of the evaluation and review process is to monitor the progress of the SWIFT assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Investment Committee. Particular attention will be directed toward determining whether:

- \* the funds are achieving their stated objectives,
- \* the investment managers are adhering to the guidelines set forth herein,
- \* the investment managers are adhering to its stated philosophy and style,
- \* the overall policies and objectives continue to be appropriate, reasonable and achievable.

**Investment Policy for the California State University Risk Management Authority  
Fixed Income Portfolio  
March 19, 2015**

***The Organization***

The California State University Risk Management Authority (CSURMA) is an association of the California State University (CSU) and auxiliary organizations joined to protect member resources by providing broad coverage and quality risk management services that stabilize risk cost in a reliable, economical and beneficial manner.

***History***

The Chancellor's Office staff and representatives of auxiliary organizations within the CSU have developed a systematic approach to managing risk exposures across CSU campuses.

On January 1, 1997, the CSURMA was formed by the CSU and those qualified auxiliary organizations of the CSU that opted to join with intentions to participate in the risk management programs to be offered by the CSURMA.

***Scope of This Investment Policy***

The assets governed by this investment policy statement are funds held for investment in the CSURMA Fixed Income Portfolio (FIP). In meeting the investment needs of the FIP, the general principles of modern portfolio theory will be followed. In doing so, the FIP will be constructed in a way that maximizes expected return for a given level of risk.

Cash flow requirements are not expected of the FIP being managed under this policy statement. However, in the event cash flow is required, it will be met on a total return basis. The following investment guidelines have been developed for management of the FIP.

***Statement of Investment Policy and Guidelines***

When investing CSURMA funds, the primary objective of the investment manager(s) (IM) for the FIP shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the CSURMA. The third objective shall be to return an acceptable yield.

The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that the CSURMA is willing to assume in obtaining such return.

### ***Delegation of Authority***

The Executive Committee of CSURMA (EC) is a fiduciary, and is responsible for directing and monitoring the investment management of FIP assets. As such, the EC is authorized to delegate certain responsibilities to officers and/or staff of CSURMA, as well as professional experts in various fields. These include, but are not limited to:

1. **Treasurer of the CSURMA.** The Treasurer of CSURMA (Treasurer) is responsible for the ongoing general management of the FIP. The Treasurer may delegate, as appropriate, authority contained in this policy statement to the Assistant Vice Chancellor, Financing, Treasury and Risk Management of the CSU. Duties include, but are not limited to, the following:
  - Selection and retention of outside IM as the investment policy dictates. *The Treasurer acts with the EC's authority in all matters relating to IM selection.*
  - Review performance of the FIP to stated objectives. Review and monitor performance of the IM.
  - Determine if overall policies and objectives continue to be appropriate and reasonable and make recommendations to the EC as necessary.
2. **Investment Consultant.** The consultant acts as a discretionary advisor to the Treasurer and may assist the Treasurer in: establishing investment policy, objectives, and guidelines; selecting IMs; reviewing such IMs over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
3. **Investment Manager (IM).** The IM has discretion to purchase, sell, or hold the specific securities that will be used to meet the FIP's investment objectives.
4. **Custodian.** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the FIP, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the FIP accounts.
5. **Additional specialists.** Additional specialists such as attorneys, auditors, actuaries, trust administrators, and others may be employed by the Treasurer to assist in meeting his/her responsibilities and obligations to administer FIP assets prudently.

The Treasurer will not reserve any control over the day-to-day investment decisions. The IM will be held responsible and accountable to achieve the objectives stated in this policy statement. While it is not believed that the limitations in this policy statement will hamper the IM, the IM should request modifications to this policy statement that they deem appropriate. All expenses for experts must be customary and reasonable, and will be paid out of FIP assets and deducted before returns are calculated to meet

objectives. Goals and objectives must be accomplished net of all expenses necessary to operate and manage the FIP assets.

***Adherence to Policy Guidelines***

CSURMA assets are to be managed in accordance with the policy guidelines expressed herein, or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this policy document must be signed by the Treasurer or his/her delegate.

***Discretionary Authority***

The IM is expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this statement of investment policy. Such discretion includes decisions to buy, hold, or sell fixed income securities (including cash equivalents) in amounts and proportions reflective of the IM's current investment strategy.

***Communication***

The Treasurer encourages, and the IM is responsible for, frequent and open communication with the Treasurer and/or his/her delegate on all significant matters pertaining to the investment of the assets for the FIP. These communications should generally be addressed to the Treasurer. In this manner, the Treasurer and/or his/her delegate expects to be advised of any major changes in investment outlook, investment strategy, portfolio structure, or market value of the assets, and other substantive matters affecting the FIP. The Treasurer and/or his/her delegate also expects to be informed of any significant changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the IM and/or investment consultants.

The Treasurer recognizes that this statement of investment policy requires periodic examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever the IM believes this statement of investment policy should be altered, it is the responsibility of the IM to initiate written communication to the Treasurer or his/her delegate.

***Benchmark***

The benchmark of the FIP shall be the Barclays U.S. Intermediate Government / Credit (G/C) – A or Better Index.

### ***Rating***

In all instances, when the term “rating” is used, it denotes a specific rating and not a rating category.

### ***Quality***

1. The minimum quality of an asset at time of purchase should be “A-” or better by one nationally recognized statistical rating organization (NRSRO) notwithstanding particular asset rating limitations below.
2. Highest rating of at least one NRSRO shall apply in the case of split rating.
3. The weighted average quality of the portfolio should be AA or better.
4. Money Market Funds selected shall contain securities whose credit rating at purchase would be rated investment grade by Standard and Poors, Moody's, or Fitch.

### ***Investment Authority***

The FIP may invest in any of the securities authorized by Government Code Section 16430 or Government Code Section 53601. Securities eligible for investment include:

- Bonds, notes or obligations of the United States, or those with principal and interest secured by the full faith and credit of the United States; (no limitations)
- Bonds, notes or obligations with principal and interest guaranteed by a federal agency of the United States; (no limitations)
- Bonds or warrants of any county, city, water district, utility district or school district of the state of California; (no one issuer to exceed 5% of the portfolio)
- California State bonds, notes, or warrants, or those with principal and interest guaranteed by the full faith and credit of the State of California; (no one issue to exceed 5%); (not to exceed 25% of portfolio)
- Various debt instruments issued by: (1) Federal Land Banks (FFCB), (2) Central Bank for Cooperatives, (3) Federal Home Loan Bank (FHLB), (4) Federal National Mortgage Association (FNMA), (5) Federal Home Loan Mtg. Corp. (FHLMC), and (6) Tennessee Valley Authority (TVA); (no one issuer to exceed 25% of the portfolio)
- Mortgage Pass-Through Securities issued by GNMA, FNMA and FHLMC; (not to exceed 20% of the portfolio)
- Collateralized Mortgage Obligations issued by GNMA, FNMA and FHLMC which at time of purchase pass the FFIEC test; (not to exceed 20% of the portfolio)
- Asset Backed Securities up to a maximum maturity of five years that are rated at least Aa3 by Moody's, AA- by Standard and Poor's, or AA- by Fitch with no rating below that

level. Issuer will be rated at least single A; (no one issuer to exceed 5% of the portfolio); (not to exceed 20% of the portfolio)

- Commercial paper exhibiting the following qualities: (1) “prime” rated, (2) less than 181 days maturity, (3) issued by a U.S. corporation with assets exceeding \$500,000,000. Investments must not exceed 10 percent of corporation’s outstanding paper, and total investments in commercial paper cannot exceed 30% of an investment pool. Notwithstanding the above, no one issuer to exceed 5% of the portfolio. In addition, A-2/P-2/F-2 commercial paper will be limited to no more than 10% of the portfolio and limited in maturity to 14 days. No purchase will be made of paper rated below A-2/P-2/F-2; (not to exceed 30% of portfolio)
- Banker’s acceptances eligible for purchases by the Federal Reserve System; Issuer’s will be rated A-1, P-1, or F-1 with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Certificates of deposit (insured by FDIC, or appropriately collateralized); (not to exceed FDIC insurance limits)
- Investment certificates or withdrawal shares in federal or state credit unions that are doing business in California and that have their accounts insured by the National Credit Union Share Insurance Fund; (not to exceed NCUSIF insurance limits)
- Negotiable certificates of deposit and bank notes issued by FDIC insured banks that are rated A-1, P-1, or F-1 if short-term, or A- by S&P, A3 by Moody’s, or A- by Fitch, in both cases with no rating below those levels; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration; (no limitations)
- Student Loan Notes insured by the Guaranteed Student Loan Program; (no limitations)
- Debt issued, assumed, or guaranteed by the Inter-American Development Bank or Government Development Bank for Puerto Rico; (no limitations)
- Bonds, notes or debentures with a maximum remaining maturity of five years or less issued by U.S. Corporations rated at least A by S&P, A2 by Moody’s, or A by Fitch, with no rating below that level; (no one issuer to exceed 5% of the portfolio); (not to exceed 30% of the portfolio)
- Repurchase Agreements. Repurchase agreements with banks and dealers with which the CSURMA, or its agents on its behalf, has entered into a master repurchase contract which specifies terms and conditions or repurchase agreements, and are fully collateralized by delivery to an independent third party custodian for the FIP’s account or to the FIP’s custodian. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, only those marketable securities eligible for investment by the FIP are permitted as collateral. Treasuries, Agencies and eligible money market instruments will

be collateralized at 102%. Corporates and other eligible collateral will be collateralized at 105%. Repurchase Agreements will be conducted exclusively with primary dealers. Repurchase Agreements may not exceed 90 days.

- Reverse Repurchase Agreements. The FIP limits reverse repurchase agreements to unencumbered securities already held in the portfolio. The FIP prohibits securities purchased with the proceeds of a reverse repurchase agreement from being used as collateral for another reverse repurchase while the original reverse repurchase is outstanding. Securities subject to a reverse repurchase agreement must have been owned a minimum of 30 days before being delivered in a reverse repurchase agreement. The total of all securities sold on reverse repurchase agreements will not exceed 20% of the market value of the portfolio. Reverse repurchase agreement will not exceed 92 days.

- Money Market Mutual Funds. Money market mutual funds registered with the Securities and Exchange Commission and rated AAA/Aaa by no less than two NRSROs.

- 144A Securities. 144A securities are allowed to be purchased and held in the portfolio; (not to exceed 20% of the portfolio).

**Duration Guidelines**

The duration of the portfolio will be targeted within -1 or +1 of the duration of the Lehman Brothers Intermediate Government / Credit Bond Index.

For issues that trade to a weighted-average-life (WAL), the WAL will be used as the effective maturity for duration measurement and for maximum maturity constraints.

For issuers with variable interest rates, the reset date will be used as the effective maturity for duration measurement purposes and the legal final maturity date will be used for maximum maturity constraints.

All maturity and duration constraints are measured from trade date.

**Concentration/Diversification Guidelines**

All concentration guidelines are measured at the time of purchase with the exception of commercial paper which must be less than 30% at all times.

Concentration Limitations:

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Obligations backed by the full faith and credit of the U.S Government	100%	100%
Obligations guaranteed by a federal agency of the U.S. Government	100%	100%
California Municipal Obligations	5%	100%
Obligations of the State of California	5%	25%

<u>Security Type</u>	<u>Issuer</u>	<u>Sector</u>
Government-Sponsored Entities (FFCB, FHLB, FNMA, FHLMC, TVA)	25%	100%
Mortgage Pass-Through Securities issued by GNMA, FNMA FHLMC*	20%	20%
Collateralized Mortgage Obligations issued by GNMA, FNMA, FHLMC*	20%	20%
Asset-Backed Securities*	5%	20%
Commercial Paper	5%	30%
Banker's Acceptances	5%	30%
Certificates of Deposit (insured by FDIC or properly collateralized)	\$250k	100%
Share Certificates in federal or state credit unions (insured by NCUSIF)	\$250k	100%
Negotiable Certificates of Deposit	5%	30%
Obligations of the SBA or FHA	100%	100%
Student Loan Notes insured by the Guaranteed Student Loan Program	100%	100%
Obligations guaranteed by the Inter-Amer. Dev. Bank or Puerto Rico Dev.	100%	100%
Corporate Obligations	5%	30%
Repurchase Agreements	5%	100%
Reverse Repurchase Agreements	5%	20%
Money Market Funds	10%	20%

\* Mortgage Pass-Through Securities, Collateralized Mortgage Obligations and Asset-Backed Securities may not exceed 20% of the portfolio in aggregate.

For ABS issuers, securities issued by the same originator with different collateral types will not be aggregated at the issuer level for concentration measurement purposes.

### ***Reporting***

The Treasurer expects the Custodian to provide access to daily reports of the FIP via its online portal to CSU Office of the Chancellor staff, the IM, and other members of the EC as directed. Additionally, monthly reports will be provided by the Custodian for the FIP. These reports will include portfolio activity, market valuations, sector metrics, affirmation of compliance, and performance relative to agreed-upon benchmarks. If a meeting is scheduled with the Treasurer or his/her delegate, the reports should be received at least one week in advance of the meeting date.

The Investment Consultant shall furnish the Treasurer and/or his/her delegate with a quarterly account review detailing investment performance in addition to a listing of portfolio holdings within the FIP. The Investment Consultant shall also supply timely

information concerning changes in the IM's investment philosophy, management strategy, or ownership and key personnel. In addition, the Investment Consultant must supply the Treasurer and/or his/her delegate with quarterly reports that provide information and analyses necessary for the EC to fulfill its fiduciary responsibility.

### ***Compliance with Prudence and Diversification Measures***

As fiduciary, the IM is expected to diversify the portfolio to preserve the principal of the FIP assets. If diversification is deemed not to be prudent, the IM must communicate this decision to the Treasurer or his/her delegate immediately. The IM is expected to invest the FIP assets with ease, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims.

All restrictions, minimum ratings requirements and diversification limitations pertaining to the account are applicable at the time of purchase. In the event of a downgrade of any security held in the account to a level where the updated rating would not comply with the minimum rating for new purchases of a similar asset, or a limitation being breached due to a change in portfolio size, the IM shall notify the Treasurer, the Treasurer's delegate, and/or the Investment Consultant.

### ***Evaluation and Review***

The objective of the evaluation and review process is to monitor the progress of the FIP assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Treasurer and/or his/her delegate. Particular attention will be directed toward determining whether:

- \* the FIP is achieving its stated objectives,
- \* the IM is adhering to the guidelines set forth herein,
- \* the IM is adhering to its stated philosophy and style,
- \* the overall policies and objectives continue to be appropriate, reasonable and achievable.



## CSURMA

## POLICY AND PROCEDURE NO. 10

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**ADOPTED:** MAY 13, 2011  
JANUARY 10, 2016  
SEPTEMBER 27, 2017

**EFFECTIVE:** JULY 1, 2011

**SUBJECT:** MEMBER LOANS

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*Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.*

### **POLICY:**

It is the policy of CSURMA that, upon recommendation of the Treasurer, the Executive Committee may approve a loan to a Member pursuant to the procedures described herein. No new Member Loan shall be granted without a finding by the Executive Committee that CSURMA has sufficient funds such that the proposed member loan would not impair CSURMA's ongoing operations. Member Loans shall only be granted upon a finding by the Treasurer that the Member has exhausted alternative sources of funding and that a Member Loan is in the best interests of the University.

### **PROCEDURE:**

The following procedures shall be followed in administration of the CSURMA Member Loan program:

- 1. Amount Available for Member Loans** – The amount available for Member Loans shall not exceed 15% of the overall average fund balance for the preceding 12 months and no new Member Loan shall be initiated by the Treasurer without determining that the proposed Member Loan will fall within the 15% limit and that CSURMA will maintain adequate funds to cover its cash needs following the loan. In the interest of fairness, Member Loans to a single Member Campus (and its associated Member Auxiliary Organizations) shall not exceed 5% of the overall average fund balance for the preceding 12 months.
- 2. Member Loan Request** – A member seeking a CSURMA Member Loan shall submit to the Treasurer a written request describing the amount, purpose, proposed terms, and repayment for the requested Member Loan. The request shall describe what steps the Member has taken to secure the requested funds through alternate sources and why the Member is seeking the proposed loan from CSURMA. The Member shall describe the collateral and source of repayment funds for the proposed Member Loan. If a general obligation pledge is proposed by an Auxiliary Organization Member, then that Member must also show adequate cash flow from a specific funding source or adequate reserves to make the debt service payments during the term of the loan. Proposed Member Loans for the acquisition of real estate by an auxiliary organization may not pledge the real estate as collateral for the loan.

- 3. Purpose of Loan** – The loan program is to provide low cost funding to a campus in order to implement a risk mitigation program (compliance or regulatory requirement, i.e. consent decree) that could not otherwise be implemented without CSURMA funding or to respond to a current risk / condition that if not addressed could demonstrate an enhanced potential risk to people and/or property.
- 4. Treasurer’s Review and Recommendation** - The Treasurer shall review the Member Loan request and seek additional information as necessary to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed Member Loan including the Treasurer’s recommended terms and conditions. Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.
- 5. Executive Committee Action** – At duly noticed meeting, the Executive Committee shall take action on the Treasurer’s recommendation. If the proposed Member Loan is to be approved, such approval shall be memorialized by resolution directing the Treasurer to prepared the loan note for review and approval by CSURMA’s General Counsel.
- 6. Administration of Member Loans** – The Treasurer shall direct the CSURMA Accountant to transfer funds, calculate interest, collect repayment proceeds and prepare reports on the status of outstanding loans. Any failure to make timely payments or proposed change in terms or conditions shall be reported by the Treasurer to the Executive Committee for review and action.

# **CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**

## **EXECUTIVE COMMITTEE RESOLUTION NO. 02-18 (EC)**

### **Resolution to Adopt the California State University Risk Management Authority Master Investment Policy and Related Investment Policies**

The Executive Committee of the California State University Risk Management Authority (CSURMA) finds and determines as follows:

- (a) Section 4.3 of the Bylaws of the CSURMA provides that the Executive Committee establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- (b) It is the desire of the Executive Committee that, when investing funds, the investment objectives, in order of importance, shall be to safeguard the principal through sufficient number and diversity of investments; provide adequate liquidity to meet normal cash needs, scheduled extraordinary cash needs, and unforeseen cash needs; and maintain a constant rate of return representative of current market yield direction.
- (c) Significant effort and energy has been expended in the creation and maintenance of the investment policies of the CSURMA, which is designed to meet those objectives.
- (d) Pursuant to California Government Code Section 53646(a)(2) the Treasurer of the CSURMA shall annually render to the Executive Committee an Investment Policy for review.
- (e) The Executive Committee has reviewed the CSURMA Master Investment Policy and related policies and finds that they reasonably set forth the procedure, guidelines, and criteria for the operation of the investment program of the CSURMA.

In consideration of the foregoing findings and determinations, IT IS RESOLVED by the Executive Committee of the California State University Risk Management Authority as follows:

- (1) Treasurer of the California State University Risk Management Authority is directed to adopt the California State University Risk Management Authority Master Investment Policy and related policies, as the Investment Policies of the California State University Risk Management Authority per the attached documents and annually present them to the Executive Committee for review and amendment as necessary.

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**

\* \* \* \* \*

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on March 8, 2018 which was approved by the following vote:

AYES, and in favor thereof, members: Scott Apel, Dwayne Brummett, Lisa Chavez, Robert Eaton, Thom Davis, Mike Lee, Dave Nakamura, Kevin Saunders and Jody Van Leuven

NOES, members:

ABSTAIN, members:

ABSENT, members:

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Mike Lee, Chair

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Zachary Gifford, Secretary-Auditor

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

**BOARD OF DIRECTORS  
RESOLUTION NO. 02-14 (BOD)**

**Resolution to Adopt the California State University Risk Management Authority Master Investment Policy and Investment Policy for the Fixed Income Portfolio**

The Board of Directors of the California State University Risk Management Authority (CSURMA) finds and determines as follows:

- (a) Section 4.3 of the Bylaws of the CSURMA provides that the Executive Committee establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- (b) It is the desire of the CSURMA Board of Directors that, when investing funds, the investment objectives, in order of importance, shall be to safeguard the principal through sufficient number and diversity of investments; provide adequate liquidity to meet normal cash needs, scheduled extraordinary cash needs, and unforeseen cash needs; and maintain a constant rate of return representative of current market yield direction.
- (c) Significant effort and energy has been expended in the creation and maintenance of the investment policies of the CSURMA, which is designed to meet those objectives.
- (d) Pursuant to California Government Code Section 53646(a)(2) the Treasurer of the CSURMA shall annually render to the Executive Committee an Investment Policy for review.
- (e) The Executive Committee has reviewed the California State University Risk Management Authority Master Investment Policy and Investment Policy for the Fixed Income Portfolio and finds that they reasonably set forth the procedure, guidelines, and criteria for the operation of the investment program of the California State University Risk Management Authority.

In consideration of the foregoing findings and determinations, IT IS RESOLVED by the Board of Directors of the California State University Risk Management Authority as follows:

- (1) The Treasurer of the California State University Risk Management Authority is directed to adopt the California State University Risk Management Authority Master Investment Policy and related policies, including changing the benchmark of the Fixed Income Portfolio from Barclay's U.S. Intermediate Government-Credit Index to Barclay's U.S. Intermediate Government-Credit – A or Better Index, as the Investment Policies of the California State University Risk Management Authority per the attached documents and annually present them to the Executive Committee for review and amendment as necessary.

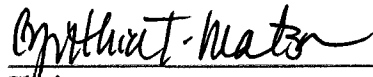
I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Board of Directors of the California State University Risk Management Authority held on the 9th day of May, 2014 which was approved by the following vote:

AYES, and in favor thereof, members:

NOES, members:

ABSTAIN, members:

ABSENT, members:



Chair

Cynthia Teniente-Matson

ATTEST:



Secretary-Auditor

Robert Eaton

**FY 2017/2018 MIDTERM BUDGET AMENDMENTS AND  
ADOPTION OF RESOLUTION NO. 01-18 (EC)**

**ISSUE:** The Board of Directors adopted the FY 2017/18 budget at its meeting on May 5, 2017. Upon review of the Financial Statements at December 31, 2017 (*unaudited*), Staff recommends the Executive Committee adopt Resolution No. 01-18 (EC) amending the FY 2017/18 budget as follows:

FY 2017/18 Midterm Budget Amendments:

*Please refer to the Midterm Budget Amendments worksheet for details on the cost allocation between Campus and AORMA programs, including details by coverage fund.*

1. Increase Contributions by \$4,373,010 to \$104,636,641 resulting primarily from FTIP, Property, AORMA Workers Comp, and OCIP.
2. Decrease Reinsurance Premiums by \$15,685 to \$9,968,874 for actual expenditures.
3. Increase Claim Payments & Legal Expenses by \$1,190,871 to \$63,728,987 due to updated actuarial reports and loss trends.
4. Decrease Deductible Recoveries by \$1,431,980 to \$4,618,980 due to updated actuarial reports and loss trends.
5. Increase MIS by \$311,725 to \$396,724 for Ventiv RMIS implementation, OGC e-billing platform and Sedgwick Claims MIS conversion.
6. Decrease Insurance Premiums and Brokerage Commissions & Fees by \$3,429,588 to \$46,181,875 for actual costs projected to fiscal year end.
7. Increase Taxes, Assessments & Fees by \$35,950 to \$301,450 per accounting projections.
8. Decrease Actuarial Services by \$302,750 to \$83,250 by eliminating budget for captive formation expenses and for actual expenditures.
9. Decrease Claims Audits by \$14,000 to \$8,000. Campus Liability and AORMA Liability were audited last year; only AIME remains for this year.
10. Increase Workshop/Training Expenses by \$222,000 to \$451,000 for new UCRSS subscription, FTPT conference and AOA conference.
11. Decrease Loss Control Expenses by \$23,000 to \$941,826 to correct UCOP (*Theater Safety*) and addition for AORMA.
12. Decrease Excess/Reinsurance Recoveries by \$3,799,249 to \$14,128,714 per actuarial updates.
13. Increase Program Committee by \$10,800 to \$10,800 for AIME and AORMA committees.
14. Increase Dividend Distribution by \$6,965,250 to \$8,678,005 for actual amounts returned to members.

15. Increase Membership Dues by \$8,050 to \$43,050 due to increase for CWCI data access.
16. Increase JPA Accreditation by \$7,000 to \$7,000 for CAJPA comparative review.
17. Increase Miscellaneous Expenses by \$12,493 to \$27,493 for Blackbaud, SouthTech and CO banking/cash management.
18. Interfund transfer of \$184,876 from Campus WC to AORMA WC to reallocate premium credits that EIA misapplied to Campus WC only.

Additional budget adjustments may be identified at today's Executive Committee meeting for review and adoption as appropriate.

**RECOMMENDATION:** It is recommended the Executive Committee adopt Resolution No. 01-18 (EC) including the budget amendment described above and any additional amendments approved at today's meeting.

**FISCAL IMPACT:** The effect of the above adjustments increases Total Revenues by \$4,388,695, increases Total Expenses by \$10,225,528 resulting Total Revenue of \$94,667,767, Total Expenses of \$110,703,380 and Non-Operating Income of \$2,500,000. The amended budget results in a Net Deficit of \$13,535,613. The Ending Balance at June 30, 2018 is estimated to be \$59,844,740.

**BACKGROUND:** None.

**PUBLICATION:** The amended FY 2017/18 Budget and Resolution 01-18 (EC) will be uploaded onto the CSURMA website.

**ATTACHMENT(S):**

- a. Draft Resolution No. 01-18 (EC)
- b. Draft FY 2017/18 CSURMA Midterm Budget Amendments

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE  
RESOLUTION NO. 01-18 (EC)**

**Resolution Approving CSURMA Midterm Budget Amendment for FY 2017/18**

The Executive Committee of the California State University Risk Management Authority finds and determines that the FY 2017/18 operating budget shall be amended as follows:

1. Increase Contributions by \$4,373,010 to \$104,636,641 resulting primarily from FTIP, Property, AORMA Workers Comp, and OCIP.
2. Decrease Reinsurance Premiums by \$15,685 to \$9,968,874 for actual expenditures.
3. Increase Claim Payments & Legal Expenses by \$1,190,871 to \$63,728,987 due to updated actuarial reports and loss trends.
4. Decrease Deductible Recoveries by \$1,431,980 to \$4,618,980 due to updated actuarial reports and loss trends.
5. Increase MIS by \$311,725 to \$396,724 for Ventiv RMIS implementation, OGC e-billing platform and Sedgwick Claims MIS conversion.
6. Decrease Insurance Premiums and Brokerage Commissions & Fees by \$3,429,588 to \$46,181,875 for actual costs projected to fiscal year end.
7. Increase Taxes, Assessments & Fees by \$35,950 to \$301,450 per accounting projections.
8. Decrease Actuarial Services by \$302,750 to \$83,250 by eliminating budget for captive formation expenses and for actual expenditures.
9. Decrease Claims Audits by \$14,000 to \$8,000. Campus Liability and AORMA Liability were audited last year; only AIME remains for this year.
10. Increase Workshop/Training Expenses by \$222,000 to \$451,000 for new UCRSS subscription, FTPT conference and AOA conference.
11. Decrease Loss Control Expenses by \$23,000 to \$941,826 to correct UCOP (*Theater Safety*) and addition for AORMA.
12. Decrease Excess/Reinsurance Recoveries by \$3,799,249 to \$14,128,714 per actuarial updates.
13. Increase Program Committee by \$10,800 to \$10,800 for AIME and AORMA committees.
14. Increase Dividend Distribution by \$6,965,250 to \$8,678,005 for actual amounts returned to members.
15. Increase Membership Dues by \$8,050 to \$43,050 due to increase for CWCI data access.
16. Increase JPA Accreditation by \$7,000 to \$7,000 for CAJPA comparative review.
17. Increase Miscellaneous Expenses by \$12,493 to \$27,493 for Blackbaud, SouthTech and CO banking/cash management.
18. Interfund transfer of \$184,876 from Campus WC to AORMA WC to reallocate premium credits that EIA misapplied to Campus WC only.

Please refer to the Midterm Budget Amendments worksheet for details on the cost allocation between Campus and AORMA programs, including details by coverage fund.

**CALIFORNIA STATE UNIVERSITY  
RISK MANAGEMENT AUTHORITY**

The effect of the above adjustments increases Total Revenues by \$4,388,695, increases Total Expenses by \$10,225,528 resulting Total Revenue of \$94,667,767, Total Expenses of \$110,703,380 and Non-Operating Income of \$2,500,000. The amended budget results in a Net Deficit of \$13,535,613. The Ending Balance at June 30, 2018 is estimated to be \$59,844,740.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Executive Committee of the California State University Risk Management Authority as follows:

The California State University Risk Management Authority does hereby amend the FY 2016/17 operating budget as presented herein.

\* \* \* \* \*

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on March 8, 2018 which was approved by the following votes:

AYES, and in favor thereof, members: Scott Apel, Dwayne Brummett, Lisa Chavez, Robert Eaton, Thom Davis, Mike Lee, Dave Nakamura, Kevin Saunders and Jody Van Leuven

NOES, members:

ABSTAIN, members:

ABSENT, members:

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Mike Lee, Chair

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Zachary Gifford, Secretary-Auditor

# **CSURMA**

**Midterm Budget Amendment  
Fiscal Year July 1, 2017 to June 30, 2018**

*Draft*

**Executive Committee  
March 8, 2018**

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
 Draft

**TOTAL: ALL FUNDS**

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	100,263,631	104,636,641	4,373,010
Reinsurance Premiums	-9,984,559	-9,968,874	15,685
Total Operating Revenues	<u>90,279,072</u>	<u>94,667,767</u>	<u>4,388,695</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	62,538,116	63,728,987	1,190,871
Deductible Recoveries	-6,050,000	-4,618,980	1,431,020
Claims Administrators	4,206,920	4,206,920	0
Management Information System	84,999	396,724	311,725
Program Administrators	2,738,950	2,739,408	458
Brokerage Commissions & Fees	1,588,892	1,279,002	-309,890
Insurance Premiums (net of brokerage)	48,022,571	44,902,873	-3,119,698
Taxes, Assessments & Fees	265,500	301,450	35,950
Actuarial Services	386,000	83,250	-302,750
Claims Audit	22,000	8,000	-14,000
Coverage Counsel	16,000	16,000	0
Program Legal	24,500	24,500	0
Miscellaneous Program Services	10,000	10,000	0
Workshop/Training Expenses	229,000	451,000	222,000
Loss Control Expenses	964,426	941,426	-23,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-17,927,963	-14,128,714	3,799,249
Program Committee	0	10,800	10,800
Dividend Distributions	1,712,755	8,678,005	6,965,250
Total Direct Program Expenses	<u>98,832,666</u>	<u>109,030,651</u>	<u>10,197,985</u>

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
 Draft

**TOTAL: ALL FUNDS**

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	35,000	35,000	0
Executive Committee & Board Expenses	34,036	34,036	0
JPA Insurance	16,000	16,000	0
Memberships, Associations & Dues	35,000	43,050	8,050
Chancellor's Office Accounting Services	367,500	367,500	0
Chancellor's Office Risk Management Service	1,034,500	1,034,500	0
JPA Accreditation	0	7,000	7,000
JPA Legal	108,150	108,150	0
Miscellaneous Expenses	15,000	27,493	12,493
Total General & Administrative Expenses	<u>1,645,186</u>	<u>1,672,729</u>	<u>27,543</u>
Total Operating Expenses	<u>100,477,852</u>	<u>110,703,380</u>	<u>10,225,528</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u><b>-7,698,780</b></u>	<u><b>-13,535,613</b></u>	
<b>Beginning Retained Earnings</b>	73,380,353	73,380,353	
<b>Ending Retained Earnings (est at 6/30/18)</b>	65,681,573	59,844,740	

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
 Draft

**GENERAL FUND**

To allocate General Expenses  
 across All Program Funds

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**GENERAL FUND**

**To allocate General Expenses  
across All Program Funds**

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	35,000	35,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	16,000	16,000	0
Memberships, Associations & Dues	7,500	7,500	0
Chancellor's Office Accounting Services	367,500	367,500	0
Chancellor's Office Risk Management Service	1,034,500	1,034,500	0
JPA Accreditation	0	7,000	7,000
JPA Legal	108,150	108,150	0
Miscellaneous Expenses	15,000	27,493	12,493
Total General & Administrative Expenses	<u>1,617,650</u>	<u>1,637,143</u>	<u>19,493</u>
Total Operating Expenses	<u>1,617,650</u>	<u>1,637,143</u>	<u>19,493</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>

**CSURMA**  
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**TOTAL: CAMPUS PROGRAMS**

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	80,493,521	82,560,843	2,067,322
Reinsurance Premiums	-6,984,559	-7,132,600	-148,041
Total Operating Revenues	<u>73,508,962</u>	<u>75,428,243</u>	<u>1,919,281</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	56,743,736	58,400,735	1,656,999
Deductible Recoveries	-6,000,000	-4,518,980	1,481,020
Claims Administrators	3,930,872	3,930,872	0
Management Information System	75,234	340,085	264,851
Program Administrators	1,407,350	1,407,350	0
Brokerage Commissions & Fees	1,220,408	909,010	-311,398
Insurance Premiums (net of brokerage)	39,913,191	35,866,392	-4,046,799
Taxes, Assessments & Fees	200,000	235,950	35,950
Actuarial Services	318,906	70,797	-248,109
Claims Audit	12,000	8,000	-4,000
Coverage Counsel	10,000	10,000	0
Program Legal	22,000	22,000	0
Miscellaneous Program Services	8,610	8,610	0
Workshop/Training Expenses	199,898	379,037	179,139
Loss Control Expenses	716,999	676,999	-40,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-16,378,654	-12,673,436	3,705,218
Program Committee	0	3,000	3,000
Dividend Distributions	0	7,027,608	7,027,608
Total Direct Program Expenses	<u>82,400,551</u>	<u>92,104,030</u>	<u>9,703,479</u>

CSURMA  
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**TOTAL: CAMPUS PROGRAMS**

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	28,164	28,164	0
Executive Committee & Board Expenses	27,395	27,395	0
JPA Insurance	12,875	12,875	0
Memberships, Associations & Dues	33,535	41,585	8,050
Chancellor's Office Accounting Services	295,726	295,726	0
Chancellor's Office Risk Management Service	832,456	832,456	0
JPA Accreditation	0	5,632	5,632
JPA Legal	87,028	87,028	0
Miscellaneous Expenses	12,070	22,125	10,055
Total General & Administrative Expenses	<u>1,329,249</u>	<u>1,352,986</u>	<u>23,737</u>
Total Operating Expenses	<u>83,729,800</u>	<u>93,457,016</u>	<u>9,727,216</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,096,464	2,085,528	-10,936
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,096,464</u>	<u>2,085,528</u>	<u>-10,936</u>
<b>Net Surplus (Deficit)</b>	<u>-8,124,374</u>	<u>-15,943,245</u>	
<b>Beginning Retained Earnings</b>	43,962,769	43,777,893	
<b>Ending Retained Earnings (est at 6/30/18)</b>	35,838,394	27,834,647	

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	15,570,060	16,957,436	1,387,376
Reinsurance Premiums	-2,010,531	-1,851,016	159,515
<b>Total Operating Revenues</b>	<b><u>13,559,529</u></b>	<b><u>15,106,420</u></b>	<b><u>1,546,891</u></b>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	11,701,912	14,553,483	2,851,571
Deductible Recoveries	-6,000,000	-4,518,980	1,481,020
Claims Administrators	0	0	0
Management Information System	42,864	98,615	55,751
Program Administrators	269,070	269,070	0
Brokerage Commissions & Fees	317,819	352,784	34,965
Insurance Premiums (net of brokerage)	2,571,389	3,003,012	431,623
Taxes, Assessments & Fees	200,000	235,950	35,950
Actuarial Services	86,027	16,095	-69,932
Claims Audit	10,000	0	-10,000
Coverage Counsel	10,000	10,000	0
Program Legal	22,000	22,000	0
Miscellaneous Program Services	1,683	1,683	0
Workshop/Training Expenses	48,441	173,418	124,977
Loss Control Expenses	489,489	449,489	-40,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	3,304,943	3,304,943
<b>Total Direct Program Expenses</b>	<b><u>9,770,693</u></b>	<b><u>17,971,562</u></b>	<b><u>8,200,869</u></b>

**CSURMA**  
**Midterm Budget Amendment**  
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**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	5,505	5,505	0
Executive Committee & Board Expenses	5,347	5,347	0
JPA Insurance	2,516	2,516	0
Memberships, Associations & Dues	1,180	1,180	0
Chancellor's Office Accounting Services	57,799	57,799	0
Chancellor's Office Risk Management Service	162,701	162,701	0
JPA Accreditation	0	1,101	1,101
JPA Legal	17,009	17,009	0
Miscellaneous Expenses	2,359	4,325	1,966
Total General & Administrative Expenses	<u>254,416</u>	<u>257,483</u>	<u>3,067</u>
Total Operating Expenses	<u>10,025,109</u>	<u>18,229,045</u>	<u>8,203,935</u>
<b>Non-Operating Revenues</b>			
Investment Income	561,570	625,839	64,269
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>561,570</u>	<u>625,839</u>	<u>64,269</u>
<b>Net Surplus (Deficit)</b>	<u>4,095,990</u>	<u>-2,496,785</u>	
<b>Beginning Retained Earnings</b>	<b>14,251,365</b>	<b>13,751,365</b>	
<b>Ending Retained Earnings (est at 6/30/18)</b>	<b>18,347,355</b>	<b>11,254,580</b>	

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	36,337,621	36,337,621	0
Reinsurance Premiums	0	0	0
<b>Total Operating Revenues</b>	<b><u>36,337,621</u></b>	<b><u>36,337,621</u></b>	<b><u>0</u></b>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	23,025,726	21,794,769	-1,230,957
Deductible Recoveries	0	0	0
Claims Administrators	3,665,872	3,665,872	0
Management Information System	18,351	160,163	141,812
Program Administrators	738,223	738,223	0
Brokerage Commissions & Fees	458,089	210	-457,879
Insurance Premiums (net of brokerage)	35,316,384	30,314,694	-5,001,690
Taxes, Assessments & Fees	0	0	0
Actuarial Services	138,867	31,728	-107,139
Claims Audit	2,000	0	-2,000
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	3,928	3,928	0
Workshop/Training Expenses	131,381	164,410	33,029
Loss Control Expenses	170,076	170,076	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-16,378,654	-12,673,436	3,705,218
Program Committee	0	0	0
<b>Dividend Distributions</b>	<b>0</b>	<b>3,722,665</b>	<b>3,722,665</b>
<b>Total Direct Program Expenses</b>	<b><u>47,290,243</u></b>	<b><u>48,093,302</u></b>	<b><u>803,059</u></b>

CSURMA  
 Midterm Budget Amendment  
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Midterm Budget Amendment  
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**CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<u><b>Budget</b></u>	<u><b>Budget</b></u>	<u><b>Change</b></u>

**General & Administrative Expenses**

Financial Audit	12,847	12,847	0
Executive Committee & Board Expenses	12,480	12,480	0
JPA Insurance	5,873	5,873	0
Memberships, Associations & Dues	30,253	38,303	8,050
Chancellor's Office Accounting Services	134,891	134,891	0
Chancellor's Office Risk Management Service	379,713	379,713	0
JPA Accreditation	0	2,568	2,568
JPA Legal	39,696	39,696	0
Miscellaneous Expenses	5,506	10,092	4,586
<b>Total General &amp; Administrative Expenses</b>	<u><b>621,258</b></u>	<u><b>636,463</b></u>	<u><b>15,204</b></u>
<b>Total Operating Expenses</b>	<u><b>47,911,501</b></u>	<u><b>48,729,765</b></u>	<u><b>818,263</b></u>

**Non-Operating Revenues**

Investment Income	1,225,743	1,139,430	-86,313
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
<b>Total Non-Operating Revenues</b>	<u><b>1,225,743</b></u>	<u><b>1,139,430</b></u>	<u><b>-86,313</b></u>

<b>Net Surplus (Deficit)</b>	<u><b>-10,348,137</b></u>	<u><b>-11,252,713</b></u>	
<b>Beginning Retained Earnings</b>	22,169,586	21,984,710	-184,876
<b>Ending Retained Earnings (est at 6/30/18)</b>	11,821,449	10,731,996	

**CSURMA**  
**Midterm Budget Amendment**  
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**Midterm Budget Amendment**  
**Draft**

**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b><u>Budget</u></b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	15,000,000	15,000,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>15,000,000</u>	<u>15,000,000</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	14,500,000	14,500,000	0
Deductible Recoveries	0	0	0
Claims Administrators	70,000	70,000	0
Management Information System	7,576	43,940	36,364
Program Administrators	172,964	172,964	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	47,424	10,930	-36,494
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,621	1,621	0
Workshop/Training Expenses	12,952	26,587	13,634
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>14,812,538</u>	<u>14,826,042</u>	<u>13,504</u>

**CSURMA**  
**Midterm Budget Amendment**  
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**Midterm Budget Amendment**  
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**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	5,303	5,303	0
Executive Committee & Board Expenses	5,152	5,152	0
JPA Insurance	2,424	2,424	0
Memberships, Associations & Dues	1,136	1,136	0
Chancellor's Office Accounting Services	55,682	55,682	0
Chancellor's Office Risk Management Service	156,744	156,744	0
JPA Accreditation	0	1,061	1,061
JPA Legal	16,387	16,387	0
Miscellaneous Expenses	2,273	4,166	1,893
Total General & Administrative Expenses	<u>245,101</u>	<u>248,055</u>	<u>2,954</u>
Total Operating Expenses	<u>15,057,638</u>	<u>15,074,097</u>	<u>16,458</u>
<b>Non-Operating Revenues</b>			
Investment Income	117,706	126,054	8,349
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>117,706</u>	<u>126,054</u>	<u>8,349</u>
<b>Net Surplus (Deficit)</b>	<u>60,067</u>	<u>51,958</u>	
<b>Beginning Retained Earnings</b>	<b>-723,690</b>	-723,690	
<b>Ending Retained Earnings (est at 6/30/18)</b>	-663,623	-671,733	

\* Industrial Disability, Non-industrial Disability, Unemployment Insurance

**CSURMA**  
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**Midterm Budget Amendment**  
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**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	8,250,000	8,929,946	679,946
Reinsurance Premiums	-4,974,028	-5,281,584	-307,556
Total Operating Revenues	<u>3,275,972</u>	<u>3,648,362</u>	<u>372,390</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	4,000,000	4,000,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	4,167	24,167	20,000
Program Administrators	216,507	216,507	0
Brokerage Commissions & Fees	442,500	554,016	111,516
Insurance Premiums (net of brokerage)	1,176,108	1,756,052	579,944
Taxes, Assessments & Fees	0	0	0
Actuarial Services	28,980	6,011	-22,969
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	892	892	0
Workshop/Training Expenses	7,124	14,623	7,499
Loss Control Expenses	57,434	57,434	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>5,933,712</u>	<u>6,629,701</u>	<u>695,990</u>

CSURMA  
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**CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,917	2,917	0
Executive Committee & Board Expenses	2,833	2,833	0
JPA Insurance	1,333	1,333	0
Memberships, Associations & Dues	625	625	0
Chancellor's Office Accounting Services	30,625	30,625	0
Chancellor's Office Risk Management Service	86,209	86,209	0
JPA Accreditation	0	583	583
JPA Legal	9,013	9,013	0
Miscellaneous Expenses	1,250	2,291	1,041
Total General & Administrative Expenses	<u>134,805</u>	<u>136,429</u>	<u>1,624</u>
Total Operating Expenses	<u>6,068,517</u>	<u>6,766,131</u>	<u>697,614</u>
<b>Non-Operating Revenues</b>			
Investment Income	130,761	119,913	-10,848
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>130,761</u>	<u>119,913</u>	<u>-10,848</u>
<b>Net Surplus (Deficit)</b>	<u>-2,661,784</u>	<u>-2,997,856</u>	
<b>Beginning Retained Earnings</b>	<b>7,902,818</b>	7,902,818	
<b>Ending Retained Earnings (est at 6/30/18)</b>	5,241,034	4,904,963	

**CSURMA**  
**Midterm Budget Amendment**  
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**Midterm Budget Amendment**  
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**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	4,506,330	4,506,330	0
Reinsurance Premiums	0	0	0
<b>Total Operating Revenues</b>	<b><u>4,506,330</u></b>	<b><u>4,506,330</u></b>	<b><u>0</u></b>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	3,516,098	3,552,483	36,385
Deductible Recoveries	0	0	0
Claims Administrators	195,000	195,000	0
Management Information System	2,276	13,200	10,924
Program Administrators	10,586	10,586	0
Brokerage Commissions & Fees	2,000	2,000	0
Insurance Premiums (net of brokerage)	19,800	19,800	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	17,608	6,033	-11,575
Claims Audit	0	8,000	8,000
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	487	487	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	3,000	3,000
Dividend Distributions	0	0	0
<b>Total Direct Program Expenses</b>	<b><u>3,763,855</u></b>	<b><u>3,810,589</u></b>	<b><u>46,734</u></b>

**CSURMA**  
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**CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**General & Administrative Expenses**

Financial Audit	1,593	1,593	0
Executive Committee & Board Expenses	1,583	1,583	0
JPA Insurance	728	728	0
Memberships, Associations & Dues	341	341	0
Chancellor's Office Accounting Services	16,728	16,728	0
Chancellor's Office Risk Management Service	47,089	47,089	0
JPA Accreditation	0	319	319
JPA Legal	4,923	4,923	0
Miscellaneous Expenses	683	1,251	568
<b>Total General &amp; Administrative Expenses</b>	<b><u>73,669</u></b>	<b><u>74,556</u></b>	<b><u>887</u></b>
<b>Total Operating Expenses</b>	<b><u>3,837,524</u></b>	<b><u>3,885,145</u></b>	<b><u>47,621</u></b>

**Non-Operating Revenues**

Investment Income	60,684	74,291	13,607
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
<b>Total Non-Operating Revenues</b>	<b><u>60,684</u></b>	<b><u>74,291</u></b>	<b><u>13,607</u></b>

**Net Surplus (Deficit)** **729,490** **695,476**

**Beginning Retained Earnings** **503,731** **1,003,731**  
**Ending Retained Earnings (est at 6/30/18)** **1,233,221** **1,699,206**

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	829,510	829,510	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>829,510</u>	<u>829,510</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	829,510	772,834	-56,676
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>829,510</u>	<u>772,834</u>	<u>-56,676</u>

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>829,510</u>	<u>772,834</u>	<u>-56,676</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>56,676</u>	
<b>Beginning Retained Earnings</b>	<b>-141,041</b>	-141,041	
<b>Ending Retained Earnings (est at 6/30/18)</b>	-141,041	-84,365	

\* Vehicle Liability Self-Insurance Program  
 State Motor Vehicle Self-Insurance Account

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**TOTAL: AORMA PROGRAMS**

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>Operating Revenues</b>			
Contributions	12,856,592	13,436,380	579,788
Reinsurance Premiums	-3,000,000	-2,836,274	163,726
Total Operating Revenues	<u>9,856,592</u>	<u>10,600,106</u>	<u>743,514</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,684,380	5,218,252	-466,128
Deductible Recoveries	-50,000	-100,000	-50,000
Claims Administrators	268,048	268,048	0
Management Information System	6,493	37,661	31,168
Program Administrators	1,331,600	1,331,600	0
Brokerage Commissions & Fees	282,137	289,564	7,427
Insurance Premiums (net of brokerage)	5,269,350	4,905,089	-364,261
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	48,937	11,799	-37,138
Claims Audit	10,000	0	-10,000
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,390	1,390	0
Workshop/Training Expenses	29,102	71,963	42,861
Loss Control Expenses	247,427	264,427	17,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,549,309	-1,455,278	94,031
Program Committee	0	7,800	7,800
Dividend Distributions	1,712,755	1,650,397	-62,358
Total Direct Program Expenses	<u>13,366,309</u>	<u>12,576,711</u>	<u>-789,598</u>

CSURMA  
 Midterm Budget Amendment  
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Midterm Budget Amendment  
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**TOTAL: AORMA PROGRAMS**

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	4,545	4,545	0
Executive Committee & Board Expenses	4,415	4,415	0
JPA Insurance	2,078	2,078	0
Memberships, Associations & Dues	974	974	0
Chancellor's Office Accounting Services	47,726	47,726	0
Chancellor's Office Risk Management Service	134,346	134,346	0
JPA Accreditation	0	910	910
JPA Legal	14,045	14,045	0
Miscellaneous Expenses	1,948	3,569	1,621
Total General & Administrative Expenses	<u>210,077</u>	<u>212,608</u>	<u>2,531</u>
Total Operating Expenses	<u>13,576,386</u>	<u>12,789,319</u>	<u>-787,067</u>
<b>Non-Operating Revenues</b>			
Investment Income	400,594	410,040	9,446
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>400,594</u>	<u>410,040</u>	<u>9,446</u>
<b>Net Surplus (Deficit)</b>	<u>-3,319,200</u>	<u>-1,779,173</u>	
<b>Beginning Retained Earnings</b>	21,899,825	22,084,701	
<b>Ending Retained Earnings (est at 6/30/18)</b>	18,580,625	20,305,528	

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**AORMA LIABILITY PROGRAM**

(Fund 21)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	4,098,878	4,158,018	59,140
Reinsurance Premiums	-1,500,000	-1,336,274	163,726
<b>Total Operating Revenues</b>	<b><u>2,598,878</u></b>	<b><u>2,821,744</u></b>	<b><u>222,866</u></b>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	1,116,991	783,549	-333,442
Deductible Recoveries	-50,000	-100,000	-50,000
Claims Administrators	15,000	15,000	0
Management Information System	2,070	12,007	9,937
Program Administrators	609,206	609,206	0
Brokerage Commissions & Fees	39,939	72,346	32,407
Insurance Premiums (net of brokerage)	404,339	209,860	-194,479
Taxes, Assessments & Fees	0	0	0
Actuarial Services	16,145	5,414	-10,731
Claims Audit	5,000	0	-5,000
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	443	443	0
Workshop/Training Expenses	9,278	42,816	33,538
Loss Control Expenses	102,657	110,778	8,121
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	2,487	2,487
Dividend Distributions	824,133	1,118,476	294,343
<b>Total Direct Program Expenses</b>	<b><u>3,102,701</u></b>	<b><u>2,889,882</u></b>	<b><u>-212,818</u></b>

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
 Draft

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,449	1,449	0
Executive Committee & Board Expenses	1,408	1,408	0
JPA Insurance	662	662	0
Memberships, Associations & Dues	311	311	0
Chancellor's Office Accounting Services	15,216	15,216	0
Chancellor's Office Risk Management Service	42,832	42,832	0
JPA Accreditation	0	290	290
JPA Legal	4,478	4,478	0
Miscellaneous Expenses	621	1,138	517
Total General & Administrative Expenses	<u>66,976</u>	<u>67,783</u>	<u>807</u>
Total Operating Expenses	<u>3,169,677</u>	<u>2,957,665</u>	<u>-212,011</u>
<b>Non-Operating Revenues</b>			
Investment Income	125,276	137,527	12,250
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>125,276</u>	<u>137,527</u>	<u>12,250</u>
<b>Net Surplus (Deficit)</b>	<u>-445,523</u>	<u>1,605</u>	
<b>Beginning Retained Earnings</b>	<b>6,973,901</b>	6,973,901	
<b>Ending Retained Earnings (est at 6/30/18)</b>	6,528,378	6,975,506	

Includes Cyber Risk Liability

**CSURMA**  
**Midterm Budget Amendment**  
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**Midterm Budget Amendment**  
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**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	4,481,160	5,001,808	520,648
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,481,160</u>	<u>5,001,808</u>	<u>520,648</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	2,498,638	2,365,952	-132,686
Deductible Recoveries	0	0	0
Claims Administrators	224,160	224,160	0
Management Information System	2,263	13,127	10,864
Program Administrators	392,407	392,407	0
Brokerage Commissions & Fees	30,112	26	-30,086
Insurance Premiums (net of brokerage)	4,599,011	4,322,130	-276,881
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	18,989	5,953	-13,036
Claims Audit	5,000	0	-5,000
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	484	484	0
Workshop/Training Expenses	10,143	14,914	4,770
Loss Control Expenses	110,366	119,245	8,879
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,549,309	-1,455,278	94,031
Program Committee	0	2,718	2,718
Dividend Distributions	888,622	531,921	-356,701
Total Direct Program Expenses	<u>7,297,386</u>	<u>6,604,258</u>	<u>-693,128</u>

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
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**AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,584	1,584	0
Executive Committee & Board Expenses	1,539	1,539	0
JPA Insurance	724	724	0
Memberships, Associations & Dues	339	339	0
Chancellor's Office Accounting Services	16,635	16,635	0
Chancellor's Office Risk Management Service	46,826	46,826	0
JPA Accreditation	0	317	317
JPA Legal	4,895	4,895	0
Miscellaneous Expenses	679	1,244	565
 Total General & Administrative Expenses	 <u>73,222</u>	 <u>74,104</u>	 <u>882</u>
 Total Operating Expenses	 <u>7,370,609</u>	 <u>6,678,363</u>	 <u>-692,246</u>
<b>Non-Operating Revenues</b>			
Investment Income	152,963	139,570	-13,393
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>152,963</u>	 <u>139,570</u>	 <u>-13,393</u>
 <b>Net Surplus (Deficit)</b>	 <u>-2,736,486</u>	 <u>-1,536,985</u>	
 <b>Beginning Retained Earnings</b>	 6,409,607	 6,594,483	 184,876
<b>Ending Retained Earnings (est at 6/30/18)</b>	<b>3,673,121</b>	<b>5,057,498</b>	

**CSURMA**  
**Midterm Budget Amendment**  
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**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Adopted</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<i>Amended</i> <b>FY 17/18</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	2,075,000	2,075,000	0
Reinsurance Premiums	-1,500,000	-1,500,000	0
Total Operating Revenues	<u>575,000</u>	<u>575,000</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	1,048	6,078	5,030
Program Administrators	258,913	258,913	0
Brokerage Commissions & Fees	189,843	194,949	5,106
Insurance Premiums (net of brokerage)	21,000	128,099	107,099
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,802	210	-6,592
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	224	224	0
Workshop/Training Expenses	4,697	6,906	2,209
Loss Control Expenses	24,130	24,130	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	1,259	1,259
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>756,657</u>	<u>870,768</u>	<u>114,111</u>

CSURMA  
 Midterm Budget Amendment  
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**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	734	734	0
Executive Committee & Board Expenses	713	713	0
JPA Insurance	335	335	0
Memberships, Associations & Dues	157	157	0
Chancellor's Office Accounting Services	7,703	7,703	0
Chancellor's Office Risk Management Service	21,683	21,683	0
JPA Accreditation	0	147	147
JPA Legal	2,267	2,267	0
Miscellaneous Expenses	314	576	262
Total General & Administrative Expenses	<u>33,906</u>	<u>34,314</u>	<u>409</u>
Total Operating Expenses	<u>790,562</u>	<u>905,082</u>	<u>114,519</u>
<b>Non-Operating Revenues</b>			
Investment Income	29,036	32,886	3,850
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>29,036</u>	<u>32,886</u>	<u>3,850</u>
<b>Net Surplus (Deficit)</b>	<u>-186,526</u>	<u>-297,196</u>	
<b>Beginning Retained Earnings</b>	2,111,069	2,111,069	
<b>Ending Retained Earnings (est at 6/30/18)</b>	1,924,543	1,813,874	

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

**CSURMA**  
**Midterm Budget Amendment**  
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**Midterm Budget Amendment**  
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**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	277,000	277,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>277,000</u>	<u>277,000</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	50,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	140	811	671
Program Administrators	25,384	25,384	0
Brokerage Commissions & Fees *	22,243	22,243	0
Insurance Premiums	245,000	245,000	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	892	28	-864
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	30	30	0
Workshop/Training Expenses	627	922	295
Loss Control Expenses	1,293	1,293	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	168	168
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>345,609</u>	<u>345,879</u>	<u>270</u>

**CSURMA  
Midterm Budget Amendment  
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**Midterm Budget Amendment  
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**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	98	98	0
Executive Committee & Board Expenses	95	95	0
JPA Insurance	45	45	0
Memberships, Associations & Dues	21	21	0
Chancellor's Office Accounting Services	1,028	1,028	0
Chancellor's Office Risk Management Service	2,895	2,895	0
JPA Accreditation	0	20	20
JPA Legal	303	303	0
Miscellaneous Expenses	42	77	35
Total General & Administrative Expenses	<u>4,526</u>	<u>4,581</u>	<u>55</u>
Total Operating Expenses	<u>350,135</u>	<u>350,460</u>	<u>325</u>
<b>Non-Operating Revenues</b>			
Investment Income	7,640	6,344	-1,297
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>7,640</u>	<u>6,344</u>	<u>-1,297</u>
<b>Net Surplus (Deficit)</b>	<u>-65,494</u>	<u>-67,116</u>	
<b>Beginning Retained Earnings</b>	412,604	412,604	
<b>Ending Retained Earnings (est at 6/30/18)</b>	347,110	345,488	

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

**CSURMA**  
**Midterm Budget Amendment**  
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**Midterm Budget Amendment**  
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**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Adopted</i>	<i>Amended</i>	
	<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	1,924,554	1,924,554	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>1,924,554</u>	<u>1,924,554</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,768,751	1,768,751	0
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	972	5,638	4,666
Program Administrators	45,690	45,690	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,109	194	-5,915
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	208	208	0
Workshop/Training Expenses	4,356	6,405	2,049
Loss Control Expenses	8,982	8,982	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	1,168	1,168
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,863,956</u>	<u>1,865,924</u>	<u>1,968</u>

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
 Draft

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	680	680	0
Executive Committee & Board Expenses	661	661	0
JPA Insurance	311	311	0
Memberships, Associations & Dues	146	146	0
Chancellor's Office Accounting Services	7,144	7,144	0
Chancellor's Office Risk Management Service	20,111	20,111	0
JPA Accreditation	0	136	136
JPA Legal	2,102	2,102	0
Miscellaneous Expenses	292	534	242
Total General & Administrative Expenses	<u>31,447</u>	<u>31,826</u>	<u>378</u>
<b>Total Operating Expenses</b>	<u>1,895,403</u>	<u>1,897,749</u>	<u>2,346</u>
<b>Non-Operating Revenues</b>			
Investment Income	85,678	93,714	8,036
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>85,678</u>	<u>93,714</u>	<u>8,036</u>
Net Surplus (Deficit)	<u>114,829</u>	<u>120,519</u>	
<b>Beginning Retained Earnings</b>	<b>5,992,643</b>	5,992,643	
<b>Ending Retained Earnings (est at 6/30/18)</b>	6,107,472	6,113,162	

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	435,000	514,800	79,800
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>435,000</u>	<u>514,800</u>	<u>79,800</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	43,500	43,500	0
Insurance Premiums (net of brokerage)	391,500	391,500	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>435,000</u>	<u>435,000</u>	<u>0</u>

**CSURMA  
Midterm Budget Amendment  
Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment  
Draft**

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>435,000</u>	<u>435,000</u>	<u>0</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>0</u>	<u>79,800</u>	
<b>Beginning Retained Earnings</b>	55,653	55,653	
<b>Ending Retained Earnings (est at 6/30/18)</b>	55,653	135,453	

\* Participant Accident Insurance (PAI), Auto Physical Damage (APD),  
International Programs (IP)

CSURMA  
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**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	6,118,518	7,751,690	1,633,172
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>6,118,518</u>	<u>7,751,690</u>	<u>1,633,172</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	3,090	17,923	14,833
Program Administrators	0	433	433
Brokerage Commissions & Fees	33,690	19,116	-14,574
Insurance Premiums (net of brokerage)	2,366,117	3,573,519	1,207,402
Taxes, Assessments & Fees	0	0	0
Actuarial Services	17,569	618	-16,951
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,420,466</u>	<u>3,611,609</u>	<u>1,191,143</u>

CSURMA  
 Midterm Budget Amendment  
 Fiscal Year July 1, 2017 to June 30, 2018

Midterm Budget Amendment  
 Draft

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Adopted</i> FY 17/18 <u>Budget</u>	<i>Amended</i> FY 17/18 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,163	2,163	0
Executive Committee & Board Expenses	2,101	2,101	0
JPA Insurance	989	989	0
Memberships, Associations & Dues	464	464	0
Chancellor's Office Accounting Services	22,713	22,713	0
Chancellor's Office Risk Management Service	63,936	63,936	0
JPA Accreditation	0	433	433
JPA Legal	6,684	6,684	0
Miscellaneous Expenses	927	1,699	772
Total General & Administrative Expenses	<u>99,977</u>	<u>101,182</u>	<u>1,205</u>
Total Operating Expenses	<u>2,520,443</u>	<u>3,712,791</u>	<u>1,192,348</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>3,598,075</u>	<u>4,038,899</u>	
<b>Beginning Retained Earnings</b>	<b>7,076,425</b>	7,076,425	
<b>Ending Retained Earnings (est at 6/30/18)</b>	10,674,500	11,115,324	

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
**Draft**

**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

<i>Adopted</i>	<i>Amended</i>	
<b>FY 17/18</b>	<b>FY 17/18</b>	<b>Budget</b>
<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>

**Operating Revenues**

Contributions	360,000	372,928	12,928
Reinsurance Premiums	0	0	0
<b>Total Operating Revenues</b>	<b><u>360,000</u></b>	<b><u>372,928</u></b>	<b><u>12,928</u></b>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	110,000	110,000	0
Deductible Recoveries	0	0	0
Claims Administrators	8,000	8,000	0
Management Information System	182	1,055	873
Program Administrators	0	25	25
Brokerage Commissions & Fees	9,157	17,812	8,655
Insurance Premiums (net of brokerage)	82,413	166,373	83,960
Taxes, Assessments & Fees	0	0	0
Actuarial Services	588	36	-552
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
<b>Total Direct Program Expenses</b>	<b><u>210,341</u></b>	<b><u>303,301</u></b>	<b><u>92,961</u></b>

**CSURMA**  
**Midterm Budget Amendment**  
**Fiscal Year July 1, 2017 to June 30, 2018**

**Midterm Budget Amendment**  
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**CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Adopted</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<i>Amended</i> <b>FY 17/18</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	127	127	0
Executive Committee & Board Expenses	124	124	0
JPA Insurance	58	58	0
Memberships, Associations & Dues	27	27	0
Chancellor's Office Accounting Services	1,336	1,336	0
Chancellor's Office Risk Management Service	3,762	3,762	0
JPA Accreditation	0	25	25
JPA Legal	393	393	0
Miscellaneous Expenses	55	100	45
 Total General & Administrative Expenses	 <u>5,882</u>	 <u>5,953</u>	 <u>70</u>
 Total Operating Expenses	 <u>216,223</u>	 <u>309,254</u>	 <u>93,031</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,942	4,432	1,490
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>2,942</u>	 <u>4,432</u>	 <u>1,490</u>
 <b>Net Surplus (Deficit)</b>	 <u>146,719</u>	 <u>68,106</u>	
 <b>Beginning Retained Earnings</b>	 385,682	 385,682	
<b>Ending Retained Earnings (est at 6/30/18)</b>	532,401	453,788	

Launched beginning August 1, 2012

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
<b>Revenue</b>																	
Contributions	15,570,060	36,337,621	15,000,000	8,250,000	4,506,330	829,510	80,493,521	4,098,878	4,481,160	2,075,000	277,000	1,924,554	12,856,592	435,000	6,118,518	360,000	100,263,631
Reinsurance Premiums	-2,010,531	0	0	-4,974,028	0	0	-6,984,559	-1,500,000	0	-1,500,000	0	0	-3,000,000	0	0	0	-9,984,559
<b>Total Operating Revenues</b>	<b>13,559,529</b>	<b>36,337,621</b>	<b>15,000,000</b>	<b>3,275,972</b>	<b>4,506,330</b>	<b>829,510</b>	<b>73,508,962</b>	<b>2,598,878</b>	<b>4,481,160</b>	<b>575,000</b>	<b>277,000</b>	<b>1,924,554</b>	<b>9,856,592</b>	<b>435,000</b>	<b>6,118,518</b>	<b>360,000</b>	<b>90,279,072</b>
<b>Operating Expenses</b>																	
<i>Direct Program Expenses</i>																	
Claims Payments & Legal Expenses	11,701,912	23,025,726	14,500,000	4,000,000	3,516,098	0	56,743,736	1,116,991	2,498,638	250,000	50,000	1,768,751	5,684,380	0	0	110,000	62,538,116
Deductible Recoveries	-6,000,000	0	0	0	0	0	-6,000,000	-50,000	0	0	0	0	-50,000	0	0	0	-6,050,000
Claims Administrators	0	3,665,872	70,000	0	195,000	0	3,930,872	15,000	224,160	0	0	28,888	268,048	0	0	8,000	4,206,920
Management Information System	42,864	18,351	7,576	4,167	2,276	0	75,234	2,070	2,263	1,048	140	972	6,493	0	3,090	182	84,999
Program Administrators	269,070	738,223	172,964	216,507	10,586	0	1,407,350	609,206	392,407	258,913	25,384	45,690	1,331,600	0	0	0	2,738,950
Brokerage Commissions & Fees	317,819	458,089	0	442,500	2,000	0	1,220,408	39,939	30,112	189,843	22,243	0	282,137	43,500	33,690	9,157	1,588,892
Insurance Premiums (net of brokerage)	2,571,389	35,316,384	0	1,176,108	19,800	829,510	39,913,191	404,339	4,599,011	21,000	245,000	0	5,269,350	391,500	2,366,117	82,413	48,022,571
Taxes, Assessments & Fees	200,000	0	0	0	0	0	200,000	0	65,500	0	0	0	65,500	0	0	0	265,500
Actuarial Services	86,027	138,867	47,424	28,980	17,608	0	318,906	16,145	18,989	6,802	892	6,109	48,937	0	17,569	588	386,000
Claims Audit	10,000	2,000	0	0	0	0	12,000	5,000	5,000	0	0	0	10,000	0	0	0	22,000
Coverage Counsel	10,000	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	22,000	0	0	0	0	0	22,000	2,500	0	0	0	0	2,500	0	0	0	24,500
Miscellaneous Program Services	1,683	3,928	1,621	892	487	0	8,610	443	484	224	30	208	1,390	0	0	0	10,000
Workshop/Training Expenses	48,441	131,381	12,952	7,124	0	0	199,898	9,278	10,143	4,697	627	4,356	29,102	0	0	0	229,000
Loss Control Expenses	489,489	170,076	0	57,434	0	0	716,999	102,657	110,366	24,130	1,293	8,982	247,427	0	0	0	964,426
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess/Reinsurance Recoveries	0	-16,378,654	0	0	0	0	-16,378,654	0	-1,549,309	0	0	0	-1,549,309	0	0	0	-17,927,963
Program Committee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividend Distributions	0	0	0	0	0	0	0	824,133	888,622	0	0	0	1,712,755	0	0	0	1,712,755
<b>Total Direct Program Expenses</b>	<b>9,770,693</b>	<b>47,290,243</b>	<b>14,812,538</b>	<b>5,933,712</b>	<b>3,763,855</b>	<b>829,510</b>	<b>82,400,551</b>	<b>3,102,701</b>	<b>7,297,386</b>	<b>756,657</b>	<b>345,609</b>	<b>1,863,956</b>	<b>13,366,309</b>	<b>435,000</b>	<b>2,420,466</b>	<b>210,341</b>	<b>98,832,666</b>
<b>General &amp; Administrative Expenses</b>																	
Financial Audit	5,505	12,847	5,303	2,917	1,593	0	28,164	1,449	1,584	734	98	680	4,545	0	2,163	127	35,000
Executive Committee & Board Expenses	5,347	12,480	5,152	2,833	1,583	0	27,395	1,408	1,539	713	95	661	4,415	0	2,101	124	34,035
JPA Insurance	2,516	5,873	2,424	1,333	728	0	12,875	662	724	335	45	311	2,078	0	989	58	16,000
Memberships, Associations & Dues	1,180	30,253	1,136	625	341	0	33,535	311	339	157	21	146	974	0	464	27	35,000
Chancellor's Office Accounting Services	57,799	134,891	55,682	30,625	16,728	0	295,726	15,216	16,635	7,703	1,028	7,144	47,726	0	22,713	1,336	367,501
Chancellor's Office Risk Management Services	162,701	379,713	156,744	86,209	47,089	0	832,456	42,832	46,826	21,683	2,895	20,111	134,346	0	63,936	3,762	1,034,500
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	17,009	39,696	16,387	9,013	4,923	0	87,028	4,478	4,895	2,267	303	2,102	14,045	0	6,684	393	108,150
Miscellaneous Expenses	2,359	5,506	2,273	1,250	683	0	12,070	621	679	314	42	292	1,948	0	927	55	15,000
<b>Total General &amp; Administrative Expenses</b>	<b>254,416</b>	<b>621,258</b>	<b>245,101</b>	<b>134,805</b>	<b>73,669</b>	<b>0</b>	<b>1,329,249</b>	<b>66,976</b>	<b>73,222</b>	<b>33,906</b>	<b>4,526</b>	<b>31,447</b>	<b>210,077</b>	<b>0</b>	<b>99,977</b>	<b>5,882</b>	<b>1,645,186</b>
<b>Total Operating Expenses</b>	<b>10,025,109</b>	<b>47,911,501</b>	<b>15,057,638</b>	<b>6,068,517</b>	<b>3,837,524</b>	<b>829,510</b>	<b>83,729,800</b>	<b>3,169,677</b>	<b>7,370,609</b>	<b>790,562</b>	<b>350,135</b>	<b>1,895,403</b>	<b>13,576,386</b>	<b>435,000</b>	<b>2,520,443</b>	<b>216,223</b>	<b>100,477,852</b>
<b>Non-Operating Revenues</b>																	
Investment Income	561,570	1,225,743	117,706	130,761	60,684	0	2,096,464	125,276	152,963	29,036	7,640	85,678	400,594	0	0	2,942	2,500,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b>561,570</b>	<b>1,225,743</b>	<b>117,706</b>	<b>130,761</b>	<b>60,684</b>	<b>0</b>	<b>2,096,464</b>	<b>125,276</b>	<b>152,963</b>	<b>29,036</b>	<b>7,640</b>	<b>85,678</b>	<b>400,594</b>	<b>0</b>	<b>0</b>	<b>2,942</b>	<b>2,500,000</b>
<b>Net Surplus (Deficit)</b>	<b>4,095,990</b>	<b>-10,348,137</b>	<b>60,067</b>	<b>-2,661,784</b>	<b>729,490</b>	<b>0</b>	<b>-8,124,374</b>	<b>-445,523</b>	<b>-2,736,486</b>	<b>-186,526</b>	<b>-65,494</b>	<b>114,829</b>	<b>-3,319,200</b>	<b>0</b>	<b>3,598,075</b>	<b>146,719</b>	<b>-7,698,780</b>
<b>Beginning Retained Earnings (at 7/1/17) updated</b>	14,251,365	22,169,586	-723,690	7,902,818	503,731	-141,041	43,962,769	6,973,901	6,409,607	2,111,069	412,604	5,992,643	21,899,825	55,653	7,076,425	385,682	73,380,353
<b>Ending Retained Earnings (est at 6/30/18)</b>	18,347,355	11,821,449	-663,623	5,241,034	1,233,221	-141,041	35,838,394	6,528,378	3,673,121	1,924,543	347,110	6,107,472	18,580,625	55,653	10,674,500	532,401	65,681,573

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
<b>Revenue</b>																	
Contributions	16,957,436	36,337,621	15,000,000	8,929,946	4,506,330	829,510	82,560,843	4,158,018	5,001,808	2,075,000	277,000	1,924,554	13,436,380	514,800	7,751,690	372,928	104,636,641
Reinsurance Premiums	-1,851,016	0	0	-5,281,584	0	0	-7,132,600	-1,336,274	0	-1,500,000	0	0	-2,836,274	0	0	0	-9,968,874
<b>Total Operating Revenues</b>	<b>15,106,420</b>	<b>36,337,621</b>	<b>15,000,000</b>	<b>3,648,362</b>	<b>4,506,330</b>	<b>829,510</b>	<b>75,428,243</b>	<b>2,821,744</b>	<b>5,001,808</b>	<b>575,000</b>	<b>277,000</b>	<b>1,924,554</b>	<b>10,600,106</b>	<b>514,800</b>	<b>7,751,690</b>	<b>372,928</b>	<b>94,667,767</b>
<b>Operating Expenses</b>																	
<i>Direct Program Expenses</i>																	
Claims Payments & Legal Expenses	14,553,483	21,794,769	14,500,000	4,000,000	3,552,483	0	58,400,735	783,549	2,365,952	250,000	50,000	1,768,751	5,218,252	0	0	110,000	63,728,987
Deductible Recoveries	-4,518,980	0	0	0	0	0	-4,518,980	-100,000	0	0	0	0	-100,000	0	0	0	-4,618,980
Claims Administrators	0	3,665,872	70,000	0	195,000	0	3,930,872	15,000	224,160	0	0	28,888	268,048	0	0	8,000	4,206,920
Management Information System	98,615	160,163	43,940	24,167	13,200	0	340,085	12,007	13,127	6,078	811	5,638	37,661	0	17,923	1,055	396,724
Program Administrators	269,070	738,223	172,964	216,507	10,586	0	1,407,350	609,206	392,407	258,913	25,384	45,690	1,331,600	0	433	25	2,739,408
Brokerage Commissions & Fees	352,784	210	0	554,016	2,000	0	909,010	72,346	26	194,949	22,243	0	289,564	43,500	19,116	17,812	1,279,002
Insurance Premiums (net of brokerage)	3,003,012	30,314,694	0	1,756,052	19,800	772,834	35,866,392	209,860	4,322,130	128,099	245,000	0	4,905,089	391,500	3,573,519	166,373	44,902,873
Taxes, Assessments & Fees	235,950	0	0	0	0	0	235,950	0	65,500	0	0	0	65,500	0	0	0	301,450
Actuarial Services	16,095	31,728	10,930	6,011	6,033	0	70,797	5,414	5,953	210	28	194	11,799	0	618	36	83,250
Claims Audit	0	0	0	0	8,000	0	8,000	0	0	0	0	0	0	0	0	0	8,000
Coverage Counsel	10,000	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	22,000	0	0	0	0	0	22,000	2,500	0	0	0	0	2,500	0	0	0	24,500
Miscellaneous Program Services	1,683	3,928	1,621	892	487	0	8,610	443	484	224	30	208	1,390	0	0	0	10,000
Workshop/Training Expenses	173,418	164,410	26,587	14,623	0	0	379,037	42,816	14,914	6,906	922	6,405	71,963	0	0	0	451,000
Loss Control Expenses	449,489	170,076	0	57,434	0	0	676,999	110,778	119,245	24,130	1,293	8,982	264,427	0	0	0	941,426
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess/Reinsurance Recoveries	0	-12,673,436	0	0	0	0	-12,673,436	0	-1,455,278	0	0	0	-1,455,278	0	0	0	-14,128,714
Program Committee	0	0	0	0	3,000	0	3,000	2,487	2,718	1,259	168	1,168	7,800	0	0	0	10,800
Dividend Distributions	3,304,943	3,722,665	0	0	0	0	7,027,608	1,118,476	531,921	0	0	0	1,650,397	0	0	0	8,678,005
<b>Total Direct Program Expenses</b>	<b>17,971,562</b>	<b>48,093,302</b>	<b>14,826,042</b>	<b>6,629,701</b>	<b>3,810,589</b>	<b>772,834</b>	<b>92,104,030</b>	<b>2,889,882</b>	<b>6,604,258</b>	<b>870,768</b>	<b>345,879</b>	<b>1,865,924</b>	<b>12,576,711</b>	<b>435,000</b>	<b>3,611,609</b>	<b>303,301</b>	<b>109,030,651</b>
<b>General &amp; Administrative Expenses</b>																	
Financial Audit	5,505	12,847	5,303	2,917	1,593	0	28,164	1,449	1,584	734	98	680	4,545	0	2,163	127	35,000
Executive Committee & Board Expenses	5,347	12,480	5,152	2,833	1,583	0	27,395	1,408	1,539	713	95	661	4,415	0	2,101	124	34,035
JPA Insurance	2,516	5,873	2,424	1,333	728	0	12,875	662	724	335	45	311	2,078	0	989	58	16,000
Memberships, Associations & Dues	1,180	38,303	1,136	625	341	0	41,585	311	339	157	21	146	974	0	464	27	43,050
Chancellor's Office Accounting Services	57,799	134,891	55,682	30,625	16,728	0	295,726	15,216	16,635	7,703	1,028	7,144	47,726	0	22,713	1,336	367,501
Chancellor's Office Risk Management Services	162,701	379,713	156,744	86,209	47,089	0	832,456	42,832	46,826	21,683	2,895	20,111	134,346	0	63,936	3,762	1,034,500
JPA Accreditation	1,101	2,568	1,061	583	319	0	5,632	290	317	147	20	136	910	0	433	25	7,000
JPA Legal	17,009	39,696	16,387	9,013	4,923	0	87,028	4,478	4,895	2,267	303	2,102	14,045	0	6,684	393	108,150
Miscellaneous Expenses	4,325	10,092	4,166	2,291	1,251	0	22,125	1,138	1,244	576	77	534	3,569	0	1,699	100	27,493
<b>Total General &amp; Administrative Expenses</b>	<b>257,483</b>	<b>636,463</b>	<b>248,055</b>	<b>136,429</b>	<b>74,556</b>	<b>0</b>	<b>1,352,986</b>	<b>67,783</b>	<b>74,104</b>	<b>34,314</b>	<b>4,581</b>	<b>31,826</b>	<b>212,608</b>	<b>0</b>	<b>101,182</b>	<b>5,953</b>	<b>1,672,729</b>
<b>Total Operating Expenses</b>	<b>18,229,045</b>	<b>48,729,765</b>	<b>15,074,097</b>	<b>6,766,131</b>	<b>3,885,145</b>	<b>772,834</b>	<b>93,457,016</b>	<b>2,957,665</b>	<b>6,678,363</b>	<b>905,082</b>	<b>350,460</b>	<b>1,897,749</b>	<b>12,789,319</b>	<b>435,000</b>	<b>3,712,791</b>	<b>309,254</b>	<b>110,703,380</b>
<b>Non-Operating Revenues</b>																	
Investment Income	625,839	1,139,430	126,054	119,913	74,291	0	2,085,528	137,527	139,570	32,886	6,344	93,714	410,040	0	0	4,432	2,500,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b>625,839</b>	<b>1,139,430</b>	<b>126,054</b>	<b>119,913</b>	<b>74,291</b>	<b>0</b>	<b>2,085,528</b>	<b>137,527</b>	<b>139,570</b>	<b>32,886</b>	<b>6,344</b>	<b>93,714</b>	<b>410,040</b>	<b>0</b>	<b>0</b>	<b>4,432</b>	<b>2,500,000</b>
<b>Net Surplus (Deficit)</b>	<b>-2,496,785</b>	<b>-11,252,713</b>	<b>51,958</b>	<b>-2,997,856</b>	<b>695,476</b>	<b>56,676</b>	<b>-15,943,245</b>	<b>1,605</b>	<b>-1,536,985</b>	<b>-297,196</b>	<b>-67,116</b>	<b>120,519</b>	<b>-1,779,173</b>	<b>79,800</b>	<b>4,038,899</b>	<b>68,106</b>	<b>-13,535,613</b>
<b>Beginning Retained Earnings (at 7/1/17) updated</b>	13,751,365	21,984,710	-723,690	7,902,818	1,003,731	-141,041	43,777,893	6,973,901	6,594,483	2,111,069	412,604	5,992,643	22,084,701	55,653	7,076,425	385,682	73,380,353
<b>Ending Retained Earnings (est at 6/30/18)</b>	11,254,580	10,731,996	-671,733	4,904,963	1,699,206	-84,365	27,834,647	6,975,506	5,057,498	1,813,874	345,488	6,113,162	20,305,528	135,453	11,115,324	453,788	59,844,740

**CHANCELLOR'S OFFICE SERVICES BUDGET PROPOSAL**  
**FOR FY 2018/2019**

**ISSUE:** CSURMA obtains services from the Chancellor's Office under three memoranda of understanding. Each year, the CSURMA Executive Committee considers the services and budget proposals as a part of the budget adoption process. Enterprise Accounting, Office of General Counsel and Systemwide Risk Management developed cost proposals for FY 2018/19 as follows:

- **Financial Services Administration & Accounting:** Financial Services is requesting an increase from \$367,500 to \$400,000 which takes into account the fact that the CSURMA programs consumes 2.76 FTEs at an average salary and benefit rate of \$120,187 plus estimated operating expenses.
- **Office of General Counsel:** OGC is requesting a 3% increase in overhead funding. The total overhead funding for FY 2018 - 2019 would be \$487,955, allocated as follows: \$111,394 for CSURMA General Counsel services, and \$376,561 for Campus Liability Claims services. The requested 3% increase is based on an assumption regarding the salary increase which may be approved for MPP employees for FY 2018-2019. If a salary increase is approved and exceeds 3%, it may be necessary for OGC to seek additional overhead funding to meet the larger increase. OGC is also requesting an increase of an additional \$5,000 for annual training. The total amount of training funds available to OGC would be up to \$10,000. The requested increase is a by-product of an increase in the number of OGC attorneys as well as a changing and shifting legal environment on both the federal and state levels.
- **Systemwide Risk Management:** The proposed annual cost of providing the services identified shall increase \$100,000 to \$1,134,500 (Risk Management) in consideration of the delta between the previous Senior Manager position to Assistant Director position which will be filled in the current fiscal year. Further, \$100,000 is earmarked for Public Safety/Police Services. The CSURMA program is billed monthly. The above would be effective for the fiscal period beginning July 1, 2018 through June 30, 2019.

**RECOMMENDATION:** It is recommended that the Executive Committee consider the proposed services and budget for FY 18/19 and take action on the proposals as necessary.

**FISCAL IMPACT:** The amounts proposed are included in the draft CSURMA FY 18/19 Budget. Financial Services and Systemwide Risk Management costs are allocated

proportionately across all funds. With respect to the Office of General Counsel, \$376,561 is allocated to the Campus Risk Pool Liability Program for claims legal expense, and \$111,394 is allocated across all funds for CSURMA General Counsel.


**BACKGROUND:** Please refer to the attachments for further information on the issues address in this agenda item.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. FY 2018/19 Financial Service Overhead Costs for CSURMA
- b. FY 2018/19 Office of General Counsel Proposal
- c. FY 2018/19 Systemwide Risk Management Proposal

**MEMORANDUM**

Date: February 20, 2018  
To: CSURMA Executive Committee  
From: Mary Ek   
Assistant Vice Chancellor/Controller, Financial Services  
Subject: **FY 2018/19 Financial Services Overhead Costs for CSURMA**

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Per ICSUAM 3552.01, it is the policy of the CSU that costs incurred by one fund for providing services to another fund are recovered with cash or a documented exchange of value. In accordance with this policy and as approved by the CSURMA Executive Committee annual budget process, \$400,000 needs to be recovered from the CSU Risk Management Authority. This amount represents the annual cost of providing the services identified below. The Authority will be charged quarterly installments of \$100,000 for a total annual amount of \$400,000. This cost allocation/reimbursement plan is effective for the fiscal period beginning July 1, 2018 through June 30, 2019.

The cost allocation/reimbursement was determined by evaluating Business and Finance employees' time and effort worked on the program. At this time, the program consumes 2.76 Full Time Employee(s) (FTEs) at an average salary and benefit rate of \$120,187 plus estimated operating expenses.

**Services (Costs) allocated to the Authority:**

**Financial Services Administration**

A portion of the cost of staff, benefits, space, and operating expenses for the Financial Services Administration department, which provides the following services:

- Fiscal management and reporting oversight by the Assistant Vice Chancellor/Controller;
- Certification of compliance with CSU policies, procedures, and regulations.

**Systemwide Financial Standards and Reporting**

A portion of the cost of staff, benefits, space, and operating expenses for the Systemwide Financial Standards and Reporting department which provides the following services:

- Process bi-weekly and emergency disbursements for vendor payments, settlements, legal bills, and reimbursements to the members;

- Produce on-demand, quarterly, and annual billing invoices/CPOs to CSURMA members;
- Manage collection efforts on all CSURMA accounts and collect member payments on a daily basis;
- Facilitate member disputes;
- Produce financial reporting package, audited financial statements, and on-demand reporting requests;
- Manage financial data to maintain electronic records and information in accordance with CSURMA's Policy;
- Maintain Accounts Payable, Accounts Receivable, Audit Reporting, Banking, Budget and financial reporting records and information in accordance with CSURMA's Policy.

If you have any questions, please contact me at 562-951-4540.

The above has been reviewed and approved by the CSURMA Executive Committee;

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Steve Relyea Date  
Vice Chancellor for Business and Finance

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Mike Lee Date  
CSURMA Executive Committee, Chair

ME:KC:SH

cc: Kelly Cox, Associate Director, Financial Services Accounting  
Robert Eaton, Assistant Vice Chancellor, Financing, Treasury, and Risk  
Management  
Sedong John, Director, Systemwide Financial Standards and Reporting  
Alice Kim, Senior Manager, Enterprise and CO Financial Reporting

## **MEMORANDUM**

February 21, 2018

To: CSURMA Executive Committee

From: William Hsu, OGC

Re: CSURMA – OGC  
Proposed Overhead Funding for FY 2018/2019

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For FY 2017 - 2018, CSURMA is providing overhead funding in a total amount of \$473,743, allocated as follows: \$108,150 for CSURMA General Counsel services, and \$365,593 for Campus Liability Claims services. In addition, CSURMA is providing \$5,000 in annual funding to assist with the ongoing training of OGC attorneys.

For FY 2018 - 2019, OGC is requesting a 3% increase in overhead funding. The total overhead funding for FY 2018 - 2019 would be \$487,955, allocated as follows: \$111,394 for CSURMA General Counsel services, and \$376,561 for Campus Liability Claims services.


Please note that the requested 3% increase is based on an assumption regarding the salary increase which may be approved for MPP employees for FY 2018-2019. If a salary increase is approved and exceeds 3%, it may be necessary for OGC to seek additional overhead funding to meet the larger increase.

OGC is also requesting an increase of an additional \$5,000 for annual training. The total amount of training funds available to OGC would be up to \$10,000. The requested increase is a by-product of an increase in the number of OGC attorneys as well as a changing and shifting legal environment on both the federal and state levels.

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

[www.calstate.edu](http://www.calstate.edu)

**MEMORANDUM**

Date: February 21, 2018  
To: CSURMA Executive Committee  
From: Zachary Gifford, Director Systemwide Risk Management & CSURMA Secretary-Auditor  
Subject:  **Annual Risk Management Overhead Costs for CSURMA**

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The following services (costs) are assigned to the CSU Risk Management Authority

**CSURMA Risk Management**

Annual cost of staff, benefits, space and operation costs for CSURMA – Risk Management which provides the following services:

- **Oversight of CSURMA:** Works directly with CSURMA program administrator and broker in administration and development of the self-insurance and insurance programs.
- **Insurance Placement:** Key participant in the placement of the 16+ insurance placements, including underwriter meetings, insurance program review, analysis and development.
- **Risk Consultation:** Provides daily risk management, loss control, emergency preparedness, and workers compensation consultation with a myriad of campus representatives.
- **General Liability Claims Handling and Litigation Support:** Adjusts claims from notice of incident through the filing and adjustment of the claim and when applicable, monitors and collaborates with legal counsel on litigated matters. Maintains the general liability database.
- **Workers' Compensation, Environmental Health & Safety, Risk Management and Emergency Preparedness Systemwide Oversight:** Provides systemwide guidance, oversight, and development of policy and procedures systemwide.
- **Police Services (Public Safety):** CSURMA provides partial funding for police services related to training and systemwide oversight expense.

**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

The proposed annual cost of providing the services identified shall increase \$100,000 to \$1,134,500 (Risk Management) in consideration of the delta between the previous Senior Manager position to Assistant Director position which will be filled in the current fiscal year. Further, \$100,000 is earmarked for Public Safety/Police Services. The CSURMA program is billed monthly. The above would be effective for the fiscal period beginning July 1, 2018 through June 30, 2019.

If there are any questions, please contact me at [zgifford@calstate.edu](mailto:zgifford@calstate.edu) or by calling (562) 951-4580.

\*The Chief Law Enforcement Officer and the Special Assistant – Compliance Coordinator are reimbursable positions at the direction of the Executive vice Chancellor – Chief Financial Officer.

## **EXCESS LIABILITY PROGRAM INSURANCE RENEWALS AND UNDERWRITER MEETINGS REPORT**

**ISSUE:** CSURMA's Excess Liability Program coverages renew on July 1. Chancellor's Office and Program Administrator staff are actively marketing the programs and negotiating renewal terms. At this time the Program Administrators have identified the following points for consideration:

- Price Firming – The excess liability insurance market for California Public Entities is beginning to firm as recent market entrants have seen their book of claims mature. Staff is anticipating an average increase of 5% on the renewal policies.
- Brain Injury Exclusion – More markets are indicating that their home offices have mandated an exclusion of traumatic brain injury claims from athletic participants. Staff believes we can maintain some level of coverage but it may be difficult (or expensive) to maintain the full \$100 million limit on renewal.
- Fill out Catastrophic Excess Layer – Last year CSURMA added a catastrophic layer of \$100 million xs of \$200 million. We were only able to obtain underwriter support for \$75 million part of \$100 million at our very low pricing target, so CSURMA retained the remaining \$25 million. We will look to fill out that retained portion at renewal.

Chancellor's Office and Alliant personnel have fostered working partnerships with our key underwriters. To maintain communications, meetings are held regularly in California, New York, London and Bermuda. On February 13, 2018, staff took advantage of an industry conference in Monterey to attract 10 of our underwriters for an extended forum at San Jose State University. Zachary Gifford led the discussions with a focus on recent claims resolutions. Dr. Justus Ortega from the HSU North Coast Concussion Program reported in detail on CSU's systemwide success in implementing concussion management protocols. SJSU provided an excellent venue and support for the event.

Further underwriter meetings are planned in London on March 26-27, 2018 and in New York and Bermuda (dates TBD).

**RECOMMENDATION:** No action is requested at today's meeting; however the Executive Committee may take action or provide direction to staff based on the report of the meetings.

**FISCAL IMPACT:** The cost of the insurance programs is included in the proposed budget and renewals are expected to be within the budgeted amount.

**BACKGROUND:** The main goals of underwriter meetings are:

- Demonstration of CSU leadership's commitment to risk management;
- Update on CSU's financial and operational outlook;
- Evaluation of the state of the insurance market and how changes may impact CSURMA's placements;
- Discussion of pending claims matters; and,
- Discussion on technical points of insurance placements and renewal expectations.

The meetings at San Jose State University included a focused presentation on CSURMA's liability program loss history and concussion management. The attachments indicate the scope of the discussion.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Excerpt from CSURMA Excess Liability Program Underwriter Forum meeting book, February 13, 2018

**San Jose State University  
Excess Liability  
Underwriter Forum  
February 13, 2018**

# Table of Contents

1. Memorandum
2. Itinerary, Curriculum Vitae
3. CSU Overview & Excess Liability Presentation
4. Concussion Management – Implementing Best Practices in the CSU Presentation
5. Exhibit
  - A. CSURMA Financial Statements
  - B. CSU Concussion Report
  - C. 2017 Fact Book

# 1. Memorandum

## Memorandum

**DATE:** February 8, 2018

**TO:** CSURMA Excess Liability Underwriter Forum Attendees

**FROM:** Daniel Howell, Sr. EVP & Managing Director, Alliant Public Entity Group

**SUBJECT:** CSURMA Excess Liability Underwriter Forum Materials

On behalf of Alliant Insurance Services and AmWINS Group we are delighted that our CSURMA Excess Liability underwriting partners can join us for what we believe will be a valuable day of information sharing and discussion. We truly appreciate your support of the CSURMA liability programs and the time you are taking to participate with us.

Today's agenda is designed to offer:

- Information on the operations and financial status of the California State University and its Auxiliary Organizations
- Frank discussion on open and closed large claims from the past ten years (over \$1 million for the University and over \$250K for the auxiliary organizations)
- A presentation by Dr. Justus Ortega, Director of the North Coast Concussion Program on his recent CSU Systemwide Concussion Protocol Implementation Review report (August 2017)
- A campus tour of San Jose State University offering insight on the existing facilities and programs and those under development

The CSU and its auxiliary organizations are a diverse system of universities with 23 unique cultures reflecting their communities across the state of California. For our longtime underwriting partners, we have over the years had the opportunity to visit the San Diego, Long Beach, Fresno, and Sonoma campuses. With today's visit to San Jose, we add a new perspective and further understanding of the California State University system and the role of the Office of Systemwide Risk Management in overseeing the University's risk financing and claims administration activities.

We would like to add a special thanks to Charlie Faas, SJSU's Vice President and Chief Financial Officer for Administration and Finance, and his team for arranging a day of a valuable interaction and learning opportunities.

## 2. Itinerary, CV's of Meeting Participants



## LIABILITY UNDERWRITER FORUM MEETING AGENDA

Meeting Date: February 13, 2018  
Time: 11:00 AM

Meeting Location: San Jose State University  
Clark Hall Building  
Admin & Finance Conference  
Room # 540

Legend: **A** = Action  
**I** = Information  
**V** = Verbal

- |          |    |  |   |
|----------|----|--|---|
| 11:00 AM | A. | Welcome and Introductions<br><i>Hosts: Zachary Gifford for CSU Chancellor and Marna Genes for San Jose State University</i>                    | I |
| 11:10 AM | B. | Overview of CSU's systemwide risk financing program for liability coverages  | A |
| 12:00 PM | C. | Working lunch and underwriter roundtable   | A |
| 1:00 PM  | D. | Presentation on Traumatic Brain Injury Prevention and Mitigation for CSU Athletes by Dr. Justus Ortega from the North Coast Concussion Program | I |
| 2:15 PM  | E. | Break  |   |
| 2:30 PM  | F. | Campus Tour<br><i>Host: Mike Vitolo</i>  | I |
| 3:30 PM  | G. | Adjourn  |   |

## REDEEM ePERMIT CODES FROM PAYSTATIONS AT THE FOLLOWING PARKING FACILITIES:

- **NORTH GARAGE**—located along west wall near elevator lobbies on Levels 3 and above.
- **SOUTH GARAGE**—located in Section 1F near Disabled Parking, and near central stairwells in Sections 2H and above.
- **WEST GARAGE**—located in northeast corner near Disabled Parking on Level 1, and near west stairwell on Levels 2 and above.
- **LOT 4**—located in northwest corner near Disabled Parking.

### INSTRUCTIONS

1. After parking your vehicle, locate the closest paystation (see above for locations).
2. Scroll to (using MORE CHOICES option) and select REDEEM ePERMIT CODE option.
3. Enter your ePermit code and select OK to redeem and print your permit.
4. Return to your vehicle and display the permit face-up on the front driver side dashboard.

If the CANNOT AUTHORIZE message appears, please check your ePermit code and try again. If this message persists, please purchase a permit and park in General Parking—afterwards, please bring your ePermit code and used permit to the Parking Services office for an adjustment or refund.

ePermit codes are for the exclusive use of the person or organization to which they are assigned. Do not share, transfer, or otherwise distribute codes to any other unauthorized party. Improper use of this code may result in the suspension or revocation of parking privileges.

**ePermit Code: 4519082**

**Effective Date: 2/13/18 (One Day Use Only)**

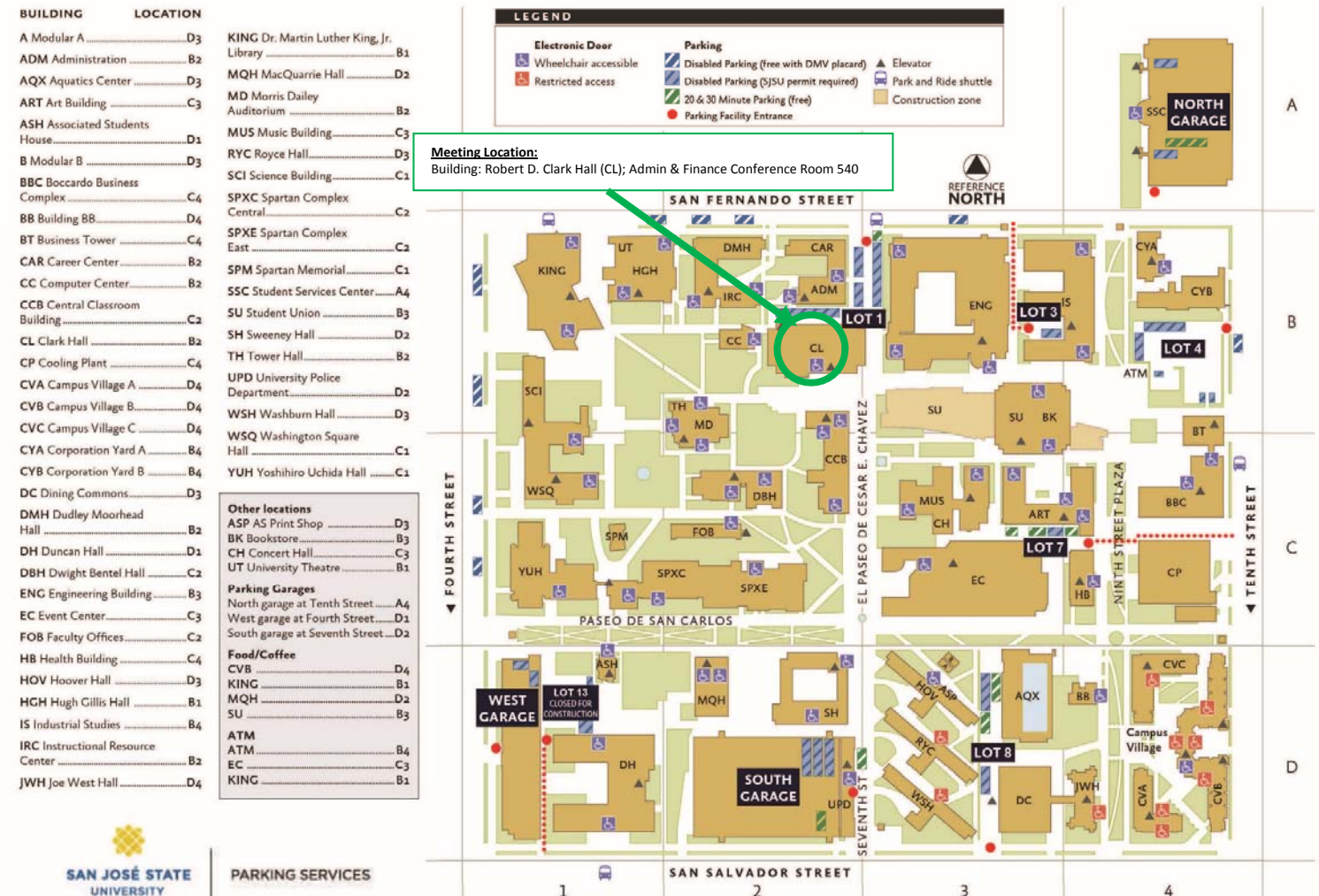
SJSU PARKING SERVICES · located in the University Police Building · 408-924-6556 · parking@sjsu.edu · www.sjsu.edu/parking

### GUEST & EVENT PARKING is available at the following facilities:

- **NORTH GARAGE** (located at S. 10th St. & E. San Fernando St.)  
General Parking is located on Levels 3 and above; Employee Parking is located on Levels 2 & 3
- **SOUTH GARAGE** (located at S. 7th St. & E. San Salvador St.)  
General Parking is located in Section 2H and above; Employee Parking is located in Sections 1J to 2G
- **WEST GARAGE** (located at S. 4th St. & E. San Salvador St.)  
General and Employee parking permits are honored on all Levels

- Guest & Event permits designated for Employee Parking are also honored in Lot 4, Lot 8, and Lot 13. If these lots are full (during peak periods), please park in the garages.
- **Disabled Parking:** General and Employee parking permits are honored in all disabled parking spaces in all parking facilities when displayed with a valid state-issued Disabled Parking placard or license plate. SJSU permits are not required to park in on-street disabled parking spaces (located around the main campus perimeter) designated by the City of San Jose.
- Park within the stall lines at all times. Park in another space if your vehicle does not fit within the stall lines.
- Contact Parking Services at (408) 924-6557 for any assistance.

Guests requiring the use of an elevator are advised to park in the North Garage.



## Curriculum Vitae

- i. Richard Carson
- ii. Bill Davidson
- iii. Brendan Falvey
- iv. Brian Frost
- v. Jeff Giachetto
- vi. Zachary Gifford
- vii. Daniel Howell
- viii. Susan Kostro
- ix. Robert Leong
- x. Amy Lightner
- xi. Mimi Long
- xii. Shana O'Neill
- xiii. Dr. Justus Ortega
- xiv. Dean Oshiro
- xv. Richard Wilson
- xvi. Carolyn Yamasaki



**Richard Carson, Great American Insurance Group**

Richard currently serves as an Underwriter and Operations Leader for the Public Sector Division of Great American Insurance Group. In his role, he focuses primarily on Reinsurance and Excess Insurance of Public Entity Pools (i.e., Municipalities, Schools, Special Districts, etc.) that provide Property, Casualty and/or Workers' Compensation Insurance to their members.

Prior to joining Great American, Richard served as part of the Executive Team for a start-up direct to consumer underwriting insurance operation, Star & Shield, owned by White Mountains Insurance Group. The operation focused on providing insurance products to Public Entity employees. In addition to helping with the development of insurance products, he handled reinsurance placements, financial analysis, investor management, and operational responsibilities.

Earlier in his career, Richard was a reinsurance broker with Aon Benfield. While at Aon Benfield, he was exposed to a wide variety of insurance operations across the United States, including both standard Commercial and Personal lines carriers, as well as risk retention groups. Areas of focus, included: Workers' Compensation, Commercial Liability, Homeowners Property Insurance, and Auto Liability & Physical Damage.

Richard holds dual degrees from Florida State University's College of Business in Finance and Risk Management & Insurance. He currently lives in Richmond, Virginia with his wife and four children.



**Bill Davidson, Trident Public Risk**

Bill has been an underwriter and broker for 20 years. He started at Trident Public Risk in 2014. Bill holds an MBA in Business Management & Marketing from Golden Gate University.



**Brendan Falvey, Markel**

Brendan Falvey serves Markel Global Re as Director, Public Entity Reinsurance for the West Region, working in Markel’s San Francisco office. Brendan is responsible for managing existing West Coast public entity client and broker relationships and developing new property and casualty clients with emphasis on Joint Powers Authority (JPA) and other public entity (PE) pools. Brendan joined Markel in 2013 with over 30 years of property and casualty insurance and reinsurance experience, including more than 15 years of public entity underwriting experience. Prior to Markel Global Re, he was with Munich Re in San Francisco, where he handled property and casualty underwriting, client and broker relationship management, and new business production for individual risk insurance and JPA/PE reinsurance for over eight years. Brendan earned a B.S. in Business Administration with a Marketing emphasis from the University of San Francisco.



**Brian Frost, AmWINS**

Brian began his insurance career at CV Starr & Co., where he learned the form and coverage aspects of blended special excess liability policies. From there, Frost moved into the wholesale space with MTS, a niche wholesale player in the public entity arena that was later acquired by AmWINS Group. As his career progressed, Brian’s specialization in public entities continued to evolve.



**Jeff Giacchetto, Allied World Assurance Company**

Jeff has been in the insurance industry for 14 years, the last 10 with Allied World. Prior to that, he spent time at American International Group (AIG) working in both Claims Handling and Underwriting. Jeff’s areas of expertise include Public Entity, Construction, Product Liability and Real Estate. Before insurance, Jeff worked as a Process Engineer for a few large semiconductor companies that included a nine-month assignment in Dresden, Germany and afforded him the opportunity to travel throughout Europe and the Middle East. Jeff earned his B.S. in Applied Chemistry at The New Jersey Institute of Technology (NJIT) where he also played Defense on the Highlander Ice-Hockey Team. He has since obtained an MBA from the University of Phoenix and holds the CPCU designation. In his spare time, Jeff enjoys bible study, staying fit through weight training as well as coaching his sons’ youth ice hockey and track & field teams.



**Daniel Howell, Alliant Insurance Services**

Daniel joined Alliant in 1998 and offers an extensive property and casualty background including many years guiding public entity and higher education clients. His expertise enables him to provide insightful understanding of issues and well-reasoned solutions to those issues. Daniel serves as the Program Director for the California State University Risk Management Authority and is responsible for program design, implementation and administration of CSURMA's many coverages. Daniel's education includes a B.A. in History from Stanford University, and a Juris Doctorate from UC Hastings College of Law. He also holds designations for both the Chartered Property Casualty Underwriter (CPCU) and the Associate in Risk Management (ARM-P) and is an active member of the California State Bar.



**Susan Kostro, Liberty Mutual Insurance**

Susan joined Liberty in 2015. She has over 24 years experience in the insurance industry. Susan received her MBA in finance at Bentley University. She volunteer her time with the non-profit organization called Tutoring Plus of Cambridge. She was one of the recipients to received the 2010 Women in Insurance Leadership Award.



**Robert Leong, Alliant Insurance Services**

Rob joined Alliant in 2000 and serves as a Program Administrator for CSURMA. Rob's principal responsibilities include management of the university's risk and insurance programs, including CSU's risk pools for Campus Liability, Campus Workers' Compensation, Athletic Injury Medical Expense (AIME), and other specialty coverages. Rob consults directly with campus risk management and provides customized insurance solutions. Prior to Alliant, Rob worked at major brokerages with a focus on municipalities, school districts, transit providers, and other public entities. He also worked for insurance companies as an underwriter of large commercial risks. Rob graduated from UC Berkeley with a degree in Economics, earned an MBA from Cal State East Bay, and holds the ARM professional designation.



**Amy Lightner, Alliant Insurance Services**

Amy has 20 years of insurance experience and a targeted expertise in the public sector. Previously, Amy worked with several global insurance carriers focusing on excess workers' compensation and excess casualty. This is Amy's second tour with Alliant, previously working with the company from 1996-2004. Amy will work closely with CSURMA as well as other various other entities including municipalities, and schools. Amy holds a Bachelor of Science degree in Business Management from Portland State University.



**Mimi Long, Alliant Insurance Services**

Mimi joined the Alliant Insurance Services Public Entity Group in 2010 as the CSURMA AORMA JPA Program Administrator. She provides risk management consultation for the CSU Auxiliary Organizations within the AORMA risk pool. She works closely with the CSURMA AORMA standing committees in evaluating loss control and loss mitigation strategies, and in evaluating coverage enhancements and risk pool policy amendments, as well as establishing and maintaining the member premium allocation formulas, dividend calculations and overall funding requirements. Mimi has over 21 years of experience working in the insurance industry and is experienced in all coverage lines of insurance and in JPA program administration.



**Shana O'Neill, Ironshore Specialty Casualty**

Shana O'Neill is a Senior Production Specialist in Ironshore's Specialty Casualty unit and is responsible for wholesale underwriting across various product lines with a focus in Public Entity and Higher Education. Shana brings over 10 years of commercial casualty underwriting experience to her current role. Prior to joining Ironshore in 2012, Shana served within the Professional Services Group at Swett & Crawford and the Construction unit at Travelers Insurance Company.



**Dr. Justus Ortega, Humboldt State University**

Dr. Justus D. Ortega, a Professor of Kinesiology at Humboldt State University in Arcata CA, serves as the Director of both the North Coast Concussion Program (NCCP) and Biomechanics Lab. At the NCCP Dr. Ortega's provides concussion education and diagnostic services for over twenty schools of Northern California including all k-12 schools in Humboldt and Del Norte counties, local community colleges and Humboldt State University. As part of his service, Dr. Ortega and his team provide annual concussion education and testing services for 4000+ athletes, coaches and parent. Dr. Ortega integrates his expertise in neurological control of movement and traumatic brain injury to investigate the effects of concussions on neurocognitive and motor control function. He also has a research interest in the impact of concussion management practices on incidence and recovery of concussion in collegiate and youth sports. For the past four years, Dr. Ortega has been working collaboratively with 30 other universities around the country as a member of the NCAA-DoD CARE Consortium to gain a better understanding of the neurobiopsychosocial nature of concussive injury and recovery in order to ultimately enhance the safety and health of our student-athletes, service members, youth sports participants and the broader public. Dr. Ortega has also been working with the CSU Chancellor's office, CSU system-wide Risk management office and each of the 23 CSU campuses to assess and improve concussion injury management in accordance with CA state laws, NCAA rules and regulations as well as International and Inter-association best practices.



**Dean Oshiro, Berkley Custom**

Dean joined Berkley Custom Insurance Services in October of 2016. Underwriting Excess Casualty including Public Entity Risks.

Prior to Berkley Custom, Dean was an underwriter at CivicRisk from 2010-2016 specializing on Public Entity risks. He held positions of Senior Underwriter and Vice President over West Coast operations.

Dean began his insurance career at C.V. Starr in 2002 where he became an underwriter with a focus on public entity and construction risks.



**Richard Wilson, Hallmark Group**

Richard has over 30 years of US and London Market experience in Primary and Excess Casualty Underwriting, Management and Broking.

Richard started his career in the Graduate Training Program at Reed Stenhouse (now part of the Aon Group) in their London office. After 15 years in broking various classes of Casualty business, Richard transitioned to underwriting, joining Royal and SunAlliance (and later Mitsui Sumitomo) as London Market Underwriting Manager for Contingency Business.

Richard relocated to Los Angeles, CA in 2002, initially working in the E&S market and specializing in Construction, Manufacturing and Public Entity. In 2012 he joined CV Starr's Public Entity Underwriting Division and was promoted to Regional Practice Leader, with underwriting and management responsibility for Public Entity business in the West and Mid-West.

Since joining Hallmark in 2015, Richard has continued to specialize in underwriting Public Entity business and is now helping to develop Hallmark's National Excess Public Entity Practice.



**Carolyn Yamasaki, Allied World Assurance Company**

Carolyn has been in the insurance industry for 30 years, the last 10 years with Allied World. Prior to that, she spent 11 years at American International Group (AIG), working in the Specialty Excess and Environmental Underwriting divisions. Carolyn's expertise includes Construction, Public Entity, Real Estate, Environmental and Personal Lines. Carolyn earned her B.S. in Business Administration at San Diego State University. In her spare time, Carolyn enjoys traveling with family and friends to the Hawaiian Islands, Japan and Europe.

**CSAC EIA WORKERS' COMPENSATION PROGRAM COSTS  
ADJUSTMENT**

**ISSUE:** The total CSAC EIA costs for the CSURMA workers' compensation program are allocated between the AORMA and Campus programs. The allocated portion for the AORMA program for FY 17/18 was slightly too high based on the recommended loss rates calculated by CSURMA's actuary.

**RECOMMENDATION:** Staff recommends that a funds transfer in the amount of \$184,876 be made from the Campus workers' compensation program to the AORMA workers' compensation program.

**FISCAL IMPACT:** The funds transfer is included in the FY 17/18 mid-term CSURMA budget amendments. The revised allocation of the total workers' compensation costs for both programs are also included in the FY 18/19 proposed CSURMA budget.

**BACKGROUND:** The CSAC EIA rate for AORMA went up 13% between FY 16/17 and FY 17/18; however, the loss rate, as calculated by CSURMA's actuary, only went up 9%. Therefore, the AORMA rate is being adjusted to reflect the 4% delta.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **FY 2018/2019 OPERATING BUDGET**

**ISSUE:** CSURMA's next fiscal year begins on July 1, 2018. The FY 2018/19 operating budget is to be approved by the Board of Directors at its April 25, 2018 meeting. The Chancellor's Office Enterprise Accounting Services and the Program Administrators worked together to develop a draft FY 2018/19 budget for the Executive Committee to review at today's meeting.

AORMA separately develops a budget for its coverage programs. The AORMA Committee will meet earlier today to finalize its proposed budget for FY 2018/19 and will make a recommendation to the Executive Committee to include its budget in the CSURMA operating budget for adoption by the Board of Directors. AORMA Committee members will be present at today's meeting to discuss any changes to its draft budget for FY 2018/19.

Major features of the proposed budget include:

- Increase in Total Operating Revenues from \$94,667,767 to \$91,075,908.
- Decrease in Total Operating Expenses from \$110,703,380 to \$98,353,442.
- Non-Operating Revenue remains the same at \$2,500,000.
- Decrease in Net Deficit from \$13,535,613 (*deficit*) to \$4,777,534 (*deficit*).
- Retained Earnings is estimated to decrease from \$59,844,740 to \$55,602,156 at June 30, 2018.

*The preceding does not include projected Dividend Distributions during FY 2018/19, which, if any, will increase expenditures and decrease fund reserves.*

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

**RECOMMENDATION:** The Executive Committee is asked to review the draft proposed budget for FY 2018/19 and make a recommendation to the Board of Directors for adoption with changes as appropriate.

**FISCAL IMPACT:** The proposed budget is estimated to produce a Net Deficit of \$4,777,534. Retained Earnings is estimated decrease from \$59,844,740 to \$55,602,156 at June 30, 2019.

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

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. Draft FY 2018/19 CSURMA Budget of Revenues and Expenses

# **CSURMA**

## **Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2018 to June 30, 2019**

*Draft*

**Executive Committee**  
**March 8, 2018**

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**TOTAL: ALL FUNDS**

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	104,636,641	102,471,662	-2,164,979
Reinsurance Premiums	-9,968,874	-11,395,754	-1,426,880
Total Operating Revenues	<u>94,667,767</u>	<u>91,075,908</u>	<u>-3,591,859</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	63,728,987	65,445,567	1,716,580
Deductible Recoveries	-4,618,980	-5,100,000	-481,020
Claims Administrators	4,206,920	4,401,422	194,502
Management Information System	396,724	125,001	-271,723
Program Administrators	2,739,408	3,238,950	499,542
Brokerage Commissions & Fees	1,279,002	1,411,974	132,972
Insurance Premiums (net of brokerage)	44,902,873	43,884,440	-1,018,433
Taxes, Assessments & Fees	301,450	301,450	0
Actuarial Services	83,250	74,500	-8,750
Claims Audit	8,000	9,870	1,870
Coverage Counsel	16,000	16,000	0
Program Legal	24,500	24,500	0
Miscellaneous Program Services	10,000	10,000	0
Workshop/Training Expenses	451,000	246,000	-205,000
Loss Control Expenses	941,426	971,426	30,000
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-14,128,714	-19,927,941	-5,799,227
Program Committee	10,800	11,000	200
Dividend Distributions	8,678,005	1,401,588	-7,276,417
Total Direct Program Expenses	<u>109,030,651</u>	<u>96,545,747</u>	<u>-12,484,904</u>

**CSURMA**

**Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget  
Draft**

**TOTAL: ALL FUNDS**

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	35,000	36,400	1,400
Executive Committee & Board Expenses	34,036	35,396	1,360
JPA Insurance	16,000	16,640	640
Memberships, Associations & Dues	43,050	44,772	1,722
Chancellor's Office Accounting Services	367,500	400,000	32,500
Chancellor's Office Risk Management Service	1,034,500	1,134,500	100,000
JPA Accreditation	7,000	0	-7,000
JPA Legal	108,150	111,394	3,244
Miscellaneous Expenses	27,493	28,593	1,100
Total General & Administrative Expenses	<u>1,672,729</u>	<u>1,807,695</u>	<u>134,966</u>
Total Operating Expenses	<u>110,703,380</u>	<u>98,353,442</u>	<u>-12,349,938</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u><b>-13,535,613</b></u>	<u><b>-4,777,534</b></u>	
<b>Beginning Retained Earnings</b>	73,380,353	60,379,690	
<b>Ending Retained Earnings</b>	60,379,690	55,602,156	

CSURMA  
Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget  
Draft

**GENERAL FUND**

To allocate General Expenses  
across All Program Funds

<i>Amended</i>	<i>Proposed</i>	
<b>FY 17/18</b>	<b>FY 18/19</b>	<b>Budget</b>
<u>MTBA</u>	<u>Budget</u>	<u>Change</u>

**Operating Revenues**

Contributions  
Reinsurance Premiums

Total Operating Revenues

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses  
Deductible Recoveries  
Claims Administrators  
Management Information System  
  
Program Administrators  
Brokerage Commissions & Fees  
Insurance Premiums (net of brokerage)  
Taxes, Assessments & Fees  
Actuarial Services  
Claims Audit  
Coverage Counsel  
Program Legal  
Miscellaneous Program Services  
Workshop/Training Expenses  
Loss Control Expenses  
Appraisals  
Excess/Reinsurance Recoveries  
Program Committee  
Dividend Distributions

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****GENERAL FUND****To allocate General Expenses  
across All Program Funds**

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
Total Direct Program Expenses			
<b>General &amp; Administrative Expenses</b>			<b>4%</b>
Financial Audit	35,000	36,400	1,400
Executive Committee & Board Expenses	34,035	35,396	1,361
JPA Insurance	16,000	16,640	640
Memberships, Associations & Dues	43,050	44,772	1,722
Chancellor's Office Accounting Services	367,500	400,000	32,500
Chancellor's Office Risk Management Service	1,034,500	1,134,500	100,000
JPA Accreditation	7,000	0	-7,000
JPA Legal	108,150	111,394	3,244
Miscellaneous Expenses	27,493	28,593	1,100
Total General & Administrative Expenses	<u>1,672,728</u>	<u>1,807,695</u>	<u>134,967</u>
Total Operating Expenses	<u>1,672,728</u>	<u>1,807,695</u>	<u>134,967</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,500,000	2,500,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****TOTAL: CAMPUS PROGRAMS**

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>Operating Revenues</b>			
Contributions	82,560,843	84,393,912	1,833,069
Reinsurance Premiums	-7,132,600	-8,082,877	-950,277
Total Operating Revenues	<u>75,428,243</u>	<u>76,311,035</u>	<u>882,792</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	58,400,735	58,701,423	300,688
Deductible Recoveries	-4,518,980	-5,000,000	-481,020
Claims Administrators	3,930,872	4,114,166	183,294
Management Information System	340,085	109,379	-230,706
Program Administrators	1,407,350	1,407,350	0
Brokerage Commissions & Fees	909,010	945,177	36,167
Insurance Premiums (net of brokerage)	35,866,392	37,462,377	1,595,985
Taxes, Assessments & Fees	235,950	235,950	0
Actuarial Services	70,797	63,500	-7,297
Claims Audit	8,000	5,250	-2,750
Coverage Counsel	10,000	10,000	0
Program Legal	22,000	22,000	0
Miscellaneous Program Services	8,610	8,599	-12
Workshop/Training Expenses	379,037	214,813	-164,224
Loss Control Expenses	676,999	766,378	89,378
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-12,673,436	-18,121,933	-5,448,497
Program Committee	3,000	3,000	0
Dividend Distributions	7,027,608	0	-7,027,608
Total Direct Program Expenses	<u>92,104,030</u>	<u>80,947,428</u>	<u>-11,156,602</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****TOTAL: CAMPUS PROGRAMS**

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	28,164	30,082	1,918
Executive Committee & Board Expenses	27,395	29,252	1,857
JPA Insurance	12,875	13,752	877
Memberships, Associations & Dues	41,585	37,001	-4,584
Chancellor's Office Accounting Services	295,726	330,570	34,845
Chancellor's Office Risk Management Service	832,456	937,580	105,124
JPA Accreditation	5,632	0	-5,632
JPA Legal	87,028	92,059	5,031
Miscellaneous Expenses	22,125	23,630	1,505
Total General & Administrative Expenses	<u>1,352,986</u>	<u>1,493,926</u>	<u>140,940</u>
Total Operating Expenses	<u>93,457,016</u>	<u>82,441,354</u>	<u>-11,015,662</u>
<b>Non-Operating Revenues</b>			
Investment Income	2,085,528	2,048,291	-37,237
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,085,528</u>	<u>2,048,291</u>	<u>-37,237</u>
<b>Net Surplus (Deficit)</b>	<u>-15,943,245</u>	<u>-4,082,028</u>	
<b>Beginning Retained Earnings</b>	43,777,893	27,834,647	
<b>Ending Retained Earnings</b>	27,834,647	23,752,620	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Amended</i>	<i>Proposed</i>	
	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>Budget</b>
	<u><b>MTBA</b></u>	<u><b>Budget</b></u>	<u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	16,957,436	16,173,148	-784,288
Reinsurance Premiums	-1,851,016	-2,040,745	-189,729
Total Operating Revenues	<u>15,106,420</u>	<u>14,132,403</u>	<u>-974,017</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	14,553,483	13,203,348	-1,350,135
Deductible Recoveries	-4,518,980	-5,000,000	-481,020
Claims Administrators	0	0	0
Management Information System	98,615	49,386	-49,229
Program Administrators	269,070	269,070	0
Brokerage Commissions & Fees	352,784	388,944	36,160
Insurance Premiums (net of brokerage)	3,003,012	3,310,821	307,809
Taxes, Assessments & Fees	235,950	235,950	0
Actuarial Services	16,095	14,670	-1,425
Claims Audit	0	5,250	5,250
Coverage Counsel	10,000	10,000	0
Program Legal	22,000	22,000	0
Miscellaneous Program Services	1,683	1,663	-20
Workshop/Training Expenses	173,418	52,675	-120,743
Loss Control Expenses	449,489	474,972	25,483
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	3,304,943	0	-3,304,943
Total Direct Program Expenses	<u>17,971,562</u>	<u>13,038,749</u>	<u>-4,932,813</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS LIABILITY PROGRAM**

(Fund 10)

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	5,505	5,818	314
Executive Committee & Board Expenses	5,347	5,658	310
JPA Insurance	2,516	2,660	143
Memberships, Associations & Dues	1,180	7,156	5,977
Chancellor's Office Accounting Services	57,799	63,936	6,137
Chancellor's Office Risk Management Service	162,701	181,337	18,637
JPA Accreditation	1,101	0	-1,101
JPA Legal	17,009	17,805	796
Miscellaneous Expenses	4,325	4,570	245
Total General & Administrative Expenses	<u>257,483</u>	<u>288,940</u>	<u>31,457</u>
Total Operating Expenses	<u>18,229,045</u>	<u>13,327,689</u>	<u>-4,901,355</u>
<b>Non-Operating Revenues</b>			
Investment Income	625,839	614,665	-11,174
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>625,839</u>	<u>614,665</u>	<u>-11,174</u>
<b>Net Surplus (Deficit)</b>	<u>-2,496,785</u>	<u>1,419,379</u>	
<b>Beginning Retained Earnings</b>	13,751,365	11,254,580	
<b>Ending Retained Earnings</b>	11,254,580	12,673,958	

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	36,337,621	38,837,384	2,499,763
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>36,337,621</u>	<u>38,837,384</u>	<u>2,499,763</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	21,794,769	23,280,508	1,485,739
Deductible Recoveries	0	0	0
Claims Administrators	3,665,872	3,849,166	183,294
Management Information System	160,163	34,545	-125,618
Program Administrators	738,223	738,223	0
Brokerage Commissions & Fees	210	217	7
Insurance Premiums (net of brokerage)	30,314,694	31,350,000	1,035,306
Taxes, Assessments & Fees	0	0	0
Actuarial Services	31,728	28,722	-3,006
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	3,928	3,994	66
Workshop/Training Expenses	164,410	132,479	-31,931
Loss Control Expenses	170,076	234,022	63,946
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-12,673,436	-18,121,933	-5,448,497
Program Committee	0	0	0
Dividend Distributions	3,722,665	0	-3,722,665
Total Direct Program Expenses	<u>48,093,302</u>	<u>41,529,942</u>	<u>-6,563,360</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS WORKERS' COMPENSATION PROGRAM**

(Fund 11)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	12,847	13,971	1,125
Executive Committee & Board Expenses	12,480	13,586	1,106
JPA Insurance	5,873	6,387	514
Memberships, Associations & Dues	38,303	17,185	-21,118
Chancellor's Office Accounting Services	134,891	153,532	18,641
Chancellor's Office Risk Management Service	379,713	435,454	55,741
JPA Accreditation	2,568	0	-2,568
JPA Legal	39,696	42,756	3,060
Miscellaneous Expenses	10,092	10,975	883
Total General & Administrative Expenses	<u>636,463</u>	<u>693,846</u>	<u>57,384</u>
Total Operating Expenses	<u>48,729,765</u>	<u>42,223,788</u>	<u>-6,505,976</u>
<b>Non-Operating Revenues</b>			
Investment Income	1,139,430	1,119,086	-20,344
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,139,430</u>	<u>1,119,086</u>	<u>-20,344</u>
<b>Net Surplus (Deficit)</b>	<u><b>-11,252,713</b></u>	<u><b>-2,267,318</b></u>	
<b>Beginning Retained Earnings</b>	21,984,710	10,731,996	
<b>Ending Retained Earnings</b>	10,731,996	8,464,678	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Amended</i>	<i>Proposed</i>	
	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>Budget</b>
	<u>MTBA</u>	<u>Budget</u>	<u>Change</u>
<b>Operating Revenues</b>			
Contributions	15,000,000	15,500,000	500,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>15,000,000</u>	<u>15,500,000</u>	<u>500,000</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	14,500,000	14,500,000	0
Deductible Recoveries	0	0	0
Claims Administrators	70,000	70,000	0
Management Information System	43,940	13,787	-30,153
Program Administrators	172,964	172,964	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	10,930	9,268	-1,662
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,621	1,594	-27
Workshop/Training Expenses	26,587	12,723	-13,864
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>14,826,042</u>	<u>14,780,336</u>	<u>-45,706</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**CAMPUS IDL NDL UI PROGRAM \***

(Fund 12)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	5,303	5,576	273
Executive Committee & Board Expenses	5,152	5,422	271
JPA Insurance	2,424	2,549	125
Memberships, Associations & Dues	1,136	6,858	5,722
Chancellor's Office Accounting Services	55,682	61,274	5,592
Chancellor's Office Risk Management Service	156,744	173,790	17,046
JPA Accreditation	1,061	0	-1,061
JPA Legal	16,387	17,064	678
Miscellaneous Expenses	4,166	4,380	214
Total General & Administrative Expenses	<u>248,055</u>	<u>276,914</u>	<u>28,859</u>
Total Operating Expenses	<u>15,074,097</u>	<u>15,057,250</u>	<u>-16,847</u>
<b>Non-Operating Revenues</b>			
Investment Income	126,054	123,804	-2,251
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>126,054</u>	<u>123,804</u>	<u>-2,251</u>
<b>Net Surplus (Deficit)</b>	<u>51,958</u>	<u>566,554</u>	
<b>Beginning Retained Earnings</b>	-723,690	-671,733	
<b>Ending Retained Earnings</b>	-671,733	-105,179	

\* Industrial Disability, Non-industrial Disability, Unemployment Insurance

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	8,929,946	8,450,000	-479,946
Reinsurance Premiums	-5,281,584	-6,042,132	-760,548
Total Operating Revenues	<u>3,648,362</u>	<u>2,407,868</u>	<u>-1,240,494</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	4,000,000	4,000,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	24,167	7,516	-16,651
Program Administrators	216,507	216,507	0
Brokerage Commissions & Fees	554,016	554,016	0
Insurance Premiums (net of brokerage)	1,756,052	2,008,923	252,871
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,011	5,053	-958
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	892	869	-23
Workshop/Training Expenses	14,623	6,936	-7,687
Loss Control Expenses	57,434	57,384	-50
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>6,629,701</u>	<u>6,857,204</u>	<u>227,503</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS PROPERTY PROGRAM**

(Fund 13)

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,917	3,040	123
Executive Committee & Board Expenses	2,833	2,956	123
JPA Insurance	1,333	1,390	56
Memberships, Associations & Dues	625	3,739	3,114
Chancellor's Office Accounting Services	30,625	33,404	2,779
Chancellor's Office Risk Management Service	86,209	94,743	8,534
JPA Accreditation	583	0	-583
JPA Legal	9,013	9,303	290
Miscellaneous Expenses	2,291	2,388	97
Total General & Administrative Expenses	<u>136,429</u>	<u>150,963</u>	<u>14,533</u>
Total Operating Expenses	<u>6,766,131</u>	<u>7,008,167</u>	<u>242,036</u>
<b>Non-Operating Revenues</b>			
Investment Income	119,913	117,772	-2,141
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>119,913</u>	<u>117,772</u>	<u>-2,141</u>
<b>Net Surplus (Deficit)</b>	<u>-2,997,856</u>	<u>-4,482,527</u>	
<b>Beginning Retained Earnings</b>	7,902,818	4,904,963	
<b>Ending Retained Earnings</b>	4,904,963	422,436	

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	4,506,330	4,660,547	154,217
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,506,330</u>	<u>4,660,547</u>	<u>154,217</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	3,552,483	3,717,567	165,084
Deductible Recoveries	0	0	0
Claims Administrators	195,000	195,000	0
Management Information System	13,200	4,145	-9,055
Program Administrators	10,586	10,586	0
Brokerage Commissions & Fees	2,000	2,000	0
Insurance Premiums (net of brokerage)	19,800	19,800	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,033	5,787	-246
Claims Audit	8,000	0	-8,000
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	487	479	-8
Workshop/Training Expenses	0	10,000	10,000
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	3,000	3,000	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>3,810,589</u>	<u>3,968,364</u>	<u>157,775</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CAMPUS ATHLETIC INJURY MEDICAL EXPENSE**

(Fund 14)

<i>Amended</i>	<i>Proposed</i>	
<b>FY 17/18</b>	<b>FY 18/19</b>	<b>Budget</b>
<u>MTBA</u>	<u>Budget</u>	<u>Change</u>

**General & Administrative Expenses**

Financial Audit	1,593	1,677	83
Executive Committee & Board Expenses	1,583	1,630	47
JPA Insurance	728	766	38
Memberships, Associations & Dues	341	2,062	1,721
Chancellor's Office Accounting Services	16,728	18,424	1,696
Chancellor's Office Risk Management Service	47,089	52,255	5,166
JPA Accreditation	319	0	-319
JPA Legal	4,923	5,131	208
Miscellaneous Expenses	1,251	1,317	66

Total General & Administrative Expenses	<u>74,556</u>	<u>83,263</u>	<u>8,706</u>
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Total Operating Expenses	<u>3,885,145</u>	<u>4,051,627</u>	<u>166,482</u>
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**Non-Operating Revenues**

Investment Income	74,291	72,964	-1,326
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0

Total Non-Operating Revenues	<u>74,291</u>	<u>72,964</u>	<u>-1,326</u>
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<b>Net Surplus (Deficit)</b>	<u>695,476</u>	<u>681,884</u>	
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<b>Beginning Retained Earnings</b>	1,003,731	1,699,206	
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<b>Ending Retained Earnings</b>	1,699,206	2,381,091	
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**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	829,510	772,833	-56,677
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>829,510</u>	<u>772,833</u>	<u>-56,677</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	772,834	772,833	-1
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>772,834</u>	<u>772,833</u>	<u>-1</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**CAMPUS AUTO LIABILITY PROGRAM \***

(Fund 15)

	<i>Amended</i>	<i>Proposed</i>	
	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>Budget</b>
	<u><b>MTBA</b></u>	<u><b>Budget</b></u>	<u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>772,834</u>	<u>772,833</u>	<u>-1</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>56,676</u>	<u>0</u>	
<b>Beginning Retained Earnings</b>	-141,041	-84,365	
<b>Ending Retained Earnings</b>	-84,365	-84,365	

\* Vehicle Liability Self-Insurance Program  
State Motor Vehicle Self-Insurance Account

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**TOTAL: AORMA PROGRAMS**

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	13,436,380	13,628,849	192,469
Reinsurance Premiums	-2,836,274	-3,312,877	-476,603
Total Operating Revenues	<u>10,600,106</u>	<u>10,315,972</u>	<u>-284,134</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,218,252	5,371,922	153,670
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	268,048	279,256	11,208
Management Information System	37,661	12,122	-25,539
Program Administrators	1,331,600	1,331,600	0
Brokerage Commissions & Fees	289,564	334,305	44,741
Insurance Premiums (net of brokerage)	4,905,089	4,591,570	-313,519
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	11,799	11,000	-799
Claims Audit	0	4,620	4,620
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	1,390	1,401	12
Workshop/Training Expenses	71,963	31,187	-40,776
Loss Control Expenses	264,427	205,048	-59,378
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,455,278	-1,806,008	-350,730
Program Committee	7,800	8,000	200
Dividend Distributions	1,650,397	1,401,588	-248,809
Total Direct Program Expenses	<u>12,576,711</u>	<u>11,751,612</u>	<u>-825,099</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****TOTAL: AORMA PROGRAMS**

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	4,545	4,903	358
Executive Committee & Board Expenses	4,415	4,768	352
JPA Insurance	2,078	2,241	163
Memberships, Associations & Dues	974	6,031	5,057
Chancellor's Office Accounting Services	47,726	53,877	6,152
Chancellor's Office Risk Management Service	134,346	152,810	18,464
JPA Accreditation	910	0	-910
JPA Legal	14,045	15,004	959
Miscellaneous Expenses	3,569	3,851	282
Total General & Administrative Expenses	<u>212,608</u>	<u>243,485</u>	<u>30,877</u>
Total Operating Expenses	<u>12,789,319</u>	<u>11,995,097</u>	<u>-794,222</u>
<b>Non-Operating Revenues</b>			
Investment Income	410,040	402,719	-7,321
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>410,040</u>	<u>402,719</u>	<u>-7,321</u>
<b>Net Surplus (Deficit)</b>	<u><b>-1,779,173</b></u>	<u><b>-1,276,406</b></u>	
<b>Beginning Retained Earnings</b>	22,084,701	20,305,528	
<b>Ending Retained Earnings</b>	20,305,528	19,029,122	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	4,158,018	4,517,782	359,764
Reinsurance Premiums	-1,336,274	-1,748,198	-411,924
Total Operating Revenues	<u>2,821,744</u>	<u>2,769,584</u>	<u>-52,160</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	783,549	1,027,137	243,588
Deductible Recoveries	-100,000	-100,000	0
Claims Administrators	15,000	15,000	0
Management Information System	12,007	4,018	-7,989
Program Administrators	609,206	609,206	0
Brokerage Commissions & Fees	72,346	79,761	7,415
Insurance Premiums (net of brokerage)	209,860	231,371	21,511
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,414	5,250	-164
Claims Audit	0	4,620	4,620
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	443	465	22
Workshop/Training Expenses	42,816	10,338	-32,478
Loss Control Expenses	110,778	91,425	-19,353
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	2,487	2,500	13
Dividend Distributions	1,118,476	1,118,478	2
Total Direct Program Expenses	<u>2,889,882</u>	<u>3,107,069</u>	<u>217,186</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****AORMA LIABILITY PROGRAM**

(Fund 21)

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,449	1,625	176
Executive Committee & Board Expenses	1,408	1,580	173
JPA Insurance	662	743	81
Memberships, Associations & Dues	311	1,999	1,689
Chancellor's Office Accounting Services	15,216	17,860	2,644
Chancellor's Office Risk Management Service	42,832	50,654	7,823
JPA Accreditation	290	0	-290
JPA Legal	4,478	4,974	496
Miscellaneous Expenses	1,138	1,277	139
Total General & Administrative Expenses	<u>67,783</u>	<u>80,712</u>	<u>12,929</u>
Total Operating Expenses	<u>2,957,665</u>	<u>3,187,781</u>	<u>230,115</u>
<b>Non-Operating Revenues</b>			
Investment Income	137,527	135,071	-2,456
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>137,527</u>	<u>135,071</u>	<u>-2,456</u>
<b>Net Surplus (Deficit)</b>	<u>1,605</u>	<u>-283,126</u>	
<b>Beginning Retained Earnings</b>	6,973,901	6,975,506	
<b>Ending Retained Earnings</b>	6,975,506	6,692,380	

Includes Cyber Risk Liability

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	5,001,808	5,005,003	3,195
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>5,001,808</u>	<u>5,005,003</u>	<u>3,195</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,365,952	2,496,490	130,538
Deductible Recoveries	0	0	0
Claims Administrators	224,160	235,368	11,208
Management Information System	13,127	4,452	-8,675
Program Administrators	392,407	392,407	0
Brokerage Commissions & Fees	26	26	0
Insurance Premiums (net of brokerage)	4,322,130	4,000,000	-322,130
Taxes, Assessments & Fees	65,500	65,500	0
Actuarial Services	5,953	5,750	-203
Claims Audit	0	0	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	484	515	30
Workshop/Training Expenses	14,914	11,453	-3,461
Loss Control Expenses	119,245	99,128	-20,117
Appraisals	0	0	0
Excess/Reinsurance Recoveries	-1,455,278	-1,806,008	-350,730
Program Committee	2,718	2,800	82
Dividend Distributions	531,921	283,110	-248,811
Total Direct Program Expenses	<u>6,604,258</u>	<u>5,791,990</u>	<u>-812,268</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****AORMA WORKERS' COMPENSATION PROGRAM**

(Fund 22)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	1,584	1,801	216
Executive Committee & Board Expenses	1,539	1,751	212
JPA Insurance	724	823	99
Memberships, Associations & Dues	339	2,215	1,875
Chancellor's Office Accounting Services	16,635	19,786	3,151
Chancellor's Office Risk Management Service	46,826	56,117	9,291
JPA Accreditation	317	0	-317
JPA Legal	4,895	5,510	615
Miscellaneous Expenses	1,244	1,414	170
Total General & Administrative Expenses	<u>74,104</u>	<u>89,416</u>	<u>15,312</u>
Total Operating Expenses	<u>6,678,363</u>	<u>5,881,407</u>	<u>-796,956</u>
<b>Non-Operating Revenues</b>			
Investment Income	139,570	137,078	-2,492
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>139,570</u>	<u>137,078</u>	<u>-2,492</u>
<b>Net Surplus (Deficit)</b>	<u>-1,536,985</u>	<u>-739,326</u>	
<b>Beginning Retained Earnings</b>	6,594,483	5,057,498	
<b>Ending Retained Earnings</b>	5,057,498	4,318,172	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	2,075,000	2,134,679	59,679
Reinsurance Premiums	-1,500,000	-1,564,679	-64,679
Total Operating Revenues	<u>575,000</u>	<u>570,000</u>	<u>-5,000</u>

**Operating Expenses**

*Direct Program Expenses*

Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	6,078	1,899	-4,179
Program Administrators	258,913	258,913	0
Brokerage Commissions & Fees	194,949	235,888	40,939
Insurance Premiums (net of brokerage)	128,099	155,000	26,901
Taxes, Assessments & Fees	0	0	0
Actuarial Services	210	0	-210
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	224	220	-5
Workshop/Training Expenses	6,906	4,885	-2,021
Loss Control Expenses	24,130	14,496	-9,634
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,259	1,300	41
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>870,768</u>	<u>922,600</u>	<u>51,833</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**AORMA PROPERTY PROGRAM \***

(Fund 23)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	734	768	34
Executive Committee & Board Expenses	713	747	34
JPA Insurance	335	351	16
Memberships, Associations & Dues	157	945	787
Chancellor's Office Accounting Services	7,703	8,439	736
Chancellor's Office Risk Management Service	21,683	23,935	2,252
JPA Accreditation	147	0	-147
JPA Legal	2,267	2,350	83
Miscellaneous Expenses	576	603	27
 Total General & Administrative Expenses	 <u>34,314</u>	 <u>38,137</u>	 <u>3,823</u>
 Total Operating Expenses	 <u>905,082</u>	 <u>960,737</u>	 <u>55,655</u>
<b>Non-Operating Revenues</b>			
Investment Income	32,886	32,299	-587
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>32,886</u>	 <u>32,299</u>	 <u>-587</u>
 <b>Net Surplus (Deficit)</b>	 <u><b>-297,196</b></u>	 <u><b>-358,438</b></u>	
 <b>Beginning Retained Earnings</b>	 2,111,069	 1,813,874	
<b>Ending Retained Earnings</b>	<b>1,813,874</b>	<b>1,455,435</b>	

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

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	277,000	232,000	-45,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>277,000</u>	<u>232,000</u>	<u>-45,000</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	50,000	41,877	-8,123
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	811	206	-605
Program Administrators	25,384	25,384	0
Brokerage Commissions & Fees *	22,243	18,630	-3,613
Insurance Premiums	245,000	205,199	-39,801
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	28	0	-28
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	30	24	-6
Workshop/Training Expenses	922	531	-391
Loss Control Expenses	1,293	0	-1,293
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	168	200	32
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>345,879</u>	<u>292,051</u>	<u>-53,828</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**AORMA CRIME PROGRAM \***

(Fund 24)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	98	83	-14
Executive Committee & Board Expenses	95	81	-14
JPA Insurance	45	38	-7
Memberships, Associations & Dues	21	103	82
Chancellor's Office Accounting Services	1,028	917	-111
Chancellor's Office Risk Management Service	2,895	2,601	-293
JPA Accreditation	20	0	-20
JPA Legal	303	255	-47
Miscellaneous Expenses	77	66	-11
 Total General & Administrative Expenses	 <u>4,581</u>	 <u>4,145</u>	 <u>-436</u>
 Total Operating Expenses	 <u>350,460</u>	 <u>296,196</u>	 <u>-54,264</u>
<b>Non-Operating Revenues</b>			
Investment Income	6,344	6,230	-113
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>6,344</u>	 <u>6,230</u>	 <u>-113</u>
 <b>Net Surplus (Deficit)</b>	 <u><b>-67,116</b></u>	 <u><b>-57,965</b></u>	
 <b>Beginning Retained Earnings</b>	 412,604	 345,488	
<b>Ending Retained Earnings</b>	<b>345,488</b>	<b>287,523</b>	

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

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Amended</i> <b>FY 17/18</b> <b><u>MTBA</u></b>	<i>Proposed</i> <b>FY 18/19</b> <b><u>Budget</u></b>	<b>Budget</b> <b><u>Change</u></b>
<b>Operating Revenues</b>			
Contributions	1,924,554	1,739,385	-185,169
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>1,924,554</u>	<u>1,739,385</u>	<u>-185,169</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,768,751	1,556,418	-212,333
Deductible Recoveries	0	0	0
Claims Administrators	28,888	28,888	0
Management Information System	5,638	1,547	-4,091
Program Administrators	45,690	45,690	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	194	0	-194
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	208	179	-29
Workshop/Training Expenses	6,405	3,980	-2,425
Loss Control Expenses	8,982	0	-8,982
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	1,168	1,200	32
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,865,924</u>	<u>1,637,902</u>	<u>-228,022</u>

CSURMA

Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019

FY 18/19 Proposed Budget  
Draft

**AORMA UNEMPLOYMENT INSURANCE PROGRAM**

(Fund 25)

	<i>Amended</i> FY 17/18 <u>MTBA</u>	<i>Proposed</i> FY 18/19 <u>Budget</u>	<b>Budget Change</b>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	680	626	-55
Executive Committee & Board Expenses	661	608	-52
JPA Insurance	311	286	-25
Memberships, Associations & Dues	146	770	624
Chancellor's Office Accounting Services	7,144	6,876	-268
Chancellor's Office Risk Management Service	20,111	19,502	-608
JPA Accreditation	136	0	-136
JPA Legal	2,102	1,915	-188
Miscellaneous Expenses	534	492	-42
Total General & Administrative Expenses	<u>31,826</u>	<u>31,075</u>	<u>-751</u>
<b>Total Operating Expenses</b>	<u>1,897,749</u>	<u>1,668,977</u>	<u>-228,772</u>
<b>Non-Operating Revenues</b>			
Investment Income	93,714	92,041	-1,673
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>93,714</u>	<u>92,041</u>	<u>-1,673</u>
Net Surplus (Deficit)	<u>120,519</u>	<u>162,449</u>	
<b>Beginning Retained Earnings</b>	5,992,643	6,113,162	
<b>Ending Retained Earnings</b>	6,113,162	6,275,612	

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>Operating Revenues</b>			
Contributions	514,800	514,800	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>514,800</u>	<u>514,800</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	43,500	51,480	7,980
Insurance Premiums (net of brokerage)	391,500	463,320	71,820
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>435,000</u>	<u>514,800</u>	<u>79,800</u>

**CSURMA**  
**Cash Flow Budget of Revenues and Expenses**  
**Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget**  
**Draft**

**PURCHASED INSURANCE PROGRAM \***

(Fund 20)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>435,000</u>	<u>514,800</u>	<u>79,800</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit)</b>	<u>79,800</u>	<u>0</u>	
<b>Beginning Retained Earnings</b>	55,653	135,453	
<b>Ending Retained Earnings</b>	135,453	135,453	

\* Participant Accident Insurance (PAI), Auto Physical Damage (APD),  
International Programs (IP)

**CSURMA**

**Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019**

**FY 18/19 Proposed Budget  
Draft**

**OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>Operating Revenues</b>			
Contributions	7,751,690	3,561,173	-4,190,517
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>7,751,690</u>	<u>3,561,173</u>	<u>-4,190,517</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	1,262,222	1,262,222
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Management Information System	17,923	3,168	-14,755
Program Administrators	433	500,000	499,567
Brokerage Commissions & Fees	19,116	63,200	44,084
Insurance Premiums (net of brokerage)	3,573,519	1,200,800	-2,372,719
Taxes, Assessments & Fees	0	0	0
Actuarial Services	618	0	-618
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>3,611,609</u>	<u>3,029,390</u>	<u>-582,219</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****OWNER CONTROLLED INSURANCE PROGRAM**

(Fund 16)

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	2,163	1,281	-882
Executive Committee & Board Expenses	2,101	1,246	-856
JPA Insurance	989	586	-403
Memberships, Associations & Dues	464	1,576	1,112
Chancellor's Office Accounting Services	22,713	14,078	-8,635
Chancellor's Office Risk Management Service	63,936	39,929	-24,007
JPA Accreditation	433	0	-433
JPA Legal	6,684	3,921	-2,764
Miscellaneous Expenses	1,699	1,006	-693
Total General & Administrative Expenses	<u>101,182</u>	<u>63,622</u>	<u>-37,560</u>
Total Operating Expenses	<u>3,712,791</u>	<u>3,093,012</u>	<u>-619,779</u>
<b>Non-Operating Revenues</b>			
Investment Income	0	44,637	44,637
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>44,637</u>	<u>44,637</u>
<b>Net Surplus (Deficit)</b>	<u>4,038,899</u>	<u>512,798</u>	
<b>Beginning Retained Earnings</b>	7,076,425	11,650,274	
<b>Ending Retained Earnings</b>	11,650,274	12,163,072	

OCIP I launched 1/1/12, extended 12/31/14

OCIP II launches 1/31/18

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Amended</i> <b>FY 17/18</b> <u>MTBA</u>	<i>Proposed</i> <b>FY 18/19</b> <u>Budget</u>	<b>Budget</b> <u>Change</u>
<b>Operating Revenues</b>			
Contributions	372,928	372,928	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>372,928</u>	<u>372,928</u>	<u>0</u>
<b>Operating Expenses</b>			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	110,000	110,000	0
Deductible Recoveries	0	0	0
Claims Administrators	8,000	8,000	0
Management Information System	1,055	332	-723
Program Administrators	25	0	-25
Brokerage Commissions & Fees	17,812	17,812	0
Insurance Premiums (net of brokerage)	166,373	166,373	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	36	0	-36
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Excess/Reinsurance Recoveries	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>303,301</u>	<u>302,517</u>	<u>-784</u>

**CSURMA****Cash Flow Budget of Revenues and Expenses  
Fiscal Year July 1, 2018 to June 30, 2019****FY 18/19 Proposed Budget  
Draft****CLUB SPORTS INSURANCE PROGRAM**

(Fund 17)

	<i>Amended</i> <b>FY 17/18</b> <u><b>MTBA</b></u>	<i>Proposed</i> <b>FY 18/19</b> <u><b>Budget</b></u>	<b>Budget</b> <u><b>Change</b></u>
<b>General &amp; Administrative Expenses</b>			
Financial Audit	127	134	7
Executive Committee & Board Expenses	124	130	7
JPA Insurance	58	61	3
Memberships, Associations & Dues	27	165	138
Chancellor's Office Accounting Services	1,336	1,474	138
Chancellor's Office Risk Management Service	3,762	4,181	420
JPA Accreditation	25	0	-25
JPA Legal	393	411	17
Miscellaneous Expenses	100	105	5
Total General & Administrative Expenses	<u>5,953</u>	<u>6,663</u>	<u>710</u>
Total Operating Expenses	<u>309,254</u>	<u>309,180</u>	<u>-74</u>
<b>Non-Operating Revenues</b>			
Investment Income	4,432	4,353	-79
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>4,432</u>	<u>4,353</u>	<u>-79</u>
<b>Net Surplus (Deficit)</b>	<u>68,106</u>	<u>68,101</u>	
<b>Beginning Retained Earnings</b>	385,682	453,788	
<b>Ending Retained Earnings</b>	453,788	521,889	

Launched beginning August 1, 2012

CSURMA  
Cash Flow Budget of Revenues and Expenses  
FY 2017-18 with Midterm Budget Amendments proposed to the Executive Committee on March 8, 2018

Amended  
8-Mar-18

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
<b>Revenue</b>																	
Contributions	16,957,436	36,337,621	15,000,000	8,929,946	4,506,330	829,510	82,560,843	4,158,018	5,001,808	2,075,000	277,000	1,924,554	13,436,380	514,800	7,751,690	372,928	104,636,641
Reinsurance Premiums	-1,851,016	0	0	-5,281,584	0	0	-7,132,600	-1,336,274	0	-1,500,000	0	0	-2,836,274	0	0	0	-9,968,874
<b>Total Operating Revenues</b>	<b>15,106,420</b>	<b>36,337,621</b>	<b>15,000,000</b>	<b>3,648,362</b>	<b>4,506,330</b>	<b>829,510</b>	<b>75,428,243</b>	<b>2,821,744</b>	<b>5,001,808</b>	<b>575,000</b>	<b>277,000</b>	<b>1,924,554</b>	<b>10,600,106</b>	<b>514,800</b>	<b>7,751,690</b>	<b>372,928</b>	<b>94,667,767</b>
<b>Operating Expenses</b>																	
<i>Direct Program Expenses</i>																	
Claims Payments & Legal Expenses	14,553,483	21,794,769	14,500,000	4,000,000	3,552,483	0	58,400,735	783,549	2,365,952	250,000	50,000	1,768,751	5,218,252	0	0	110,000	63,728,987
Deductible Recoveries	-4,518,980	0	0	0	0	0	-4,518,980	-100,000	0	0	0	0	-100,000	0	0	0	-4,618,980
Claims Administrators	0	3,665,872	70,000	0	195,000	0	3,930,872	15,000	224,160	0	0	28,888	268,048	0	0	8,000	4,206,920
Management Information System	98,615	160,163	43,940	24,167	13,200	0	340,085	12,007	13,127	6,078	811	5,638	37,661	0	17,923	1,055	396,724
Program Administrators	269,070	738,223	172,964	216,507	10,586	0	1,407,350	609,206	392,407	258,913	25,384	45,690	1,331,600	0	433	25	2,739,408
Brokerage Commissions & Fees	352,784	210	0	554,016	2,000	0	909,010	72,346	26	194,949	22,243	0	289,564	43,500	19,116	17,812	1,279,002
Insurance Premiums (net of brokerage)	3,003,012	30,314,694	0	1,756,052	19,800	772,834	35,866,392	209,860	4,322,130	128,099	245,000	0	4,905,089	391,500	3,573,519	166,373	44,902,873
Taxes, Assessments & Fees	235,950	0	0	0	0	0	235,950	0	65,500	0	0	0	65,500	0	0	0	301,450
Actuarial Services	16,095	31,728	10,930	6,011	6,033	0	70,797	5,414	5,953	210	28	194	11,799	0	618	36	83,250
Claims Audit	0	0	0	0	8,000	0	8,000	0	0	0	0	0	0	0	0	0	8,000
Coverage Counsel	10,000	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	22,000	0	0	0	0	0	22,000	2,500	0	0	0	0	2,500	0	0	0	24,500
Miscellaneous Program Services	1,683	3,928	1,621	892	487	0	8,610	443	484	224	30	208	1,390	0	0	0	10,000
Workshop/Training Expenses	173,418	164,410	26,587	14,623	0	0	379,037	42,816	14,914	6,906	922	6,405	71,963	0	0	0	451,000
Loss Control Expenses	449,489	170,076	0	57,434	0	0	676,999	110,778	119,245	24,130	1,293	8,982	264,427	0	0	0	941,426
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess/Reinsurance Recoveries	0	-12,673,436	0	0	0	0	-12,673,436	0	-1,455,278	0	0	0	-1,455,278	0	0	0	-14,128,714
Program Committee	0	0	0	0	3,000	0	3,000	2,487	2,718	1,259	168	1,168	7,800	0	0	0	10,800
Dividend Distributions	3,304,943	3,722,665	0	0	0	0	7,027,608	1,118,476	531,921	0	0	0	1,650,397	0	0	0	8,678,005
<b>Total Direct Program Expenses</b>	<b>17,971,562</b>	<b>48,093,302</b>	<b>14,826,042</b>	<b>6,629,701</b>	<b>3,810,589</b>	<b>772,834</b>	<b>92,104,030</b>	<b>2,889,882</b>	<b>6,604,258</b>	<b>870,768</b>	<b>345,879</b>	<b>1,865,924</b>	<b>12,576,711</b>	<b>435,000</b>	<b>3,611,609</b>	<b>303,301</b>	<b>109,030,651</b>
<b>General &amp; Administrative Expenses</b>																	
Financial Audit	5,505	12,847	5,303	2,917	1,593	0	28,164	1,449	1,584	734	98	680	4,545	0	2,163	127	35,000
Executive Committee & Board Expenses	5,347	12,480	5,152	2,833	1,583	0	27,395	1,408	1,539	713	95	661	4,415	0	2,101	124	34,035
JPA Insurance	2,516	5,873	2,424	1,333	728	0	12,875	662	724	335	45	311	2,078	0	989	58	16,000
Memberships, Associations & Dues	1,180	38,303	1,136	625	341	0	41,585	311	339	157	21	146	974	0	464	27	43,050
Chancellor's Office Accounting Services	57,799	134,891	55,682	30,625	16,728	0	295,726	15,216	16,635	7,703	1,028	7,144	47,726	0	22,713	1,336	367,501
Chancellor's Office Risk Management Services	162,701	379,713	156,744	86,209	47,089	0	832,456	42,832	46,826	21,683	2,895	20,111	134,346	0	63,936	3,762	1,034,500
JPA Accreditation	1,101	2,568	1,061	583	319	0	5,632	290	317	147	20	136	910	0	433	25	7,000
JPA Legal	17,009	39,696	16,387	9,013	4,923	0	87,028	4,478	4,895	2,267	303	2,102	14,045	0	6,684	393	108,150
Miscellaneous Expenses	4,325	10,092	4,166	2,291	1,251	0	22,125	1,138	1,244	576	77	534	3,569	0	1,699	100	27,493
<b>Total General &amp; Administrative Expenses</b>	<b>257,483</b>	<b>636,463</b>	<b>248,055</b>	<b>136,429</b>	<b>74,556</b>	<b>0</b>	<b>1,352,986</b>	<b>67,783</b>	<b>74,104</b>	<b>34,314</b>	<b>4,581</b>	<b>31,826</b>	<b>212,608</b>	<b>0</b>	<b>101,182</b>	<b>5,953</b>	<b>1,672,729</b>
<b>Total Operating Expenses</b>	<b>18,229,045</b>	<b>48,729,765</b>	<b>15,074,097</b>	<b>6,766,131</b>	<b>3,885,145</b>	<b>772,834</b>	<b>93,457,016</b>	<b>2,957,665</b>	<b>6,678,363</b>	<b>905,082</b>	<b>350,460</b>	<b>1,897,749</b>	<b>12,789,319</b>	<b>435,000</b>	<b>3,712,791</b>	<b>309,254</b>	<b>110,703,380</b>
<b>Non-Operating Revenues</b>																	
Investment Income	625,839	1,139,430	126,054	119,913	74,291	0	2,085,528	137,527	139,570	32,886	6,344	93,714	410,040	0	0	4,432	2,500,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b>625,839</b>	<b>1,139,430</b>	<b>126,054</b>	<b>119,913</b>	<b>74,291</b>	<b>0</b>	<b>2,085,528</b>	<b>137,527</b>	<b>139,570</b>	<b>32,886</b>	<b>6,344</b>	<b>93,714</b>	<b>410,040</b>	<b>0</b>	<b>0</b>	<b>4,432</b>	<b>2,500,000</b>
<b>Net Surplus (Deficit)</b>	<b>-2,496,785</b>	<b>-11,252,713</b>	<b>51,958</b>	<b>-2,997,856</b>	<b>695,476</b>	<b>56,676</b>	<b>-15,943,245</b>	<b>1,605</b>	<b>-1,536,985</b>	<b>-297,196</b>	<b>-67,116</b>	<b>120,519</b>	<b>-1,779,173</b>	<b>79,800</b>	<b>4,038,899</b>	<b>68,106</b>	<b>-13,535,613</b>
<b>Beginning Retained Earnings</b>	13,751,365	21,984,710	-723,690	7,902,818	1,003,731	-141,041	43,777,893	6,973,901	6,594,483	2,111,069	412,604	5,992,643	22,084,701	55,653	7,076,425	385,682	73,380,353
<b>Ending Retained Earnings</b>	11,254,580	10,731,996	-671,733	4,904,963	1,699,206	-84,365	27,834,647	6,975,506	5,057,498	1,813,874	345,488	6,113,162	20,305,528	135,453	11,115,324	453,788	59,844,740

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
<b>Revenue</b>																	
Contributions	16,173,148	38,837,384	15,500,000	8,450,000	4,660,547	772,833	84,393,912	4,517,782	5,005,003	2,134,679	232,000	1,739,385	13,628,849	514,800	3,561,173	372,928	102,471,662
Reinsurance Premiums	-2,040,745	0	0	-6,042,132	0	0	-8,082,877	-1,748,198	0	-1,564,679	0	0	-3,312,877	0	0	0	-11,395,754
<b>Total Operating Revenues</b>	<b>14,132,403</b>	<b>38,837,384</b>	<b>15,500,000</b>	<b>2,407,868</b>	<b>4,660,547</b>	<b>772,833</b>	<b>76,311,035</b>	<b>2,769,584</b>	<b>5,005,003</b>	<b>570,000</b>	<b>232,000</b>	<b>1,739,385</b>	<b>10,315,972</b>	<b>514,800</b>	<b>3,561,173</b>	<b>372,928</b>	<b>91,075,908</b>
<b>Operating Expenses</b>																	
<i>Direct Program Expenses</i>																	
Claims Payments & Legal Expenses	13,203,348	23,280,508	14,500,000	4,000,000	3,717,567	0	58,701,423	1,027,137	2,496,490	250,000	41,877	1,556,418	5,371,922	0	1,262,222	110,000	65,445,567
Deductible Recoveries	-5,000,000	0	0	0	0	0	-5,000,000	-100,000	0	0	0	0	-100,000	0	0	0	-5,100,000
Claims Administrators	0	3,849,166	70,000	0	195,000	0	4,114,166	15,000	235,368	0	0	28,888	279,256	0	0	8,000	4,401,422
Management Information System	49,386	34,545	13,787	7,516	4,145	0	109,379	4,018	4,452	1,899	206	1,547	12,122	0	3,168	332	125,001
Program Administrators	269,070	738,223	172,964	216,507	10,586	0	1,407,350	609,206	392,407	258,913	25,384	45,690	1,331,600	0	500,000	0	3,238,950
Brokerage Commissions & Fees	388,944	217	0	554,016	2,000	0	945,177	79,761	26	235,888	18,630	0	334,305	51,480	63,200	17,812	1,411,974
Insurance Premiums (net of brokerage)	3,310,821	31,350,000	0	2,008,923	19,800	772,833	37,462,377	231,371	4,000,000	155,000	205,199	0	4,591,570	463,320	1,200,800	166,373	43,884,440
Taxes, Assessments & Fees	235,950	0	0	0	0	0	235,950	0	65,500	0	0	0	65,500	0	0	0	301,450
Actuarial Services	14,670	28,722	9,268	5,053	5,787	0	63,500	5,250	5,750	0	0	0	11,000	0	0	0	74,500
Claims Audit	5,250	0	0	0	0	0	5,250	4,620	0	0	0	0	4,620	0	0	0	9,870
Coverage Counsel	10,000	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	22,000	0	0	0	0	0	22,000	2,500	0	0	0	0	2,500	0	0	0	24,500
Miscellaneous Program Services	1,663	3,994	1,594	869	479	0	8,599	465	515	220	24	179	1,401	0	0	0	10,000
Workshop/Training Expenses	52,675	132,479	12,723	6,936	10,000	0	214,813	10,338	11,453	4,885	531	3,980	31,187	0	0	0	246,000
Loss Control Expenses	474,972	234,022	0	57,384	0	0	766,378	91,425	99,128	14,496	0	0	205,048	0	0	0	971,426
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess/Reinsurance Recoveries	0	-18,121,933	0	0	0	0	-18,121,933	0	-1,806,008	0	0	0	-1,806,008	0	0	0	-19,927,941
Program Committee	0	0	0	0	3,000	0	3,000	2,500	2,800	1,300	200	1,200	8,000	0	0	0	11,000
Dividend Distributions	0	0	0	0	0	0	0	1,118,478	283,110	0	0	0	1,401,588	0	0	0	1,401,588
<b>Total Direct Program Expenses</b>	<b>13,038,749</b>	<b>41,529,942</b>	<b>14,780,336</b>	<b>6,857,204</b>	<b>3,968,364</b>	<b>772,833</b>	<b>80,947,428</b>	<b>3,107,069</b>	<b>5,791,990</b>	<b>922,600</b>	<b>292,051</b>	<b>1,637,902</b>	<b>11,751,612</b>	<b>514,800</b>	<b>3,029,390</b>	<b>302,517</b>	<b>96,545,747</b>
<b>General &amp; Administrative Expenses</b>																	
Financial Audit	5,818	13,971	5,576	3,040	1,677	0	30,082	1,625	1,801	768	83	626	4,903	0	1,281	134	36,400
Executive Committee & Board Expenses	5,658	13,586	5,422	2,956	1,630	0	29,252	1,580	1,751	747	81	608	4,768	0	1,246	130	35,396
JPA Insurance	2,660	6,387	2,549	1,390	766	0	13,752	743	823	351	38	286	2,241	0	586	61	16,640
Memberships, Associations & Dues	7,156	17,185	6,858	3,739	2,062	0	37,001	1,999	2,215	945	103	770	6,031	0	1,576	165	44,772
Chancellor's Office Accounting Services	63,936	153,532	61,274	33,404	18,424	0	330,570	17,860	19,786	8,439	917	6,876	53,877	0	14,078	1,474	400,000
Chancellor's Office Risk Management Services	181,337	435,454	173,790	94,743	52,255	0	937,580	50,654	56,117	23,935	2,601	19,502	152,810	0	39,929	4,181	1,134,500
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	17,805	42,756	17,064	9,303	5,131	0	92,059	4,974	5,510	2,350	255	1,915	15,004	0	3,921	411	111,394
Miscellaneous Expenses	4,570	10,975	4,380	2,388	1,317	0	23,630	1,277	1,414	603	66	492	3,851	0	1,006	105	28,593
<b>Total General &amp; Administrative Expenses</b>	<b>288,940</b>	<b>693,846</b>	<b>276,914</b>	<b>150,963</b>	<b>83,263</b>	<b>0</b>	<b>1,493,926</b>	<b>80,712</b>	<b>89,416</b>	<b>38,137</b>	<b>4,145</b>	<b>31,075</b>	<b>243,485</b>	<b>0</b>	<b>63,622</b>	<b>6,663</b>	<b>1,807,695</b>
<b>Total Operating Expenses</b>	<b>13,327,689</b>	<b>42,223,788</b>	<b>15,057,250</b>	<b>7,008,167</b>	<b>4,051,627</b>	<b>772,833</b>	<b>82,441,354</b>	<b>3,187,781</b>	<b>5,881,407</b>	<b>960,737</b>	<b>296,196</b>	<b>1,668,977</b>	<b>11,995,097</b>	<b>514,800</b>	<b>3,093,012</b>	<b>309,180</b>	<b>98,353,442</b>
<b>Non-Operating Revenues</b>																	
Investment Income	614,665	1,119,086	123,804	117,772	72,964	0	2,048,291	135,071	137,078	32,299	6,230	92,041	402,719	0	44,637	4,353	2,500,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b>614,665</b>	<b>1,119,086</b>	<b>123,804</b>	<b>117,772</b>	<b>72,964</b>	<b>0</b>	<b>2,048,291</b>	<b>135,071</b>	<b>137,078</b>	<b>32,299</b>	<b>6,230</b>	<b>92,041</b>	<b>402,719</b>	<b>0</b>	<b>44,637</b>	<b>4,353</b>	<b>2,500,000</b>
<b>Net Surplus (Deficit)</b>	<b>1,419,379</b>	<b>-2,267,318</b>	<b>566,554</b>	<b>-4,482,527</b>	<b>681,884</b>	<b>0</b>	<b>-4,082,028</b>	<b>-283,126</b>	<b>-739,326</b>	<b>-358,438</b>	<b>-57,965</b>	<b>162,449</b>	<b>-1,276,406</b>	<b>0</b>	<b>512,798</b>	<b>68,101</b>	<b>-4,777,534</b>
<b>Beginning Retained Earnings</b>	11,254,580	10,731,996	-671,733	4,904,963	1,699,206	-84,365	27,834,647	6,975,506	5,057,498	1,813,874	345,488	6,113,162	20,305,528	135,453	11,115,324	453,788	59,844,740
<b>Ending Retained Earnings</b>	12,673,958	8,464,678	-105,179	422,436	2,381,091	-84,365	23,752,620	6,692,380	4,318,172	1,455,435	287,523	6,275,612	19,029,122	135,453	11,628,122	521,889	55,067,206

## **OWNER CONTROLLED INSURANCE PROGRAM (OCIP) RENEWAL PRESENTATION**

**ISSUE:** At its September 8, 2017, the Executive Committee delegated authority to Vi San Juan, Assistant Vice Chancellor of CPDC, and Robert Eaton, CSURMA Treasurer, to renew the current OCIP for an additional five years upon receipt of an acceptable renewal proposal. The OCIP was renewed for an additional five-year term – 12/31/17 to 12/31/22.

**RECOMMENDATION:** It is recommended that the Executive Committee ratify the decision to renew the OCIP program for an additional five-year term.

**FISCAL IMPACT:** The cost of the OCIP is paid from project funds for enrolled projects.

**BACKGROUND:** Jim Holobaugh, the Alliant Insurance Services, Inc., OCIP broker, will be present at the meeting to discuss the program and renewal term.

Working with CSU Chancellor's Office Capital Planning Design and Construction (CPDC), CSURMA launched in 2012 an Owner Controlled Insurance Program (OCIP). As described in the attached presentation, the initial five-year term has been successful, with coverage enhancements and savings projected to exceed \$10 million for the initial five-year term.

As part of the renewal discussions, campus feedback has generated suggestions for improvements that CSURMA would develop working with CPDC and Systemwide Risk Management. One request involves arranging for CSURMA to fund insurer premiums and recoup those premiums from the projects as the project funding becomes available. This would solve a timing issue that burdens the projects. This proposed funding alignment needs further development for the potential financial impact to CSURMA.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. OCIP Presentation
- b. OCIP Renewal Binders
- c. Policy and Procedure No. 20 – Owner Controlled Insurance Program

CSU Owner Controlled Insurance Program (OCIP)  
Program Update  
March 2018

1. **OCIP II Marketing Results**
2. **OCIP I Financial Results**
3. **OCIP II Pro Forma**
4. **OCIP I Closeout**
5. **New OCIP Structure/Process**
6. **Insurance Credits**
7. **Other Enhancements & Process Changes**

## OCIP II Marketing Results:

- Old Republic won the market competition for the OCIP II
- CSU's OCIP I performance and the attractiveness of the CSU program created a robust competition
- Max costs dropped from 2.34% (OCIP I) of construction value to 1.79% (OCIP II)
- The OPPI marketing resulted in a rate reduction from \$1.75 (OCIP I) per \$1,000 of construction value to \$1.12 (OCIP II)

# OCIP I Financial Results as of 12/31/17

<b>PROJECTS</b>	Full Project Value	Estimated Actual CV
Construction Value Enrolled	\$1,931,610,979	\$1,196,604,289
Payroll Reported Through 12/31/2017		\$281,202,008

<b>ESTIMATED CONTRACTOR INSURANCE COSTS (based on estimated actual CV)</b>	<b>PREMIUM</b>	<b>PERCENTAGE OF CV</b>
Trade Contractor Workers Compensation	\$ 19,145,669	1.60%
Trade Contractor General Liability	\$ 5,983,021	0.50%
General Contractor General Liability	\$ 4,786,417	0.40%
<b>Total</b>	<b>\$ 29,915,107</b>	<b>2.50%</b>

<b>OCIP PROGRAM COSTS (including taxes, surcharges, &amp; LCF)</b>	<b>FIXED PREMIUM</b>	<b>LOSSES (LOSS AGGREGATE)</b>	<b>FIXED PREMIUM + MAX LOSSES</b>
Combined Workers Compensation/General Liability Premium Rate	\$ 3.10	\$ 4.72	\$ 7.82
Combined Workers Compensation/General Liability Premium	\$ 8,717,262	\$ 13,269,079	\$ 21,986,341
Excess Premium (0.236%)	\$ 3,044,495		\$ 3,044,495
Administration / Claims Management / Loss Control (On Estimated Actual CV)	\$ 2,991,511		\$ 2,991,511
<b>Total Program Costs</b>	<b>\$ 14,753,268</b>	<b>\$ 13,269,079</b>	<b>\$ 28,022,347</b>
	1.23%	1.11%	2.34%

LOSS LEVEL (AS PERCENT OF LOSS AGGREGATE)	LOSSES	PROGRAM COSTS PLUS LOSSES	INSURANCE CREDITS	PROGRAM SAVINGS	SAVINGS % OF CV
A	B	C	D	E	
	<i>A x Loss Aggregate</i>	<i>B + Total Program Costs</i>	<i>Total Contractor Insurance Costs</i>	<i>D - C</i>	
0%	-	14,753,268	29,390,468	14,637,200	1.22%
10%	1,326,908	16,080,176	29,390,468	13,310,292	1.11%
<b>Total Paid: 19.4%</b>	<b>2,534,170</b>	<b>17,287,438</b>	<b>29,390,468</b>	<b>12,103,030</b>	<b>1.01%</b>
20%	2,653,816	17,407,084	29,390,468	11,983,384	1.00%
25%	3,317,270	18,070,538	29,390,468	11,319,930	0.95%
<b>Total Incurred: 29.6%</b>	<b>3,861,955</b>	<b>18,615,223</b>	<b>29,390,468</b>	<b>10,775,245</b>	<b>0.90%</b>
30%	3,980,724	18,733,992	29,390,468	10,656,476	0.89%
40%	5,307,632	20,060,900	29,390,468	9,329,568	0.78%
50%	6,634,540	21,387,808	29,390,468	8,002,660	0.67%
60%	7,961,447	22,714,715	29,390,468	6,675,753	0.56%
70%	9,288,355	24,041,623	29,390,468	5,348,845	0.45%
80%	10,615,263	25,368,531	29,390,468	4,021,937	0.34%
90%	11,942,171	26,695,439	29,390,468	2,695,029	0.23%
100%	13,269,079	28,022,347	29,390,468	1,368,121	0.11%

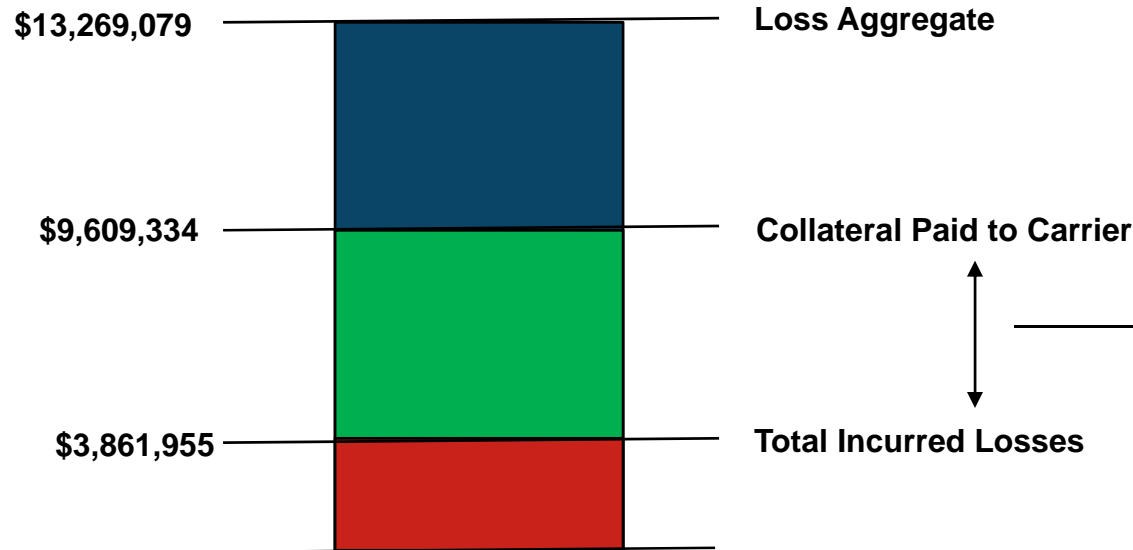
Total paid losses represents actual losses paid. Total incurred losses includes an allowance for increased costs of open claims

# OCIP II Pro Forma

PROJECTS		ESTIMATED CV			
Construction Value (CV)	\$	750,000,000			
Estimated Payroll (22%)	\$	165,000,000			
<b>ESTIMATED CONTRACTOR INSURANCE COSTS</b>		<b>PREMIUM</b>	<b>% OF CV</b>		
Trade Contractor Workers Compensation	\$	12,000,000	1.60%		
Trade Contractor General Liability	\$	3,750,000	0.50%		
General Contractor General Liability	\$	3,000,000	0.40%		
<b>Total</b>	<b>\$</b>	<b>18,750,000</b>	<b>2.50%</b>		
<b>OCIP PROGRAM COSTS (including taxes, surcharges, &amp; LCF)</b>		<b>FIXED PREMIUM</b>	<b>LOSSES (LOSS AGGREGATE)</b>	<b>FIXED PREMIUM + MAX LOSSES</b>	
Workers Compensation/General Liability Premium Rate (per 1000 CV)	\$	6.32	\$ 6.31	\$ 12.63	
Workers Compensation/General Liability Premium & Loss Aggregate	\$	4,740,000	\$ 4,733,333	\$ 9,473,333	
Excess Premium (0.236%)	\$	1,750,296		\$ 1,750,296	
Claims Expense at Max Losses (7% LCF)			\$ 331,333		
Administration / Claims Management / Loss Control (On Estimated Actual CV)	\$	1,875,000		\$ 1,875,000	
<b>Total Program Costs</b>	<b>\$</b>	<b>8,365,296</b>	<b>\$ 5,064,666</b>	<b>\$ 13,429,962</b>	
		1.12%	0.68%	1.79%	
LOSS LEVEL (AS PERCENT OF LOSS AGGREGATE)	LOSSES	PROGRAM COSTS PLUS	INSURANCE CREDITS	PROGRAM SAVINGS	SAVINGS % OF CV
A	B	C	D	E	
	<i>A x Loss Aggregate</i>	<i>B + Total Program Costs</i>	<i>Total Contractor Insurance Costs</i>	<i>D - C</i>	
0%	-	8,365,296	18,750,000	10,384,704	1.38%
10%	506,467	8,871,763	18,750,000	9,878,237	1.32%
20%	1,012,933	9,378,229	18,750,000	9,371,771	1.25%
25%	1,266,167	9,631,463	18,750,000	9,118,537	1.22%
30%	1,519,400	9,884,696	18,750,000	8,865,304	1.18%
40%	2,025,867	10,391,163	18,750,000	8,358,837	1.11%
50%	2,532,333	10,897,629	18,750,000	7,852,371	1.05%
60%	3,038,800	11,404,096	18,750,000	7,345,904	0.98%
70%	3,545,266	11,910,562	18,750,000	6,839,438	0.91%
80%	4,051,733	12,417,029	18,750,000	6,332,971	0.84%
90%	4,558,200	12,923,496	18,750,000	5,826,504	0.78%
100%	5,064,666	13,429,962	18,750,000	5,320,038	0.71%

Estimated credits are above max program costs. At max losses, credits need only be 1.79% to break even

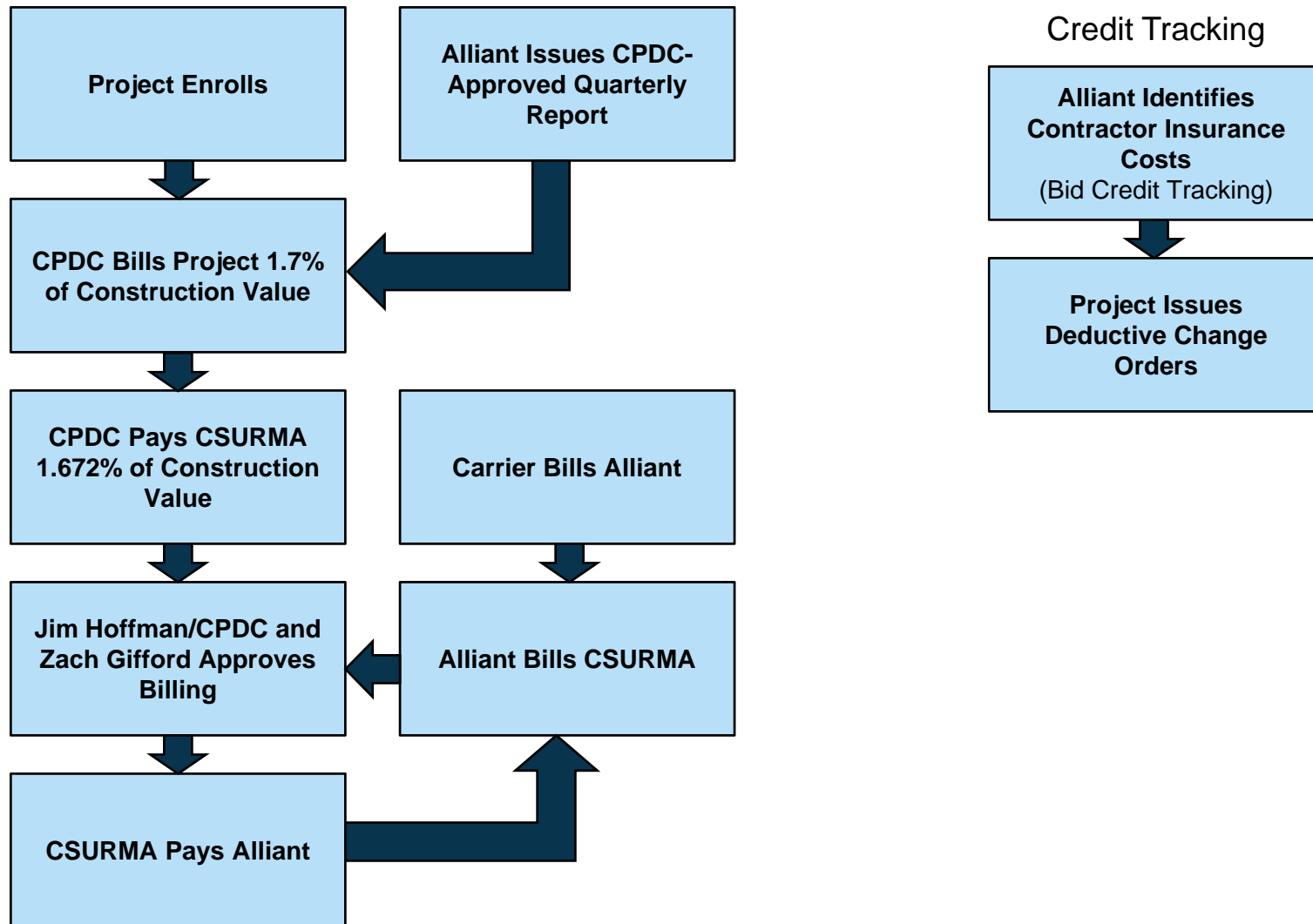
**LOSS AGGREGATE**  
(maximum value of deductibles CSU would pay)

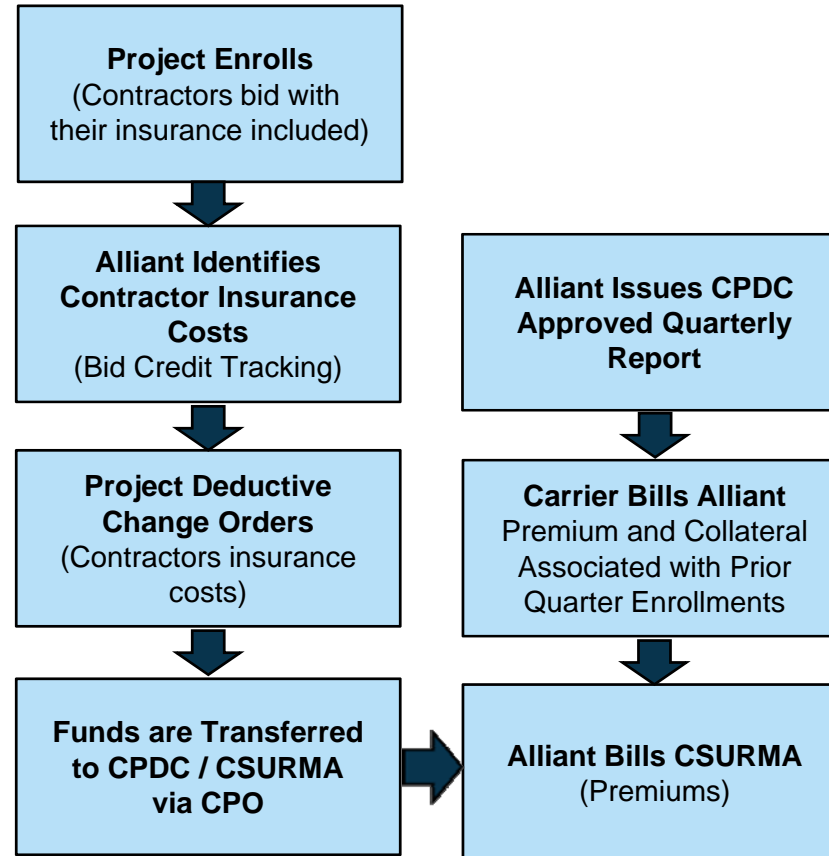


Old Republic will begin refunding a portion of unused collateral 18 months after policy expiration (12/31/17)

## ***New Structure for OCIP II:***

- Projects will NOT be assessed a charge for OCIP coverages (workers compensation, general liability, excess liability)
- CSUMA will front the premiums to the underwriters
- Contractors will include insurance costs in bids which will be removed by deductive change order
- CPDC will manage program, bill the Campuses for the amount of the deductive change orders and deposit in CPDC / CSURMA account.
- Program savings will be shared with Campuses on a prorata basis after program performance has been established.



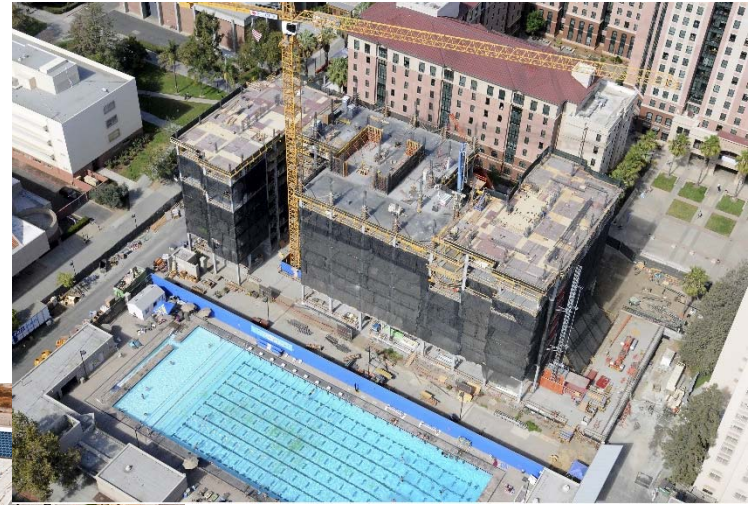


# Contractor Insurance Cost Estimates

Approaches	Details	Contractor Insurance Cost
<b>A.</b> Original Alliant Pro Forma	2011 Estimate for First \$500M	2.25%
<b>B.</b> Net Bid with Audit of Contractors' Actual Insurance Cost	2014 Audit of 77% of Enrolled Construction Value on 8 Projects	2.52%
<b>C.</b> Bid Credit Tracking with Change Orders	9 Projects Underway 3 Projects With Data	2.00% - 2.60% 1.70% - 2.20% (estimated final credit on 3 projects)
<b>D.</b> Turner Proposed CCIP	San Marcos PPP	2.80%
<b>E.</b> Level 10 CCIP	Typical Charge per CFO	2.50%
<b>F.</b> CCIPs	Typical Commercial / Institutional Projects in CA	1.9% - 2.8% (CCIP pricing would not include CPL / OPPI)

Issue	New Approach / Solution
<p><b>1.</b> Administrative burden on campus project teams</p>	<p>CPDC, Campuses and Alliant to work at earlier project identification and engagement to inform project teams and minimize administrative burden, participation in pre-bid conferences</p>
<p><b>2.</b> CPDC not fully equipped to administer the OCIP program</p>	<p>Increased role for Alliant and CSU Systemwide Risk Management</p>
<p><b>3.</b> Initial project costs for premiums create a cash flow problem for projects</p>	<p>CSURMA will take on role as financial “sponsor” for OCIP II with no OCIP charges to projects</p>

Issue	New Approach / Solution
<p><b>4.</b> OCIP loss rate is hovering near rate charged to campuses</p>	<p>Loss projections indicate an ultimate loss ratio of 30%. Under new scenario, campuses are no longer charged for OCIP coverage</p>
<p><b>5.</b> Difficulty in coordinating between OCIP, Builders Risk and Property policy claims</p>	<p>Alliant has assigned a single point-of-contact for CSU for addressing all construction related claims</p>
<p><b>6.</b> Confusion over drug testing program</p>	<p>Alliant has assumed administration of the periodic random drug testing program</p>
<p><b>7.</b> Negative overall impression of OCIP program at the campus level</p>	<p>The above changes combined with more education as to program benefits</p>





# Confirmation of Coverage

12/31/2017 – 12/31/2022

**California State University  
(ROCIP II – see Sponsor)  
401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach, CA 90802-4210**

Attn: Zachary Gifford, Director,  
Systemwide Risk Management  
Risk Management & Public Safety  
Capital Planning Design & Construction

**Alliant Insurance Services,  
Inc.  
333 So. Hope Street, Ste 3750  
Los Angeles, CA 90071**

Attn: Andrea Molina, Account Executive,  
AVP, Construction Services Group

# **Client Service Team**

## **Program Manager**

Underwriter	Sherald Newberry
Address	225 South Lake Avenue, Suite 900, Pasadena, CA 91101
Phone	626-683-5117
Email	snewberry@orcig.com

## **Wrap-Up Administration**

Wrap Administrator	Laura Royster
Address	225 South Lake Avenue, Suite 900, Pasadena, CA 91101
Phone	626-683-5106
Email	lroyster@orcig.com

## **Safety Services**

Risk Specialist	Andrew Ovadya
Address	225 South Lake Avenue, Suite 900, Pasadena, CA 91101
Phone	626-683-5138
Email	aovadya@orcig.com

## **Workers' Compensation Claims**

Claim Director	My Huynh
Address	225 South Lake Avenue, Suite 900, Pasadena, CA 91101
Phone	626-683-5218
Email	mhuynh@orcig.com

## **General Liability Claims**

Claim Director	Paul Stuart
Address	225 South Lake Avenue, Suite 900, Pasadena, CA 91101
Phone	626-683-5235
Email	pstuart@orcig.com

**Project Description / Location**

CSU Capital Improvement Plan will improve, upgrade, renovate and implement various projects, consisting of student housing, classrooms, and other buildings related to college campuses, over the course of 5 years to meet State and Local regulatory requirements for State and Non-State funded projects for all 23 CSU campuses.

**General Contractor**

Various

**Sponsor**

California State University Risk Management Authority (CSURMA); The State of California as respects the Trustees of the California State University; The California State University; and Auxiliary Organizations of the California State University.

**Named Insured Contact**

Zachary Gifford, Director, Systemwide Risk Management  
Risk Management & Public Safety  
Capital Planning Design & Construction  
401 Golden Shore  
Long Beach, CA 90802-4210  
[zgifford@calstate.edu](mailto:zgifford@calstate.edu)  
562-951-4000

**Projected Total Hard Construction**

\$750,000,000

**Projected Workers' Compensation Payroll**

\$120,000,000

**Estimated Term of Project**

60 months

**Effective Date**

December 31, 2017 – December 31, 2022 (Enrolled projects to be completed by 12/31/22)

**Policy Numbers/Coverage**

TBD

TBD

Client ID#:

Workers' Compensation & Employers' Liability

Commercial General Liability

OR Risk ID #:

## **Commission**

This proposal is NET of Commission.

## **Estimated Workers' Compensation Experience Modification**

Experience modifications to be applied to each sub-contractor's policy as warranted

**Summary of Financial information**  
**California State University ROCIP II**  
**Effective 12/31/2017**

**Policies**

<b>Program Information</b>	<b>Deductible Limit</b>	<b>LCF</b>	<b>ALAE Handling</b>
WC	250,000	1.07	Included in the Deductible
GL	250,000	1.07	Included in the Deductible
Clash/ Combined Ded Limit	375,000		

<b>Premium and Rates</b>		<b>Basis</b>	<b>Amount</b>	<b>Rate</b>	<b>Premium</b>	<b>Minimum</b>
WC	Deductible	Construction Val	\$ 750,000,000	\$ 3.38	\$ 2,535,000.00	80%
GL	Deductible	Construction Val	\$ 750,000,000	\$ 2.94	\$ 2,205,000.00	80%
Subtotal		Construction Val	\$ 750,000,000	\$ 6.32	\$ 4,740,000.00	
GL Terrorism		Construction Val	\$ 750,000,000	\$ 0.26	\$ 195,000	80%
Total Premium		Construction Val	\$ 750,000,000	\$ 6.58	\$ 4,935,000	

<b>Aggregate and Claim Fees</b>	<b>Basis</b>	<b>Amount</b>	<b>Rate</b>	<b>Total</b>	<b>Minimum</b>	
Loss Aggregate	Construction Val	\$ 750,000,000	\$ 6.31	\$ 4,731,308	100%	
LCF	Paid Loss in Ded	\$ 4,731,308	7.00%	\$ 331,192	0%	
Losses and LCF At Maximum		\$ 750,000,000	\$ 6.75	\$ 5,062,500		
Program At Maximum		Construction Val	\$ 750,000,000	\$ 13.33	\$ 9,997,500	
WC DTEC and TRIA included above at		\$ 48,000.00				

The aggregate applies to the deductible losses on a combined basis: LCF is not included in the Aggregate  
 All Components are minimum and Adjustable upward only based upon audited basis

<b>Security</b>	<b>Amount Due</b>	<b>Date due</b>	<b>Total held for all</b>
Loss Fund Deposit	\$ -	12/31/2017	\$ -
LOC		12/31/2017	\$ -
Other (Describe)	\$ 2,006,064	12/31/2017	\$ -

**Surcharges and Assessments**

	<u>Amount</u>
WC	\$ 316,002
WC CIGA	-
GL	-
Total	<u>\$ 316,002</u>

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*A program agreement detailing all security information must be signed and returned within 30 days of binding*

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## Coverage Conditions

- Review of acceptable site safety plan
- Review of current audited financial statement
- Receipt of construction time line schedule
- **Receipt of acceptable Geotechnical Report for projects over \$50 Million in CV**
- Confirmation of mandatory 6' fall protection program (**all trades**)
- Confirmation by General Contractor of protocols in place to ensure Subcontractors maintain on-site certified payroll and source documentation (payroll journals)
- Confirmation that Trade Contractors and Subcontractors are required to maintain adequate insurances that protect the Owner and Contractor from liabilities arising from operations for their work not provided by the OCIP
- **Receipt of acceptable Certified In-House Quality Control Inspector program**
- Confirmation of P & I coverage
- **Exclusion of demolition - Demolition (blasting, wrecking or structural building removal) and Environmental Contractors will not be enrolled and operations performed are excluded in connection with this program, unless**
  - 1) **Company is notified in advance**
  - 2) **Demolition is minor structural and consists of no more than 5% of project.**
- Exclusion of Diving Operations
- Insurance Program Agreements, signed by the Insured and returned within 30 days of binding
- Acceptable waiver from Builders Risk carrier naming Sponsor and all enrolled Subcontractors
- Certifications of Insurance: Each Contractor and Subcontractor whose equipment is not covered under the Project Sponsor's (owner) Builders Risk Coverage must provide evidence of an All Risk Contractors Equipment Floater with Waiver of Subrogation in favor of all participants in the program to the Project Sponsor (owner), who must retain copies of all such certifications of insurance. If such coverage cannot be obtained, a complete Hold Harmless Agreement must be executed between the owner/lessee of the equipment and the Project Sponsor (owner) .
- Note: Coverage provided may vary from that requested in the Insurance Specifications submitted. Pricing and / or the terms of coverage outlined in this proposal may be amended if payroll or other material changes are made prior to binding coverage.
- Worker's Compensation Program: Enrolled Subcontractors in wrap-up program must notify all eligible California employees of their participation in the Old Republic MPN within 15 days of enrollment. By not implementing the MPN you lose medical control of your claims, which typically leads to greater medical costs. Failure to participate in the program could result in pricing changes and/or cancellation of the policies. Please contact your underwriter with any questions.
- **ORCIG will require notification prior to each project enrollment via an Enrollment Form, which should include Campus, Project Name, Project Description, General Contractor, Project Term, Construction Value and Payroll. Quarterly, ORCIG will determine premium and collateral.**
- **All projects not completed as of 12-31-2017 under California State University's ROCIP I will be transferred to California State University's ROCIP II. Payroll is the Basis for adjustment and premium calculations under ROCIP I and Construction Value is the Basis for adjustment and premium calculations under ROCIP II. California State University will provide project Construction Values for calculation of premiums.**
- **The total contract value which is inclusive of total enrolled self-performed trade contractor costs and all enrolled self-performed sub-contractor costs of all tiers and general conditions inclusive of supervisory staff, but exclusive of insurance costs and fee. Construction costs do not include the compensation paid to the architect and consultants, the cost of land, rights of way, permits or other soft costs which are defined in the contract documents as being the responsibility of the owner.**

## **List of Sub Contractors**

- General Contractor to provide a list of subcontractors to be used on this project. Each contractor on the site meeting wrap-up requirements must be enrolled in the program. **Program excludes demolition, environmental remediation, and vendors.**
- If any enrolled contractors' experience modification exceeds 1.25, contractor will be subject to increased safety requirements. No contractor with mods excess of 1.50 will be enrolled **without Underwriting approval.**

## **Policy Issuance**

Policy will be issued on an annual renewable basis based on the term of the project

# **Commercial General Liability**

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## **Program Type**

Large Deductible - \$250,000

## **Sponsor**

California State University: see page 3.

## **Carrier**

Old Republic General Insurance Corporation

## **Limits of Liability**

Bodily Injury & Property Damage	\$2,000,000 Each Occurrence
Personal/Advertising Injury	\$2,000,000 Each Occurrence
General Aggregate	\$4,000,000
Medical Expense	\$10,000
Fire Damage Legal	\$300,000
Products/Completed Operations Aggregate	\$4,000,000

**THE GENERAL AGGREGATE WILL BE REINSTATED EACH FULL 12 MONTH PERIOD. THE PRODUCTS/COMPLETED OPERATIONS AGGREGATE IS ONE LIMIT WHICH APPLIES FOR THE TERM OF THE PROJECT. ADDITIONALLY, THERE IS NO SEPARATE PRODUCTS/ COMPLETED OPERATIONS LIMIT FOR THE EXTENSION PERIOD.**

# SUMMARY OF COVERAGES

## Coverage Form

- Commercial General Liability Coverage Form **CG 0001**

## Amendments of Coverage

1. Composite Rating Plan Premium Endorsement (**CG EN GN 0026**)
2. Electronic Data Liability - \$500,000 Sub Limit (**CG 0437**)
3. Limitation of Coverage to Designated Premises or Project (**CG 2144**)
4. Waiver of Transfer of Rights of Recovery against Others to Us (**CG 2404**)
5. Common Policy Conditions (**IL 0017**)
6. Knowledge and Notice of Occurrence (**CG EN GN 0024**)
7. Products/Completed Operations Amendment of Limits (**CG EN GN 0042**)
8. Products/Completed Operations - 10 years or Statute of Repose, whichever is shorter (**CG EN GN 0043**)
9. Named Insured Endorsement (**CG EN GN 0048**)
10. Additional Definitions Endorsement (**CG EN GN 0050**)
11. Assignment Consent Endorsement (**CG EN GN 0051**)
12. Insurance Company Waiver Endorsement (**CG EN GN 0052**)
13. Undisclosed Exposures Endorsement (**CG EN GN 0058**)
14. Cancellation Provision: **60 days** for non-compliance with safety/loss recommendations; **10 days** written notice as respect nonpayment of premium (**CG EN GN 0060**)
15. **Primary and Contributory – Other Insurance Condition (CG 2001)**
16. Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization (**CG 2010**)
17. Additional Insured - State or Political Subdivisions - Permits (**CG 2012**)
18. **Additional Insured – Lessor of Leased Equipment (CG 2028)**
19. Additional Insured – Owners, Lessees, or Contractors – Completed Operations (**CG 2037**)
20. Amended Other Insurance Clause Endorsement – (**GC EN GN 0117**)
21. Limited Coverage – Repair Work - **12 months (CG EN GN 7xxx)**
22. **Amendment of Coverage – Damage to Your Product (CG EN GN 7xxx)**
23. Amendment of Exclusion to "Your Work" (**CG EN GN 0020**)
24. **Amendment of Contractual Exclusion – Railroads & Municipalities (CG EN GN 0021)**
25. Amendment of Personal Injury Coverage (**CG EN GN 0030**)
26. Fellow Employee Wrap Up Exclusion Deleted – Supervisory Personnel (**CG EN GN 0038**)
27. Non owned watercraft (**CG EN GN 0039**)
28. Extend Expected and Intended to Property Damage (**CG EN GN 0054**)
29. Incidental Medical Malpractice (**CG EN GN 0056**)
30. Amendment of Bodily Injury Definition (**CG EN GN 0057**)
31. Damage to Property Exclusion Modified (**CG EN GN 0077**)
32. Deductible Endorsement (**CG EN GN 0088**)

## TRIA

33. POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
  - a. Cap on Losses From Certified Acts of Terrorism (**CG 2170**) – if accepted
  - b. Exclusion of Certified Acts of Terrorism (**CG 2173**) – if rejected

## **Exclusions of Coverage**

1. Exclusion - Unmanned Aircraft **(CG 2109)**
2. Abuse or Molestation Exclusion **(CG 2146)**
3. Employment-Related Practices Exclusion **(CG 2147)**
4. Total Pollution Exclusion with a Hostile Fire Exception **(CG 2155)**
5. Fungi or Bacteria Exclusion **(CG 2167)**
6. Exclusion – Exterior Insulation & Finish systems (EIFS) **(CG 2186)**
7. Silica or Silica-Related Dust Exclusion **(CG 2196)**
8. Exclusion - Contractors – Professional Liability **(CG 2279)**
9. Nuclear Energy Liability Exclusion **(IL 0021)**
10. Total Asbestos Exclusion **(CG EN GN 0019)**
11. Total Lead Exclusion **(CG EN GN 0025)**
12. Anti-Stacking **(CG EN GN 0037)**
13. Amendment of Insurance Agreement Prior Damage or Injury **(CG EN GN 0083)**

## **State Amendatory Endorsements**

All applicable state specific endorsements will apply

## **Estimated State Assessments (if any)**

Note: State assessments are in addition to the premium.

# **Workers' Compensation & Employers' Liability**

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## **Program Type**

Large Deductible - \$250,000

## **Carrier**

Old Republic General Insurance Corporation

## **Limits of Liability**

Workers' Compensation	Statutory
Employers' Liability	\$1,000,000 / \$1,000,000 / \$1,000,000 – see below
Employers' Liability	\$1,000,000 Bodily Injury by Accident, Each Employee
	\$1,000,000 Bodily Injury by Disease, Each Employee
	\$1,000,000 Bodily Injury by Disease, Policy Limit

## **State**

California

## **Estimated State Assessments**

Note: State assessments are in addition to the premium.

State assessments are due at each annual anniversary at the prevailing rate(s) in effect. Assessments are due and payable in full at annual inception/renewal.

## **USL&H Surcharge Rates**

Premium and Aggregate rates for Payrolls subject to USL&H coverage will be calculated at a surcharged rate. The factor is state specific, currently, CA - 1.91, and is subject to annual adjustment by the state.

# SUMMARY OF COVERAGES

## Coverage Form

- Workers' Compensation and Employers' Liability Insurance Policy **WC 00 00 00 C**

## Amendments of Coverage

1. Alternate Employer Endorsement (**WC 00 03 01 A**)
2. Employers Liability Coverage Endorsement (if any basis) (**WC 00 03 03C**)
3. Terrorism Risk Insurance Program (**WC 00 04 22 B**)
4. Assignment Consent Endorsement (**WC 99 03 11**)
5. Designated Work Place Endorsement (**WC 99 03 12**)
6. Waiver of Subrogation (**WC 99 03 13**)
7. Cancellation Provision – **60 (sixty)** days written notice, except **10 (ten)** days written notice as respect nonpayment of premium (**WC 99 03 14**)
8. Composite Rating Plan Premium Endorsement (**WC 99 03 17**)
9. Additional Definitions Endorsement (**WC 99 03 12**)
10. Voluntary Compensation: (**WC 04 03 05**)
  - Group of Employees - All employees and officers not subject to the Workers' Compensation Act
  - State of Operations - Any state shown in item 3A or 3C of the Information Page
  - Benefits - State of Hire
11. Program Agreement (**WC 95 06 00 A**)
12. Schedule A Program Agreement (**WC 95 06 02**)
13. Schedule B Program Agreement (**WC 95 06 03**)
14. Maritime Coverage Endorsement (if any basis) (**WC 00 02 01 B**)
15. Longshore and Harbor Workers Compensation Act Coverage Endorsement (if any basis) (**WC 04 01 01**)
16. Old Republic General insurance Corporation Workers Compensation and Employer Liability \$250,000  
Loss Reimbursement Plan Endorsement with Optional Aggregate

## TRIA

17. Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (**WC 00 04 22 B**)

## **SERVICES**

### **Claims Handling**

Two **Old Republic Claim Directors** (specifically for GL and WC) will be dedicated to your program. They possess a high level of construction claims experience and are supported by a nationwide staff of experienced ORCIG claim professionals, as well as our highly qualified national TPA, Gallagher Bassett. Gallagher Bassett provides designated ORCIG construction claim teams to your program and is selected by ORCIG for their construction specialization, superior technology, and similar dedication to claims performance outcomes.

### **Risk Management Information System**

All claims information will be available via internet connection and each account is provided an individual designated password access to the database. Unlimited access is provided at no additional charge.

### **Risk Control Service Capabilities and Overview**

Old Republic Contractors Insurance Group is an industry leader in Construction Safety consultation and services. Delivering high quality safety services is viewed as a core component of our business philosophy, allowing us to provide a value added service while assisting clients in understanding and implementing effective safety management systems. We strive to understand our customers' business, philosophy and needs. Our expertise allows us to provide our customers with the proper tools to get the job done when it comes to overall safety management.

### **Premium Audit**

ORCIG will assist in the audit process by accepting the Sponsor's certified payroll records.

1. Wrap-up Administrator to provide payrolls by subcontractor and class code on a monthly basis to designated ORCIG personnel.
2. The ORCIG Premium Audit Manager will review the payroll listings to determine whether an audit is required for the policy term. A physical (or telephone) audit will be ordered for all subcontractors where:
  - The payroll will generate premium in excess of the state-mandated threshold
  - Monthly payroll reports are missing
  - ORCIG does not receive a complete payroll report from inception to date by the 60th day after policy anniversary

**Note: ORCIG retains the right to audit any and all subcontractor policies annually.**

## Payment Provision

Coverage	Premium & Surcharges	
Commercial General Liability	\$ 2,205,000	
Terrorism Risk Insurance Act GL	\$ 195,000	TRIA- ESTIMATED CHARGE
Workers' Compensation, Including Terrorism	\$ 2,535,000	
Workers' Compensation ESTIMATED Surcharges	\$ TBD	
<b>Total Account Premium &amp; Terrorism</b>	<b>\$ 4,935,000</b>	Inclusive of GL Terrorism
<b>Collateral</b>	<b>\$ 2,006,064</b>	<b>Depleting Cash</b>

	Premium	Payment Schedule
GL - First Year Premium GL – Terrorism	\$ 500,000 \$ 39,000	Deposit at Inception; Quarterly Billing: 3-31-18; 6-30-18; 10-31-18
GL - Second Year Premium GL – Terrorism	\$ TBD \$ TBD	Quarterly Billing: 12-31-18; 3-31-19; 6-30-19; 10-31-19
GL - Third Year Premium GL – Terrorism	\$ TBD \$ TBD	Quarterly Billing: 12-31-19; 3-31-20; 6-30-20; 10-31-20
GL - Fourth Year Premium GL – Terrorism	\$ TBD \$ TBD	Quarterly Billing: 12-31-20; 3-31-21; 6-30-21; 10-31-21
GL – Fifth Year Premium GL – Terrorism	\$ TBD \$ TBD	Quarterly Billing: 12-31-21; 3-31-22; 6-30-22; 10-31-22
WC- First Year Premium Surcharges (TBD)	\$ 507,000 \$ TBD	Deposit At Inception; Quarterly Billing: 3-31-18; 6-30-18; 10-31-18
WC- Second Year Premium Surcharges (TBD)	\$ TBD \$ TBD	Quarterly Billing 12-31-18; 3-31-19; 6-30-19; 10-31-19
WC- Third Year Premium Surcharges (TBD)	\$ TBD \$ TBD	Quarterly Billing 12-31-19; 3-31-20; 6-30-20; 10-31-20
WC- Fourth Year Premium Surcharges (TBD)	\$ TBD \$ TBD	Quarterly Billing 12-31-20; 3-31-21; 6-30-21; 10-31-21
WC – Fifth Year Premium Surcharges (TBD)	\$ TBD \$ TBD	Quarterly Billing 12-31-21; 3-31-22; 6-30-22; 10-31-22
<b>Collateral – Depleting Cash</b>	<b>\$ 2,006,064</b>	
<b>Collateral – Depleting Cash Deposit</b>	<b>\$ 500,000</b>	<b>Deposit at Inception; Quarterly Billings thereafter, beginning 3-31-18, based on project enrollments, as above for GL and WC premium billings.</b>

Premium payments are due Old Republic Contractors Insurance Group (ORCIG) as follows:

- Deposit Premiums for new and renewal policies are due 30 (thirty) days from policy inception date.
- Installment premiums are due on the installment effective date (see transaction effective date on invoice).
- Any additional premiums charged during the policy period are due 30 (thirty) days from transaction effective date on invoice, unless stated otherwise.

**Refer to Premium Invoices for Payment Schedule.**

**California Lockbox**

Remit payment to:	Overnight payments should be sent to:
Old Republic Contractors Insurance Group, Inc. PO Box 80033 City of Industry, CA 91716-8033	Old Republic Contractors Insurance Group, Inc. Attn: Lockbox 80033 19935 E. Walnut Drive, North Walnut, CA 91795

Sherald R. Newberry, Senior Vice-President

December 20, 2017

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**



ALLIED WORLD ASSURANCE COMPANY  
 550 South Hope Street, Suite 1825, Los Angeles, CA 90071  
 Telephone: 213-416-1400 Fax: 213-416-1401

## BINDER CONFIRMATION

TO:	Andrea Molina	FROM:	Robert Sims
COMPANY:	Alliant Insurance Services, Inc.	DATE:	01/12/2018
ADDRESS:	333 S. Hope Street, Suite 3750 Los Angeles, CA 90071		
EMAIL:	amolina@alliantinsurance.com		

Insured Name:	California State University – ROCIP II
Insured Address:	401 Golden Shore 5th Floor Long Beach, CA 90802

**Coverage is BOUND as follows:**

Insurer:	Allied World Assurance Company (U.S.), Inc. (Admitted)		
Financial Rating:	AM Best Rating: A XV		
Policy Number:	0311-1327		
Underwriter:	Robert Sims		
Type of Insurance:	Excess Liability		
Policy Form:	GL 00126 00 (06/07)		
Policy Trigger:	Occurrence		
Policy Period:	From:	12/31/2017	To: 12/31/2022
Retro Date:	N/A		
Account #:	2191782		
Defense Type	Defense cost follows Schedule of Underlying Insurance		

Allied World Limits	\$25,000,000	Each Occurrence
	\$25,000,000	Products-Completed Operations Aggregate
	\$25,000,000	Other Aggregate (Where Applicable)
	<b>Attachment Point:</b>	
	\$2,000,000	Each Occurrence
	\$4,000,000	Products-Completed Operations Aggregate
	\$4,000,000	Other Aggregate (Where Applicable)

Advanced Premium:	\$907,500 Minimum and Adjustable (upwards only)
TRIA Charge:	\$9,075 (not included above)
Minimum Earned %:	25%
Premium Payment:	\$907,500
Commission:	0%
Subject to Audit:	Adjustable at a rate of \$1.21, Per \$1,000 CV, Estimated Exposure is \$750,000,000

General Liability -	Carrier:	<b>Old Republic General Insurance Corporation</b>
	Effective Date:	<b>12/31/2017</b>
	Expiration Date:	<b>12/31/2022</b>
	Policy #:	<b>A1LGW0001700</b>
	Policy Limits	
	<b>\$2,000,000</b>	<b>Each Occurrence</b>
	<b>\$4,000,000</b>	<b>General Aggregate - Reinstates Annually</b>
	<b>\$4,000,000</b>	<b>Products-Completed Operations Aggregate</b>
	Defense Type:	<b>Defense costs do not erode the Policy Limits listed above</b>

Employer Liability -	Carrier:	<b>Old Republic General Insurance Corporation</b>
	Effective Date:	<b>12/31/2017</b>
	Expiration Date:	<b>12/31/2022</b>
	Policy #:	<b>A1LWW0001700</b>
	Policy Limits	
	<b>\$1,000,000</b>	<b>Bodily Injury By Disease - Each Employee</b>
	<b>\$1,000,000</b>	<b>Bodily Injury By Disease - Policy Aggregate</b>
	<b>\$1,000,000</b>	<b>Bodily Injury Each Accident</b>
	Defense Type:	<b>Defense costs do not erode the Policy Limits listed above</b>

**Applicable AWAC Endorsements:**

Form # / Edition	Title
GL 00139 00 (12/11)	Awac - U.S. Follow-Form Occurrence - Claims-Made Declarations
00136 (11/05)	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholder
00209 (11/05)	Products-Completed Operations Extension Period Commercial Construction <b>(10 Years)</b>
00240 (11/05)	Exclusion Of Coverage For Designated Operations <b>(We will follow Old Republic's demolition exception)</b>
00241 (11/05)	Asbestos Exclusion
GL 00117 00 (01/15)	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act
GL 00267 00 (01/15)	Exclusion of Certified Acts of Terrorism and Other Acts of Terrorism
GL 00286 04 (02/07)	California Amendatory Endorsement
GL 00302 00 (11/06)	Adjustable Premium Total Cost
GL 00316 00 (06/16)	Strategic Response Coverage Extension
GL 00318 00 (05/09)	Defense Amendatory (Right and Duty to Defend)
GL 00323 00 (05/09)	Schedule of Underlying Insurance
GL 00338 00 (07/10)	Premium Fully Earned - Twelve Months (Premium Amendatory)
GL 00361 00 (09/11)	Other Insurance Amendatory Endorsement (Primary and Non-Contributory)
GL 00366 00 (09/11)	Follow-Form Other Aggregate Limit
GL 00373 00 (09/11)	Schedule of Project(s)
GL 00374 00 (09/11)	Limitation of Coverage to Designated Wrap-Up Project(s) (Separate Schedule of Project(s))
GL 00390 00 (07/13)	Claims Reporting Amendment (Amendment Of Condition F.)
GL 00482 00 (06/16)	Absolute Access, Collection And Disclosure Of Non-Public Information Exclusion
MANUSCRIPT	Anti-Stacking Endorsement / Non-Accumulation of Limits of Insurance <b>(Listed Policies (0307-2185). Pending Legal Review)</b>

**BINDER TERMS AND CONDITIONS:**

1. This binder letter is predicated upon the understanding that the submitted information is accurate and the loss information includes total incurred losses ground up and that the losses have not been capped. Binding of coverage is strictly conditioned upon no material change in the risk. A material change includes without limitation the reporting to Allied World or another insurer of a claim or circumstance that might give rise to a claim between the date of this binder and the policy inception date. In the event of such a material change in risk, Allied World may, in its sole discretion, amend or withdraw this binder.
2. Any restrictive policy terms and conditions that apply to underlying policies that are in excess of the Followed Policy but underlying to the Allied World Excess policy will also apply to the Allied World Excess limit of liability. Any additional endorsements to the Allied World Policy will be determined upon review of the above-required documentation.
3. Please advise your client that Allied World cannot release Policy documentation without:
  - A complete copy of the Followed Policy (including all endorsements and schedules), inclusive of underlying layers or other documentation.

**SUBJECTIVITIES:**

- A. This BINDER is subject to receipt, review and acceptance of the following items :
  1. Specimen copies of all underlying endorsements and policy forms
  2. Completed and Signed TRIA Disclosure Statement
  3. If available, Soil Reports for all new ground up projects over \$50M in CV.
  4. Enrollment Period: We will require notification prior to each project enrollment via an Enrollment Form, which should include the Campus, Projects Name, Project Description, General Contractor, Project Term, Construction Value and Payroll
  5. We will need to add the following endorsement to our existing policy, #0307-2185: Anti Stacking Endorsement / Non-Accumulation of Limits of Insurance - Listed Policies. Pending Legal Review.
  6. All projects not completed as of 12-31-17 under CSU's ROCIP I will be transferred to CSU's ROCIP II. Construction Value is the basis for adjustment and premium calculations under RCOIP I and ROCIP II. CSU will provide project Construction Values.

Please email ALL Subjectivities to [robert.sims@awac.com](mailto:robert.sims@awac.com)

- B. Please also note that Binding is subject to payment of premium within 30 calendar days of the commencement of the Policy Period. If the premium or proof of payment thereof is not received by Allied World within 30 calendar days of the commencement of the Policy Period, the Policy will be canceled automatically retroactive to the commencement of the Policy Period.

Thank you for the opportunity to **BIND** this **account**.

**POLICYHOLDER DISCLOSURE STATEMENT  
UNDER THE  
TERRORISM RISK INSURANCE ACT**

The **insured** is hereby notified that under the federal Terrorism Risk Insurance Act, as amended, (the "Act"), the **insured** has a right to purchase insurance coverage for **losses** arising out of an Act of Terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside of the United States in case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The **insured** should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism covered by the Act is final and not subject to review.

Coverage provided by this **policy** for **losses** caused by a Certified Act of Terrorism may be partially reimbursed by the United States Government under a formula established by federal law. However, the **insured's policy** may contain other exclusions that might affect coverage, such as an exclusion for nuclear events. Under the formula, the United States Government will generally reimburse 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020, of covered terrorism losses exceeding a statutorily established deductible that must be met by the **company**, and which deductible is based on a percentage of the **company's** direct earned premiums for the year preceding the Certified Act of Terrorism.

Be advised that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap on all losses resulting from Certified Acts of Terrorism. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year, the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year and the **company** has met its deductible under the Act, the **company** shall not be liable for payment of any portion of the losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this **policy** applicable to **losses** arising from events other than Certified Acts of Terrorism.

The **insured** should know that under federal law, the **insured** is not required to purchase coverage for **losses** caused by Certified Acts of Terrorism.

Please indicate the selection of the **insured** below.

The **insured** hereby elects to purchase coverage in accordance with the Act for a premium of \$9,075.

The **insured** hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

\_\_\_\_\_  
Signature of **insured** California State University

\_\_\_\_\_  
Print/Title 0311-1327

\_\_\_\_\_  
Date

GL 00117 00 (01/15)

**DATE:** 01/17/2018  
**TO:** Andrea Molina  
 ALLIANT INSURANCE SERVICES  
 333 S HOPE ST, STE 3750, LOS ANGELES, California 90071-0000

**PRODUCER E-MAIL:** amolina@alliant.com  
**NAMED INSURED:** California State University Risk Management Authority  
**ADDRESS:** 401 Golden Shore, Long Beach, California, 90802-4210  
**INCEPTION DATE:** 12/31/2017  
**EXPIRATION DATE:** 12/31/2022  
**ISSUING COMPANY:** ACE Property and Casualty Insurance Company

**POLICY SYMBOL AND NUMBER:** XCQ G46855942 001  
**POLICY TYPE:** CAT Excess - Occurrence  
**FORM TYPE:** XSC-27266 (05/09)

**Claims-Made Retro Date (if applicable):** N/A

**POLICY LIMITS:** \$25,000,000 Each Occurrence  
 \$25,000,000 Aggregate (if applicable)

**RETAINED AMOUNT:** N/A

**PREMIUM:** \$427,275 The premium in this quote includes commission in an amount equal to 0% of such premium.

includes TRIA coverage cost: TRIA rejected  
 State surcharge cost: \$0  
 (in addition to premium)

**ADJUSTMENT:** Adjustment - Adjustable **RATE:** 0.5697 Per \$1,000 of Construction Value  
 at audit upward only

**COMMISSION:** 0%

**SCHEDULE OF UNDERLYING POLICIES**

Policy Type: Lead Umbrella  
 Policy Number: On File with the Company  
 Policy Period: 12/31/2017 to 12/31/2022  
 Carrier: Allied World Assurance Company (U.S.), Inc.

Limit Amount	Limit Type
\$25,000,000	Each Occurrence
\$25,000,000	General Aggregate
\$25,000,000	Products/Completed Ops Aggregate

**NOTE: All scheduled underlying policies must carry a Best rating of A-VI or higher.**

**COVERAGE TERMS & CONDITIONS:**

**ATTACHED FORMS:**

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**ENDORSEMENTS:**

ALL-20887a (03/16)	Chubb Producer Compensation Practices & Policies
XS-28500a (08/13)	CHUBB Specialty Claims Loss Notification Form
IL P 001 (01/04)	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
TRIA 24 (01/15)	Policyholder Disclosure Notice of Terrorism Insurance Coverage
XSC-27410 (05/09)	Declarations - ACE Catastrophe Liability Plus Policy
XSC-27266 (05/09)	ACE Catastrophe Liability Plus Policy
XS-1V12c (11/14)	California Changes - Cancellation And Nonrenewal
XSC-27309 (05/09)	Designated Premises or Project Limitation
XSC-27523a (01/15)	Exclusion Of Certified Acts Of Terrorism
XSC-30421 (08/10)	Non-Stacking of Limits Endorsement (Dedicated Insurance Program)
XSC-30423 (08/10)	Other Insurance Endorsement - Non-Contributory
XSC-30426 (08/10)	Sub-Limited Coverage Exclusion
XSC-32991 (02/11)	Insuring Agreement Coverage Section Amendment
XSC-34032 (01/12)	Trade Or Economic Sanctions Amendatory Endorsement
MS-40407 (06/15)	Adjustable Premium Endorsement
XSC-48940 (05/17)	Products-Completed Operations Extension Period – Same Limit For Policy Period And Extension Period

**SUBJECT TO:** Receipt of signed TRIA signed acceptance/declination documents at binding  
Receipt and favorable review of underlying policies within sixty (60) days

**This binder contemplates Chubb forms and endorsements.**

**INSURED HAS EXERCISED THE OPTION TO DECLINE ANY AND ALL TERRORISM COVERAGE, INCLUDING COVERAGE FOR ACTS OF TERRORISM AS DEFINED UNDER THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT.**

Please read this binder carefully, as the limits, coverage and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring policy. Terms and conditions that are not specifically mentioned in this binder are not included. The terms and conditions of this binder supersede the submitted insurance specifications and all prior proposals and binders. Actual coverage will be provided by and in accordance with the policy as issued.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is reflected in the policy or in an agreement signed by someone authorized to bind the insurer.

This binder has been constructed in reliance on the data provided in the submission. A material change or misrepresentation of that data voids this binder.

Electronic Delivery: Acceptance of this binder indicates the insured's consent to accept delivery of the policy by electronic means, including delivery of the policy to the email address shown above. If the insured would like to withdraw their consent to electronic delivery and exclusively receive a printed paper copy of the policy, please contact the undersigned.

Please note that we require copies of underlying policies. Please forward copies of these policies as soon as they have been issued for completion of our underwriting file.



Adam Brown  
Underwriter  
2128014064  
adam.brown@chubb.com  
Edition Date: 01/17/2018

**Declarations  
ACE Catastrophe  
Liability Plus<sup>sm</sup> Policy**

Policy Number: XCQ G46855942 001	Previous Policy Number: New
COVERAGE IS PROVIDED IN THE COMPANY DESIGNATED BELOW ACE Property and Casualty Insurance Company 436 Walnut Street Philadelphia, Pennsylvania 19106	
NAMED INSURED AND ADDRESS California State University Risk Management Authority 401 Golden Shore Long Beach, California 90802-4210	PRODUCER NAME AND ADDRESS ALLIANT INSURANCE SERVICES 333 S HOPE ST, STE 3750 LOS ANGELES, California 90071-0000  PRODUCER CODE 25008C
Policy Period: From 12/31/2017 to 12/31/2022 12:01 A.M Standard Time at the Address of the Named Insured as stated herein	
<b>Limits of Insurance</b>	
\$ <u>25,000,000</u> Each Occurrence	\$ <u>25,000,000</u> Aggregate
<b>Premium</b>	
\$ <u>427,275</u> Premium	\$ <u>TRIA rejected</u> Terrorism Premium included in Premium
\$ <u>0</u> State Surcharge	
\$ <u>427,275</u> Premium, including all Surcharges and Assessments	
<b>Schedule of Underlying Insurance</b>	
First Policy of Underlying Insurance	
Company: Allied World Assurance Company (U.S.), Inc. Limits of Insurance	
Policy Number: On File with the Company	\$ <u>25,000,000</u> Each Occurrence
Policy Period: 01/01/2018 to 01/01/2023	\$ <u>25,000,000</u> General Aggregate
	\$ <u>25,000,000</u> Products-Completed Operations Aggregate

**Endorsements and Notices attached to and forming a part of this policy at inception:**  
 Refer to the attached Schedule of Endorsements for the forms and endorsements forming this policy at inception.

**Schedule of Forms and Endorsements**

NAMED INSURED California State University Risk Management Authority	POLICY NUMBER XCQ G46855942 001	POLICY PERIOD 12/31/2017 to 12/31/2022
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Endorsement Number	Form Number - Edition Date	Title
	XSC-27410 (05/09)	Declarations - ACE Catastrophe Liability Plus Policy
	XSC-27266 (05/09)	ACE Catastrophe Liability Plus Policy
	ALL-20887a (03/16)	Chubb Producer Compensation Practices & Policies
	XS-28500a (08/13)	CHUBB Specialty Claims Loss Notification Form
	IL P 001 (01/04)	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
	TRIA 24 (01/15)	Policyholder Disclosure Notice of Terrorism Insurance Coverage
001	CC-1K11h (03/14)	Signatures
002	XS-1V12c (11/14)	California Changes - Cancellation And Nonrenewal
003	XSC-27309 (05/09)	Designated Premises or Project Limitation
004	XSC-27523a (01/15)	Exclusion Of Certified Acts Of Terrorism
005	XSC-32991 (02/11)	Insuring Agreement Coverage Section Amendment
006	XSC-30421 (08/10)	Non-Stacking of Limits Endorsement (Dedicated Insurance Program)
007	XSC-30423 (08/10)	Other Insurance Endorsement - Non-Contributory
008	XSC-30426 (08/10)	Sub-Limited Coverage Exclusion
009	XSC-34032 (01/12)	Trade Or Economic Sanctions Amendatory Endorsement
010	MS-40407 (06/15)	Adjustable Premium Endorsement
011	XSC-48940 (05/17)	Products-Completed Operations Extension Period – Same Limit For Policy Period And Extension Period

Various provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as an insured under the first policy of "underlying insurance" shown in the schedule of "underlying insurance." The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section III - Definitions.

We, the Company named in the Declarations, relying upon the statements shown on the Declarations page and in the schedule of "underlying insurance" attached to this policy, and in return for the payment of the premium and subject to the terms, conditions, exclusions, and limits of insurance of this policy, agree with you as follows:

## SECTION I. INSURING AGREEMENTS

### A. COVERAGE

We will pay, on your behalf, "loss" arising out of an "occurrence" but only after all "underlying insurance" has been exhausted by the payment of the limits of such insurance for covered injury or damage that takes place during our policy period. If "underlying insurance" does not pay a loss" for reasons other than the exhaustion of an aggregate limit of insurance, then we will not pay such "loss".

The definitions, terms, conditions, limitations and exclusions of the first policy of "underlying insurance" in effect at the inception date of this policy (as identified in the Declarations), apply to this coverage unless they are inconsistent with provisions of this policy or relate to premium, subrogation, any obligation to defend, the payment of expenses, amounts of limits of insurance, cancellation or any renewal agreement.

### B. LIMITS OF INSURANCE

This policy applies only in excess of the "underlying insurance" as shown in the schedule of "underlying insurance." The "occurrence" limit shown on the Declarations is the most we will pay for all damages arising out of any one "occurrence" to which this insurance applies.

The aggregate limit shown on the Declarations applies separately and in the same manner as the aggregate limits provided by the "underlying insurance." If the "underlying insurance" limit has been reduced or exhausted solely by reason of "losses" paid thereunder arising out of injury or damage which takes place during our policy period, then this policy shall:

1. in the event of reduction, pay the excess of the reduced underlying limit;
2. in the event of exhaustion continue in force as "underlying insurance."

### C. DEFENSE PROVISIONS AND SUPPLEMENTAL PAYMENTS

#### 1. DEFENSE PROVISIONS

When insurance is available to you in any "underlying insurance", we will not be called upon to assume charge of the investigation, settlement or defense of any suit brought against you, but we will have the right and be given the opportunity to be associated in the defense and trial of any suits relative to any "occurrence" which, in our opinion, may create liability on our part under the terms of this policy.

We will assume charge of the settlement or defense of any suit brought against you to which this policy applies and to which no "underlying insurance" applies because of the exhaustion of limits of insurance.

If we assume any right, opportunity or obligation, we will not be obligated to defend any suit after the applicable limits of this policy have been exhausted.

## 2. SUPPLEMENTAL PAYMENTS

The only Supplemental Payments and expenses that we will pay under this policy are as follows:

- a. All expenses incurred by us;
- b. All interest on that part of any judgment which accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment which does not exceed the limit of liability, and to which this policy applies;
- c. If "underlying insurance" pays pre-judgment interest, then we will pay related pre-judgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest after the time of our offer.

## 3. Subject to all of the foregoing:

- a. If Defense and/or Supplemental payment expenses are included within the limit of insurance of any "underlying insurance", then any such expense payment we make will reduce the limit of insurance of this policy.
- b. If none of the policies of "underlying insurance" include Defense and/or Supplemental payment expenses within the limit of insurance, then any such expense payment we make will not reduce the limit of insurance of this policy.

## SECTION II (EXCLUSIONS)

### WHAT IS NOT COVERED BY THIS POLICY

This insurance does not apply:

- A. To any injury, damage, expense, cost, "loss", liability, or legal obligation arising out of or in any way related to asbestos or asbestos-containing materials.
- B. 1. To any injury, damage, expense, cost, "loss", liability or legal obligation arising out of or in any way related to pollution, however caused. However, if coverage is available to you in the "underlying insurance" for bodily injury or property damage from pollution when the pollutant is heat, smoke or fumes from a hostile fire, then this paragraph B.1. shall not apply, provided that the heat, smoke or fumes from the hostile fire is:
  - a. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to you: or
  - b. at or from any premises, site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations if the pollutants are brought on or to the premises, site or location in connection with such operations.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

## 2. To any "loss", cost or expense arising out of any:

- a. directive, request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- b. claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of pollutants.

Pollution includes the actual, alleged or potential presence in or introduction into the environment of any substance, if such substance has or is alleged to have the effect of making the environment impure, harmful, or dangerous. Environment includes any air, land, structure or the air therein, watercourse or water, including underground water.

Pollutants include any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- C. To any claim or claims arising out of the Employee Retirement Income Security Act (ERISA) of 1974, Public Law 93-406, commonly referred to as the Pension Reform Act of 1974, including any amendments or revisions thereto.
- D. To any liability for injury or damages due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

We will have no duty or obligation to provide or pay for the investigation or defense of any suit excluded in this section, and in connection therewith Defense Provisions and Supplemental Payments will not apply.

### **SECTION III DEFINITIONS**

- A. "Loss" means the amount paid or payable in cash in the settlement or satisfaction of claims or suits for which the insured is liable, either by adjudication or compromise with our written consent, after making proper deduction for all recoveries and salvages. If the limits of the applicable "underlying insurance" are exhausted by the payment of defense expenses as well as damages, then "loss" also includes defense expenses under this insurance and defense expenses also erode the limits of this insurance.
- B. "Occurrence" in this policy will follow the definition of "occurrence" as defined in the first policy of "underlying insurance" in effect as of the inception date of this policy.
- C. "Other insurance" means a policy of insurance providing coverage for damages covered in whole or in part by this policy. "Other insurance" does not include "underlying insurance" or any policy of insurance specifically purchased to be excess of this policy and providing coverage that this policy also provides.
- D. "Underlying insurance" means the policy or policies of insurance as described in the Declarations and Schedule of Underlying Insurance forming a part of this policy.

### **SECTION IV CONDITIONS**

#### **A. APPEALS**

If you or any of the underlying insurers elect not to appeal a judgment in excess of the limits of liability afforded by the "underlying insurance" or any "other insurance" available to you, we may elect to appeal. Our limit of liability will not be increased because of the appeal, except that we will pursue appeal at our cost and expense.

#### **B. ASSIGNMENT**

Interest in this policy may not be transferred to another, except by an endorsement issued by us which gives our consent. If you are bankrupt or insolvent or if you die, this policy will cover your legal representative(s), but subject to all terms and limitations and only while such representatives are acting within the scope of their duties as such.

#### **C. BANKRUPTCY AND INSOLVENCY**

Bankruptcy and insolvency of you, or your estate will not relieve us of our obligations under this policy.

#### D. CANCELLATION

This policy may be cancelled by the first Named Insured by mailing to us written notice stating when such cancellation will be effective.

The policy may be cancelled by us by mailing to the first Named Insured at your last known address, written notice stating when, not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation will be effective. The mailing of notice will be sufficient proof of notice. The effective date and hour of cancellation stated in the notice will be the end of the policy period.

If you cancel, earned premium will be computed in accordance with the applicable short rate table or procedure. If we cancel, earned premium will be computed pro-rata. Premium adjustment may be made at the time cancellation becomes effective. Our check or the check of our representative mailed to you will be sufficient proof of any refund or premium due you.

#### E. CHANGES

This policy may be changed only by an endorsement issued by us to form a part of the policy.

#### F. DUTIES IN THE EVENT OF "OCCURRENCE," CLAIM OR SUIT

1. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim for damages under this policy. Notice should include:
  - a. How, when and where the injury or damage took place;
  - b. The names and addresses of any injured persons or witnesses.
  - c. The nature and location of any injury or damage arising out of "occurrence."
2. If a claim is made or suit brought against you that is reasonably likely to involve this insurance, you must see to it that we receive written notice of the claim or suit as soon as practicable.
3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summons or legal papers received in connection with the claim or suit.
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement or defense of the claim or suit;
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of injury or damage to which this policy may also apply.
4. You will not make or authorize an admission of liability or attempt to settle or otherwise dispose of any claim or suit without our written consent.

#### G. INSPECTION AND AUDIT

We will be permitted but not obligated to inspect your property and operations. Neither our right to make inspections nor the making thereof nor any report thereon will constitute an undertaking, on behalf of or for the benefit of you or others, to determine or warrant that such property or operations are safe. We may examine and audit your books and records during this policy period and extensions thereof and within three (3) years after the final termination of the policy.

#### H. LEGAL ACTION AGAINST US

No person or organization has a right under this policy to:

1. Join us as a party or otherwise bring us into a suit asking for damages from you;
2. Sue us, unless all of the terms of this policy have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you obtained after trial. We will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of this policy. An agreed settlement means a settlement and release of liability signed by us, you, and the claimant or the claimant's legal representative.

#### I. MAINTENANCE OF UNDERLYING INSURANCE

The policy or policies referred to in the Declarations and schedule of "underlying insurance" or renewals or replacements thereof not more restrictive in coverage will be maintained in full effect during this policy period, except for any reduction in the aggregate limits solely by payment of covered claims and/or claims expense.

If such "underlying insurance" is not maintained in full effect or if any limits of liability of "underlying insurance" are:

1. less than as stated in the schedule of "underlying insurance"; or
2. unavailable due to bankruptcy or insolvency of an underlying insurer; or
3. if there is any material change in the coverage of any "underlying insurance";

then the insurance afforded by this policy will apply in the same manner as if such "underlying insurance" and limits of liability had been in effect, available, so maintained and unchanged.

In the event of bankruptcy, insolvency, or refusal or inability to pay of any underlying insurer, this insurance will not drop down or replace "underlying insurance" and we will not assume any obligation under "underlying insurance".

#### J. OTHER INSURANCE

If "other insurance" is available to you covering a "loss" also covered by this policy, other than a policy that is specifically written to apply in excess of this policy, the insurance afforded by this policy will apply in excess of and will not contribute with such "other insurance".

#### K. PREMIUM

Unless otherwise provided, the premium for this policy is a flat premium and is not subject to adjustment except as provided herein or amended by endorsement.

#### L. YOUR REPRESENTATIONS

By accepting this policy, you agree that:

1. The statements in the Declarations, Schedule of "underlying insurance", and Application for this policy are accurate and complete;
2. Those statements are based upon representations you made to us;
3. This policy has been issued in reliance upon your representations.

#### M. SEPARATION OF INSUREDS

Except with respect to the Limits of Insurance, this policy applies:

1. As if each insured were the only insured;
2. Separately to each insured against whom claim is made or suit is brought.

## N. SUBROGATION

In the event of any payment under this policy by us, we will be subrogated to all of your rights of recovery against any person or organization, and you will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You will do nothing after "loss" to prejudice such rights.

The amount recovered through subrogation will be apportioned in the inverse order of payment of the "loss" to the extent of the actual payment. The expenses of all recovery proceedings will be apportioned in the ratio of respective recoveries.

We have no duty to provide coverage under this policy unless you and any other involved insureds have fully complied with the conditions of this policy.

SPECIMEN

**Chubb Producer Compensation  
Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

SPECIMEN

**CHUBB® CHUBB SPECIALTY  
CLAIMS LOSS  
NOTIFICATION FORM**

**FORWARD BY FAX, MAIL OR E-MAIL TO:**

Chubb Excess  
P.O. Box 5103  
Scranton, PA 18505-0510  
Fax No.: (866)635-5687

[ChubbClaimsFirstNotice@Chubb.com](mailto:ChubbClaimsFirstNotice@Chubb.com)

**Today's Date:** \_\_\_\_\_

**Notice of:** (check all that apply)

- First-Party Claim**                       **Potential Claim**  
 **Third-Party Claim**                       **Litigation Initiated**  
 **Other** \_\_\_\_\_

**Insured's Name & Contact Information**

**Company Name:** California State University Risk Management Authority                      **Point of Contact:** \_\_\_\_\_

**Address:** 401 Golden Shore  
Long Beach, California 90802-4210

**Phone Number:** \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

**Company Name:** ALLIANT INSURANCE SERVICES                      **Point of Contact:** \_\_\_\_\_

**Address:** 333 S HOPE ST, STE 3750  
LOS ANGELES, California 90071-0000

**Phone Number:** \_\_\_\_\_

**Policy Information**

**Policy Number:** XCQ G46855942 001                      **Policy Period:** 12/31/2017 - 12/31/2022

**Limits of Liability:** \$ 25,000,000      per \$ 25,000,000      **agg Self-Insured Retention/Deductible:** \$ N/A

**Loss Information**

**Date of Incident/Claim:** \_\_\_\_\_      **Location:** \_\_\_\_\_

**Claimant Name/Address:** \_\_\_\_\_

**Description of Loss:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_      **Signature:** \_\_\_\_\_

## U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

You were notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY YOUR POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% FOR YEAR 2015, 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017, 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM THAT WOULD BE CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.**

**YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.**

You elected **NOT** to purchase terrorism coverage under the Act at the price indicated. ACCORDINGLY, WE WILL **NOT** PROVIDE THIS COVERAGE AND YOU DO NOT OWE THE ADDITIONAL PREMIUM FOR THAT COVERAGE INDICATED BELOW.

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of \$21,364, however you elected to decline such coverage.

## SIGNATURES

Named Insured California State University Risk Management Authority			Endorsement Number 001
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			


THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

**INDEMNITY INSURANCE COMPANY OF NORTH AMERICA** (A stock company)  
**BANKERS STANDARD FIRE AND MARINE COMPANY** (A stock company)  
**BANKERS STANDARD INSURANCE COMPANY** (A stock company)  
**ACE AMERICAN INSURANCE COMPANY** (A stock company)  
**ACE PROPERTY AND CASUALTY INSURANCE COMPANY** (A stock company)  
**INSURANCE COMPANY OF NORTH AMERICA** (A stock company)  
**PACIFIC EMPLOYERS INSURANCE COMPANY** (A stock company)  
**ACE FIRE UNDERWRITERS INSURANCE COMPANY** (A stock company)  
**WESTCHESTER FIRE INSURANCE COMPANY** (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703

  
REBECCA L. COLLINS, Secretary

  
JOHN J. LUPICA, President

\_\_\_\_\_  
Authorized Representative

Chubb. Insured.™

## CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

Named Insured California State University Risk Management Authority			Endorsement Number 002
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS AND UMBRELLA LIABILITY POLICY  
COMMERCIAL UMBRELLA LIABILITY POLICY  
EXCESS LIABILITY CATASTROPHE POLICY  
EXCESS LIABILITY POLICY**

**A. The Cancellation Condition is replaced by the following:**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

**2. All Policies In Effect For 60 Days Or Less**

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

**3. All Policies In Effect For More Than 60 Days**

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
  - (6) A determination by the Commissioner of Insurance that the:
    - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
    - (b) Continuation of the policy coverage would:
      - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
      - (ii) Threaten our solvency.
  - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
  - (8) A material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies.
  - (9) Cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse.
  - (10) A reduction in financial rating or grade of one or more insurers, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy. The cancellation will be effective even if we have not made or offered a refund.
  6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**B.** The following is added and supersedes any provisions to the contrary:

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

## DESIGNATED PREMISES OR PROJECT LIMITATION

Named Insured California State University Risk Management Authority			Endorsement Number 003
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

### **ACE CATASTROPHE LIABILITY PLUS POLICY**

#### **SCHEDULE**

**Premises:**

**Project:**

On file with the Company and as further described in "underlying insurance\rdblquote"

This insurance only applies to liability arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

All other terms and conditions of this policy remain unchanged.

\_\_\_\_\_  
Authorized Representative

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM

Named Insured California State University Risk Management Authority			Endorsement Number 004
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

### **THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

#### **ACE CATASTROPHE LIABILITY PLUS POLICY FOLLOWING FORM EXCESS LIABILITY POLICY**

The following exclusion is added to the policy:

This insurance does not apply:

To "any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

For the purposes of this exclusion, the following definitions are added:

1. "Any injury or damage" means any injury or damage covered under any coverage part or "underlying insurance" to which this endorsement is applicable and as may be defined in any applicable coverage part or "underlying insurance".
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this policy.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

## INSURING AGREEMENT COVERAGE SECTION AMENDMENT

Named Insured California State University Risk Management Authority			Endorsement Number 005
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION I. INSURING AGREEMENTS**, part A. COVERAGE, is deleted and replaced with the following:

We will pay, on your behalf, "loss" arising out of an "occurrence" but only after all "underlying insurance" has been exhausted by the payment of the limits of such insurance for covered injury or damage. If "underlying insurance" does not pay a loss for reasons other than the exhaustion of an aggregate limit of insurance, then we will not pay such "loss."

The definitions, terms, conditions, limitations and exclusions of the first policy of "underlying insurance" apply to this coverage unless they are inconsistent with provisions of this policy or relate to premium, subrogation, any obligation to defend, the payment of expenses, amounts of limits of insurance, cancellation or any renewal agreement.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

**NON-STACKING OF LIMITS ENDORSEMENT  
(Dedicated Insurance Program)**

Named Insured California State University Risk Management Authority			Endorsement Number 006
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION IV CONDITIONS** is amended to include the following:

**TWO OR MORE POLICIES ISSUED BY US**

If this policy and any other policy issued by us or any of our affiliated companies for a “dedicated insurance program” apply to the same “loss”, the maximum Limit of Insurance available under all policies issued by us or our affiliated companies will not exceed the highest Limit of Insurance available under any one such policy. This condition does not apply to any policy issued specifically to apply as “underlying insurance” to this policy, or to any policies issued to specifically apply as excess insurance over this policy.

This condition applies whether or not the “dedicated insurance program”:

1. Provides coverage to one or more contractors;
2. Provides multiple lines of coverage;
3. Provides coverage identical to that provided this coverage;
4. Has limits adequate to cover all claims; or
5. Remains in effect.

The following definition is added to the policy:

“Dedicated insurance program” means Wrap-Up program(s), Owner Controlled Insurance Program(s), and any other job or project specific insurance program(s) whether provided by you or any other person or entity.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

**OTHER INSURANCE ENDORSEMENT -  
NON-CONTRIBUTORY**

Named Insured California State University Risk Management Authority			Endorsement Number 007
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION IV CONDITIONS**, Part J. OTHER INSURANCE, is deleted and replaced by the following:

**J. OTHER INSURANCE**

If valid and collectible "other insurance" is available to the insured which covers a "loss" also covered by this policy, this policy shall operate in excess of, and not contribute with, such "other insurance".

However, with respect to coverage afforded to person or organization that is an additional insured under this policy by virtue of a written "insured contract" signed by you prior to the "occurrence" for which coverage is sought, and such contract requires that this policy will apply as primary to and not contributory with all "other insurance" available to that additional insured, then any "other insurance" that is available to such additional insured will apply excess of and not contributory with this policy. In such case our limit of liability will be the lesser of:

1. The amount of insurance required by the "insured contract", or
2. The limits of insurance shown in the declarations.

The following definitions are added to the policy and apply to this endorsement:

"Insured contract" means any written contract or agreement pertaining to your business (including indemnification of a municipality in connection with work performed for the municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

"Insured contract" does not include that part of any contract or agreement that:

1. Indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
2. Indemnifies an architect, engineer or surveyor for injury to damage arising out of:

- a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawing or specifications; or
  - b. Giving directions or instructions or failing to give directions or instructions, if that is the primary cause of the injury or damage; or
3. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those in 2. above and supervisory, inspection, architectural or engineering activities.

"Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

## SUB-LIMITED COVERAGE EXCLUSION

Named Insured California State University Risk Management Authority			Endorsement Number 008
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

### ACE CATASTROPHE LIABILITY PLUS POLICY

The following exclusion is added to the policy:

This insurance does not apply to any injury, damage, expense, cost, "loss", liability or legal obligation arising out of coverage for which a "sub-limit" is imposed in any "underlying insurance".

The following definition is added to the policy:

"Sub-limit" means any limit of insurance applicable to a specific hazard, peril, cause of injury or damage or category of "loss" in "underlying insurance" which is less than the amount of limits applicable in general in such "underlying insurance".

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

## TRADE OR ECONOMIC SANCTIONS AMENDATORY ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 009
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

### **ACE CATASTROPHE LIABILITY PLUS POLICY**

The following exclusion is added to the policy:

#### **Trade or Economic Sanctions Exclusion**

This insurance does not apply to the extent that United States of America economic or trade sanctions, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

## ADJUSTABLE PREMIUM ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 010
Policy Symbol XCQ	Policy Number G46855942 001	Policy Period 12/31/01/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**This endorsement modifies insurance provided under the following:**

### ACE CATASTROPHE LIABILITY PLUS POLICY

The policy is amended as follows:

1. **SECTION IV, CONDITIONS** is amended by deleting Condition K, PREMIUM in its entirety and replacing it with the following:

K. PREMIUM

The first Named Insured shown in the Declarations will be responsible for payment of all premiums when due. The premium for this policy is adjustable based upon any increase in the Exposure Base as noted below.

Premium for this policy is subject to the following:

Exposure Base:

- "Construction Value"
- "Payroll"
- "Other":

Rate: **\$.5697** per \$1,000 of Exposure Base

Estimated Exposure Base at Inception: **\$750,000,000**

Minimum and Deposit Premium due at Inception: **\$427,275**

Within thirty (30) days following the expiration or cancellation of this policy, the first Named Insured shown in the Declarations will submit a report to us stating the Final Exposure Base for the policy period. We will calculate any additional premium due based upon any increase from the Estimated Exposure Base at Inception. Any additional premium will be due in addition to the previously paid Minimum and Deposit Premium as stated above. In no event will we return premium if the Final Exposure Base is less than the Estimated Exposure Base at Inception. If any additional premium is due, all such additional premium will be billed by us and payable by the first Named Insured to us within 30 (thirty) days of the billing date.

This policy requires you to keep records of information needed to compute premium and to allow us to examine your records as they relate to this policy. If you do not submit the report of Final Exposure Base to us, we may exercise this right to audit your records in order to determine the Final Exposure Base.

If you do not submit the report of Final Exposure Base to us, and if you do not otherwise cooperate in allowing us to audit your records, we may estimate your premium adjustment, subject to applicable state law requirements. We, in our sole discretion, will base our premium calculation upon the assumption that your exposure base will increase by an

amount up to two hundred percent (200%) of the Estimated Exposure Base at Inception. We will calculate your premium adjustment based on the applicable increase.

2. Solely for the purposes of this endorsement, **SECTION III, DEFINITIONS** is amended adding the following additional Definitions:

- “Construction value” means the gross amount of monies paid in connection with the work done during the policy period and covered hereunder, including but not limited to amounts paid to and costs associated with enrolled contractors and subcontractors, amounts paid for contingencies, and any other costs, fees or amounts paid. “Construction Value” does not include the following:
  - Insurance costs and fees;
  - Land acquisition costs; or
  - Architects and engineers fees.
- “Payroll” means all payments made by you in money, or in substitution for money, during the policy period to all executive officers and other employees for services rendered, including to any overtime earnings, bonuses or incentive payments.
- “Other” means the Exposure Base used for rating purposes for this policy as described above.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

**PRODUCTS-COMPLETED OPERATIONS EXTENSION PERIOD –  
SAME LIMIT FOR POLICY PERIOD AND EXTENSION PERIOD**

Named Insured California State University Risk Management Authority			Endorsement Number O11
Policy Symbol XCQ	Policy Number SpecimenPolicy	Policy Period 12/31/2017 to 12/31/2022	Effective Date of Endorsement 12/31/2017
Issued By (Name of Insurance Company) ACE Property and Casualty Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**CATASTROPHE LIABILITY PLUS POLICY**

It is agreed that the policy is amended as follows:

1. **SECTION I, INSURING AGREEMENTS** is amended at subsection A, COVERAGE by adding the following:
  - The “products-completed operations hazard” coverage under this policy is extended for a period of 10 years or the applicable state Statute of Repose, whichever is less. This extension period will commence for each project when the project is deemed completed pursuant to the first policy of “underlying insurance”.
  
2. **SECTION I, INSURING AGREEMENTS** is amended at subsection B, LIMITS OF INSURANCE by adding the following:
  - The limits applicable to any “products-completed operations hazard” coverage under this policy will apply to both the policy period and the extension period. The “products-completed operations hazard” extension period does not increase or reinstate the limits of insurance.
  
3. **SECTION III, DEFINITIONS** is amended by adding the following additional definition:
  - “Products-completed operations hazard” means all injury or damage covered by and defined as being within the products-completed operations coverage pursuant to the first policy of “underlying insurance”.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



# CONFIRMATION OF COVERAGE BOUND (BINDER CONFIRMATION)

**Date:** Jan 12, 2018  
**Attn:** Andrea Molina **Phone #:** (213) 443-2440  
**Agency:** Alliant Insurance Services, Inc. **From:** Mickey Hopkins

We are pleased to confirm the following coverage that has been bound by the carrier shown below. Please note that this binder confirmation is based on the coverage, terms and conditions listed below, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this binder confirmation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms confirmed below and those terms originally requested.

**This coverage may not be bound without a fully executed brokerage agreement.**

**Insured Name:** CSU Capital Improvement Plan; California State University Risk Management Authority  
**ID#:**6476074

**Mailing Address:** 401 Golden Shore, 5th Floor  
 Long Beach, CA 90802

**Physical Address:** 401 Golden Shore, 5th Floor  
 Long Beach, CA 90802

**Carrier:** AXIS Surplus Insurance Company NAIC: 26620  
**Coverage:** Excess Liability Policy (XLP-0001-01-03) **Policy Number:** ELU627809/01/2017  
**Effective:** 12/31/2017 **Expiration:** 12/31/2022

**Limits of Liability:**

\$25,000,000 Each Occurrence  
 \$25,000,000 General Aggregate  
 \$25,000,000 Products/Completed Operations Aggregate  
 Part of:  
 \$50,000,000 Each Occurrence  
 \$50,000,000 General Aggregate  
 \$50,000,000 Products/Completed Operations Aggregate

**Rate:** \$0.270 per \$1,000 Total Cost estimated at \$750,000,000

**Policy Premium:** \$202,500.00 Minimum & Deposit Premium  
**TRIPRA Premium:** REJECTED  
**Surplus Lines Tax:** \$6,075.00  
**Stamping Office Fee:** \$405.00

**TOTAL :** \$208,980.00

**Commission:** 0%

**MEP:** 25%

## Terms & Conditions:

We are pleased to offer the following binder. The terms and conditions of this binder may not conform to the specifications as originally submitted. This binder contemplates AXIS policy forms and endorsements. The policy language and the terms and conditions of this binder may not conform to industry standard policy language and/or terms and conditions. If you are unfamiliar with AXIS policy and endorsement language, please request copies as necessary.

Descriptions of Operations: Project Specific OCIP: Various CSU Campuses

Schedule of Underlying - First Underlying Insurance:

Coverage Type – 2nd Excess Liability; Ace Property & Casualty Insurance Company

\$25,000,000 Each Occurrence Limit

\$25,000,000 General Aggregate

\$25,000,000 Products/Completed Operations Aggregate Limit

Coverage Date: 12/31/2017-12/31/2022

Defense Expense In Addition to Limits; Policy Form Occurrence

Excess \$27MM Underlying

Note: No other underlying coverages or underlying policies will be scheduled.

Exclusions within our policy form include but are not limited to:

- Asbestos
- Cyber Liability
- Fungi or Bacteria
- Pollution
- War or Terrorism

Additional Terms & Conditions:

Exclusions:

- Auto No-Fault & Similar Laws Excl. (XLX-4006-01-03)
- Designated Operations (XLX-4026-01-03)
- Silica Exclusion (XLX-4054-06-04)
- Violation of Statutes that Govern E-Mails, Fax, or Phone Calls (XLX-4059-01-05)
- Abuse, Assault, or Molestation Exclusion (XLX-4001-07-13)
- Unmanned Aircraft Exclusion (XLX-4075-09-15)
- Total Pollution Exclusion with Hostile Fire Exception (MAN-1081-07-05)
- Anti Stacking of Limits

Endorsements:

- Limitation of Coverage to Designated Project (XLE-5005-01-03)
- Minimum Earned Premium (XLE-5006-01-03)
- Service of Suit Endorsement
- Basis of Premium (XLE-5002-10-06)
- Participating Provision Endorsement (Quota Share Insurance) (Fill-In) (XLE-5014-07-13)
- Duty to Defend -Amendatory Endorsement (XLE-5057-06-14)
- Non-Contributory Clause - Amendatory Endorsement (XLE-5050-06-14)
- Claim Notice (CLM-0001-07-12)
- State Fraud Statements (LI-FS-001-0715)
- Notice to Policy Holder
- Amendatory Endorsement Limits of Insurance (MAN-1701-09-12)
- Fully Earned Premium Date Endorsement (MAN-1407-12-06) - 12/31/2018

Notes & Subjectivities:

1. Will Require Same Subjectivities as U/L Carriers.
2. Per Axis schedule of underlying, please provide each assigned policy number and specific issuing company name within 10 business days.
3. In Addition, please forward complete copies of all policies shown on the AXIS Schedule of Underlying within 60 days (Dec pages only for EL). Upon review of the underlying coverage, if we discover restrictive terms or conditions that have not been disclosed to us, we will endorse our policy with similar restrictive terms or conditions effective policy inception.
4. This binder is being offered in reliance upon the information submitted to us. By accepting this binder, the applicant warrants that the information is true and complete and that no material facts have been willfully misrepresented, omitted, or suppressed.
5. Signed application within 30 days of binding.
6. D1 within 14 days of binding.

Disclosure Notice Regarding Calculation of Return Premium In Event of Cancellation

The insurance policy for which you are making application provides for refunding premium on a basis other than pro-rata if you cancel the policy. Calculation of the return premium at less than pro-rata represents a penalty charged on unearned premium.

The premium on the policy is subject to a minimum earned percentage of 25%. If you cancel the policy at any time during the policy period, there will be no return premium for any portion of the pro-rata return period that falls within the first 457 days of the policy. If you cancel the policy after the first 457 days of the policy period, the premium refund will be 90% of the amount that would have been refunded on a pro-rata basis.

Policyholder Notice: This insurance is issued pursuant to the CA INS s 1760 through CA INS s 1780 and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

**Home State: California**

The Home State was determined based on the information provided in your submission and the completed Declaration of Home State form. Please ensure the correct Home State is listed. Incorrect information could result in additional or return taxes, fees, surcharges, penalties, interest, and assessments at a later date, and in addition to what is shown. Additionally, please note that this is the current tax calculation based on the Home State but there could be changes that result in additional or return tax - due at a later date - based on future enactments of surplus lines laws by any of the various states.

Mickey Hopkins / zh  
6476074

CONFIDENTIAL

Your acceptance of this binder constitutes your acknowledgement that: (1) coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the Terrorism Risk Insurance Act, as amended (the "Act"), as explained in the Policyholder Disclosure Notice TRIA OFFER DISCLOSURE 01 15, was made available to you; (2) you declined to purchase such coverage; (3) the premium stated on this binder does not include any premium for such coverage and you are not paying for such coverage; and (4) your policy will include an exclusion for all terrorism losses, including "acts or terrorism" as defined by the Act.

#### CLAIM NOTICE

To notify AXIS U.S. Insurance of claims or losses:

During business hours of 8:30 am EST to 4:30 pm EST

##### Mailing Address

PO Box 4470  
Alpharetta, GA 30023

##### Shipping Address

11680 Great Oaks Way  
Suite 500  
Alpharetta, GA 30022

PH (678) 746-9400  
FAX (678) 746-9315  
EMAIL USClaimNoticeATL@a xiscapital.com

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE – NOT PURCHASED**

By accepting this binder you acknowledge that coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the Act, as explained in the Policyholder Disclosure Notice TRIA OFFER DISCLOSURE 01 15, (1) was made available to you; and (2) you declined or failed to confirm the purchase of such coverage. Therefore, this insurance does not provide coverage for losses directly resulting from any "act of terrorism" as defined by the Act except to the extent, if any, otherwise provided by this Policy.

**INSTRUCTION TO BROKER**

You are instructed to deliver a copy of this notice to our insured.

TRIA DECLINED DISCLOSURE 01 15

**NOTICE:**

**1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**

**2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**

**3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**

**4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**

**5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

**APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

**D-2 (Effective January 1, 2017)**



# CONFIRMATION OF COVERAGE BOUND (BINDER CONFIRMATION)

**Date:** Jan 03, 2018  
**Attn:** Andrea Molina **Phone #:** (213) 443-2440  
**Agency:** Alliant Insurance Services, Inc. **From:** Mickey Hopkins

**We are pleased to confirm the following coverage that has been bound by the carrier shown below. Please note that this binder confirmation is based on the coverage, terms and conditions listed below, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this binder confirmation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms confirmed below and those terms originally requested.**

**This coverage may not be bound without a fully executed brokerage agreement.**

**Insured Name:** CSU Capital Improvement Plan; California State University Risk Management Authority  
**ID#:**6451723

**Mailing Address:** 401 Golden Shore 5th Floor  
 Long Beach, CA 90802

**Physical Address:** 401 Golden Shore 5th Floor  
 Long Beach, CA 90802

**Carrier:** Great American Assurance Company NAIC: 26344  
**Coverage:** **Excess Liability Occurrence** **Policy Number:** EXC2068854  
**Effective:** 12/31/2017 **Expiration:** 12/31/2022

**Limits of Liability:**  
 \$25,000,000 Each Occurrence/Aggregate  
 Part of \$50,000,000 Each Occurrence/Aggregate  
 Excess of \$50,000,000 Each Occurrence/Aggregate  
 Inclusive of the First Underlying Insurance as stated below

**Rate:** The premium of \$202,500 is a deposit and was based on an estimated Construction Value of \$750,000,000. When the Construction Value exceeds \$750,000,000 an additional premium will be due based on the Construction Value in excess of the \$750,000,000 and a rate of \$0.270 per \$1,000 of Construction Value. The deposit premium is completely earned at the earlier of the completion of the project(s) or one year after the inception of the Policy.

**Policy Premium:** \$202,500.00 Term and Deposit

**TOTAL :** \$202,500.00

**Commission:** Nil%

## Terms & Conditions:

Project: The CSU Capital Outlay Program consists of improving, renovating and implementing various projects over \$10,000,000 in Construction values between the 23 CSU campuses throughout the State of California as described in Allied World Assurance Company (U.S.), Inc. policy.

### First Underlying Insurance:

Excess Liability Occurrence; Allied World Assurance Co. (U.S.) Inc.  
\$25,000,000 Each Occurrence/Aggregate - Excess of Primary Insurance

Excess Layers: Excess Liability Occurrence; ACE Property & Casualty Ins. Co.  
\$25,000,000 Each Occurrence/Aggregate; Excess of \$25,000,000 Each Occurrence/Aggregate

Quota Share Partner: Excess Liability Occurrence  
\$25,000,000 Each Occurrence/Aggregate; Part of \$50,000,000 Each Occurrence/Aggregate  
Excess of \$50,000,000 Each Occurrence/Aggregate

Primary Insurance: Commercial General Liability; Old Republic Ins. Co.  
\$2,000,000 Occurrence  
\$4,000,000 General Aggregate  
\$4,000,000 Products-Completed Operations Aggregate  
\$2,000,000 Personal and Advertising Injury  
Defense expenses apply in addition to the limits of liability and do not erode the limits.

Employers Liability; Old Republic Ins. Co.  
\$1,000,000 Each Accident  
\$1,000,000 Policy Limit  
\$1,000,000 Each Employee  
Defense expenses apply in addition to the limits of liability and do not erode the limits.

## Terms and Conditions:

Primary Forms, Exclusions and/or Limitations: Old Republic Insurance Company

Coverage Form: Commercial General Liability Coverage Form - CG00011207

## Endorsements:

1. Electronic Data Liability - CG04371204
2. Limitation of Coverage to Designated Premises or Project - CG21440798
3. Products/Completed Operations Amendment of Limits - CGENGN00420906
4. Products/Completed Operations Extension Endorsement Form B - CGENGN00430707
5. Named Insured Endorsement - CGENGN00481006
6. Amendment of Coverage - Completed Operations - CGENGN00490906
7. Cancellation Provision - CGENGN00600906
8. Amendment of Exclusion to "Your Work" - CGENGN00200906
9. Limited Coverage - Repair Work - Manuscript CGENGN7xxx
10. Amendment of Coverage - Damage to Your Product - Manuscript CGENGN7xxx
11. Amendment of Contractual Exclusion - Railroads & Municipalities - CGENGN00210906
12. Fellow Employee Wrap Up Exclusion Deleted - Supervisory Personnel - CGENGN00380906
13. Incidental Medical Malpractice - CGENGN00560906
14. Damage to Property Exclusion Modified - CGENGN00770508
15. Exclusion - Unmanned Aircraft - CG21090615
16. Abuse or Molestation Exclusion - CG21460798
17. Employment-Related Practices Exclusion - CG21471207
18. Total Pollution Exclusion with a Hostile Fire Exception - CG21550999
19. Fungi or Bacteria Exclusion - CG21671204
20. Exclusion - Exterior Insulation & Finish Systems (EIFS) - CG21861204

21. Silica or Silica-Related Dust Exclusion - CG21960305
22. Exclusion - Contractors - Professional Liability - CG22790798
23. Nuclear Energy Liability Exclusion - IL00210908
24. Total Asbestos Exclusion - CGENGN00190906
25. Total Lead Exclusion - CGENGN00250906
26. Anti-Stacking - CGENGN00370906
27. Amendment of Insurance Agreement Prior Damage or Injury - CGENGN00831208

First Underlying Forms, Exclusions and/or Limitations:

We will follow all of the exclusions and limitations of the Allied World Assurance Co (U.S.) Inc. coverage form and any additional exclusions/modifications/limitations as noted in their binder.

Coverage Form: Policy Form - GL00126000607

Endorsements:

1. Products-Completed Operations Extension Period - Commercial Construction – 002091105
2. Exclusion of Coverage For Designated Operations - 002401105
3. Asbestos Exclusion - 002411105
4. Strategic Response Coverage Extension - GL00316000616
5. Defense Amendatory Endorsement (Right and Duty to Defend) - GL00318000509
6. Follow Form Other Aggregate Limitation Endorsement - GL00366000911
7. Schedule of Project(s) - GL00373000911
8. Limitation of Coverage to Designated Wrap-Up Project(s) - GL00374000911
9. Absolute Access, Collection and Disclosure of Non-Public Information Exclusion - GL00482000616
10. Anti Stacking Endorsement / Non-Accumulation of Limits of Insurance - Manuscript

Great American Policy Form: Excess Liability Insurance Policy - EXU0001 (05/16)

This referenced form and any attachments, and/or exclusions thereto become the contract of insurance once a binder is issued. Please review all the coverages, terms, restrictions and limitations of the form, exclusions and attachments for a complete description of the coverages being outlined within this proposal.

Great American Exclusions, Limitations and/or Attachments:

Attachments:

1. Amendment of Investigation, Defense and Settlement - EXU4014 (04/17)
2. Anti-Stacking - EXU4010 (05/16)
3. Economic and Trade Sanctions Clause - IL7324 (08/12)
4. General Endorsement - EXU6604 (05/16) - Premium Adjustment
5. In Witness Clause - IL7268 (09/09)
6. Limitation Of Coverage To Designated Project - EXU2001 (05/16)
7. Non Following Form - EXU2002 (05/16)
8. Products Completed Operations Hazard Extension - Follow Form - EXU4013 (05/16)
9. Quota Share - EXU4006 (05/16)

Terrorism Coverage:

Certified Acts Of Terrorism - Exclusion - EXU1000 (05/16)

Disclosure Pursuant To Terrorism Risk Insurance Act Rejection Of Offer - EXU1003 (05/16)

Subjectivities:

1. Signed copy of the POLICYHOLDER DISCLOSURE OFFER OF TERRORISM COVERAGE as soon as practical.

2. TRIA is noted as rejected. If TRIA is excluded by any underlying, then TRIA will be excluded by this policy and a TRIA rejection disclosure must be signed by the insured.
3. Copies of all Underlying Binders evidencing issuing carrier, policy number, policy limits and terms immediately upon binding coverage. Policy issuance will be upheld pending receipt of confirmation
4. Copies of all Underlying Policies within 60 days of binding. We reserve the right to amend coverage after receipt and final review of Underlying Policies.
5. Signed application within 60 days of binding.

Please note that the conditions of this binder may not be in accordance with the conditions requested in your submission.

Mickey Hopkins  
6451723

**CONFIDENTIAL**

**ADOPTED:** September 13, 2013

**AMENDED:** November 6, 2013, May 6, 2016

**EFFECTIVE:** January 1, 2012

**SUBJECT:** Owner Controlled Insurance Program

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*Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.*

**PURPOSE:**

CSURMA launched the Owner Controlled Insurance Program (OCIP) to realize a cost savings, improve coverage, and efficiently administer General Liability, Completed Operations Liability, Workers' Compensation, environmental and design professional coverages for all CSU's Major Capital Outlay construction projects over \$10,000,000, as established by the CSU Chancellor's Office Capital Planning, Design and Construction Office (CPDC). The purpose of this Policy and Procedure is to describe the operation of the OCIP program and provide a process for CSURMA and CPDC to collaborate on administering the programs efficiently and effectively.

**POLICY:**

It is the policy of CSURMA that the Program Administrator, Alliant Insurance Services, Inc., Chancellor's Office Accounting Department (Accounting) and Systemwide Office of Risk Management will collaborate with CPDC to administer the OCIP as described in this Policy and Procedure.

**PROCEDURE:**

Section 1: General Procedures

1. CSURMA shall pay the insurance premiums and deductible collateral up front to the Program Administrator, and CSURMA will recover the advanced monies on a project-by-project basis, through CPDC, as described herein.
2. The Program Administrator shall manage the OCIP carrier contracts, collect required data from the contractors directly each month, and develop and maintain a quarterly report which will be used by CSURMA to invoice CPDC for the cost of the OCIP on a per-project basis. The quarterly report shall contain:
  - Projects started, continuing, or completed in each quarter
  - Completed projects shall not drop off report
  - Project start and completion dates
  - CPDC project name and CPDC project number
  - Initial Construction Contract Value, which varies by procurement method as follows:
    - For CM at Risk or Design-Bid-Build: Total construction contract award amount
    - For Design-Build: Total contract award minus pre-construction and design costs
  - Initial premiums and deductible collateral for each project

- 
- Updated, final / completed premiums and deductible collateral for each project based on final labor costs and loss rates.
  - Total premiums and deductible collateral for all projects
  - Audited final labor costs
  - Final labor costs as a percentage of the Initial Construction Contract Value for each project
  - Estimated final value for reduced contractor insurance costs for each project
  - Claims & loss report with actual to date loss rate (provided separately).
3. For the initial Program Period (OCIP I), the Program Administrator's billings to CSURMA will be based on the programs' fixed premiums and a 68% loss rate of the maximum aggregate deductible, which equates to a 2.072% project billing rate relative to the Initial Construction Contract Value (a total of \$10,358,204.00 program cost).
  4. CSURMA's billings to CPDC will be based on a pro-rata portion of the fixed premiums at a 1.672% project billing rate relative to the Initial Construction Contract Value of projects as enrolled.
  5. For OCIP I, CPDC will provide a guarantee for \$1,519,400 of Deductible Collateral and Loss Adjusting Factor to cover the difference between the 68% loss rate CSURMA has billed for and the 100% loss rate. This guarantee will be backed by CPDC's seismic self-insured trust fund account. If OCIP I's loss rate exceeds a 68% loss rate, CPDC will reimburse CSURMA the actual cost difference up to \$1,519,400.
  6. For OCIP I, CSURMA will underwrite an additional \$2,000,000 to bring the total of the Deductible Collateral and Loss Conversion Factor costs down. This equates to a 25.5% Loss Rate and a total 1.672% billing rate relative to the Initial Construction Contract Value of projects as enrolled.
  7. When the Program Administrator reconciles the total program costs for OCIP I with CSURMA based on actual percentage loss of the deductible collateral, CSURMA shall reconcile its invoicing to CPDC to reflect those adjusted actual costs, and, if the loss rate is under 25%, CSURMA shall credit CPDC as appropriate for the actual program costs. Reconciliation of OCIP I is expected 18-24 months after the completion of the initial 5-year program, but may happen sooner.
  8. If there is a credit described in Paragraph 6 above, the credit may, upon agreement by CPDC, be applied to a second OCIP II program, and/or any unapplied funds shall be returned by CSURMA to CPDC for deposit in the system-wide seismic self-insured trust fund account.

#### Section 2: OCIP Enrollment and Invoicing

1. The Program Administrator shall enroll new projects in OCIP with an Initial Construction Contract Value of \$10,000,000 or more during the construction contract award process. There will be a pre-enrollment period for contractors and their subcontractors in the months leading up to a construction contract award. During this time the contractors will receive enrollment and safety information and will submit cost of insurance documentation for the policies the CSURMA OCIP will replace.
2. Projects with an Initial Construction Contract Value that is less than \$10,000,000 may enroll in OCIP upon the recommendation of CPDC and approval by the Program Underwriters.
3. The Program Administrator shall provide a quarterly report, adding new projects that have started construction during the quarter, along with the initial premium for each project. The Program Administrator will also provide updated information to the existing projects in the quarterly report. The Program Administrator shall submit the quarterly report to Accounting and CPDC program administrators simultaneously for review and approval.

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4. When CPDC and CSURMA approve the quarterly reports Accounting will use them as the basis to invoice CPDC for the initial insurance costs of the enrolled projects based on a 1.672% of Initial Construction Contract Value. CPDC will approve or reject CSURMA invoices via email within 10 business days of receipt.
  5. All invoicing shall be done on templates as agreed upon by CPDC and CSURMA.
  6. Upon approval of the invoices by CPDC, CSURMA shall collect the monies invoiced for the projects via Cash Posting Order (CPO).
  7. CPDC shall maintain a separate account for OCIP, and CSURMA shall collect the monies invoiced from that account via CPO.

Section 3: OCIP Project Completion Activities

1. At the completion of a project The Program Administrator shall add to the quarterly report:
  - Final labor costs
  - Project completion date
  - Final premium amounts
  - Confirmation that all contractor closeout materials have been submitted. Within 30 days of completion the Program Administrator shall separately provide a clearance letter to CPDC for release of contractor retention.
  - Other required information as described in “Procedure” Section #2.
2. As described above, the Program Administrator shall submit the quarterly report to Accounting and CPDC for review and approval.
3. The Program Administrator’s quarterly reports will be used as the basis for Accounting to invoice CPDC for the final additive or deductive reconciliation of insurance costs for the enrolled projects, based on final labor costs.
4. To benefit enrolled projects with predictable OCIP insurance costs, there shall be no premium adjustment for projects that are completed within five percent (5%) of their original projected premium cost. Projects that are completed with a final calculated premium cost exceeding 105% of their original projected premium cost shall be invoiced at 0.73% of the amount exceeding 105%. Projects that are completed with a final calculated premium cost lower than 95% of their original projected premium cost shall be credited the amount less than the original projected premium cost.
5. Upon CPDC’s approval of the invoices, CSURMA shall collect the monies invoiced via CPO to recover, or credit as necessary, the final premiums from the project.

Section 4: OCIP Program Closeout

1. After completion of a project, and over the duration of OCIP policy coverage, the Program Administrator shall continue to administer project claims.
2. Following completion of the initial OCIP I program term (expected to achieve program target enrollment by 36 months from January 1, 2012), CSU, acting through CPDC, may close out or re-enroll in a second CSURMA OCIP II program with the Program Administrator and the carrier(s). At that time premium dividends and deductible obligations will be subject to a final settlement based on total construction value and actual loss rates. During and after this time the Program Administrator and the

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carriers may still be actively involved with outstanding claims, but the projects' premiums and dividends may be closed.

3. Any additive or deductive adjustments made to the total program costs based on the reconciliation(s) described above shall be passed through to CPDC via a CSURMA reconciliation billing. This is expected no later than 18-24 months after the CSURMA OCIP I program closeout.
4. In no case shall CPDC pay in excess of CSURMA's actual costs for OCIP I, as identified in Section 1 (3). These actual costs are anticipated to be \$10,358,204 as adjusted by actual loss rates and the total cost of enrolled projects.
5. Because the benefits of the OCIP apply systemwide, CSURMA shall not allocate a charge for missed investment income on advanced premiums.

#### Section 5: Definitions

As used in this Policy and Procedure, the following terms are defined:

**Accounting (Department):** CSURMA has engaged the CSU Chancellor's Office Department of Financial Services to perform OCIP and BRIP accounting duties on behalf of the CSURMA.

**CSURMA:** CSURMA is the California State University Risk Management Authority which is a joint powers authority separate from the CSU and its participating auxiliary organizations. CSURMA has established various programs for insurance and self-insurance to serve the University and the OCIP program is a program of the CSURMA.

**CPDC:** CSU's Department of Capital Planning, Design and Construction in the Chancellor's Office is the primary client for the OCIP program and the designated representative for managing the programs internal to the CSU.

**OCIP Initial Construction Contract Value** - varies by procurement method as follows:

- For CM at Risk or Design-Bid-Build: total construction contract award amount
- For Design-Build: total contract award less pre-construction and design costs

**Program Administrator:** CSURMA has appointed Alliant Insurance Services, Inc. as Program Administrator responsible for designing and implementing the programs serving the CSU and auxiliary organization participants.

**Program Underwriters:** The insurance companies that underwrite the OCIP insurance policies.

**Systemwide Office of Risk Management:** CSURMA has engaged the CSU Chancellor's Office Department of Risk Management and Public Safety to provide risk management consulting services to the CSURMA including oversight of programs.

**RISK MANAGEMENT INNOVATION GRANT APPLICATION**  
**LEAN SAFETY GEMBA WORKSHOPS**

**ISSUE:** CSURMA offers funding for safety projects that serve to support risk management throughout the CSU system. Grant applications are to be submitted through the WERCS affinity groups. The application below is the first submittal for FY 2017/18, and is a collaborative proposal from the EH&S and Workers' Compensation affinity groups.

- Lean Safety Gemba Workshops: seven two-day instructor-led training and field exercises with objective to reduce custodian occupational injury rates. Workshops to be conducted on campus; locations: TBD.

**RECOMMENDATION:** The Executive Committee is asked to review the grant request and take action as it deems appropriate.

**FISCAL IMPACT:** Proposed cost is \$39,800. \$150,000 has been budgeted for FY 2017/18 for grant awards. This is the first application submitted.

**BACKGROUND:** At its March 10, 2017 Long Range Planning meeting, the Executive Committee approved changes to the Risk Management Innovation Grant program to revise the focus from Campus safety projects to Systemwide safety projects. Grant applications are to be submitted by WERCS affinity groups. A budget of \$150,000 was approved for FY 2017/18 grant awards.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. WC/EH&S Grant Application (2/12/18) – Lean Safety Gemba Workshops
- b. Policy and Procedure No. 21 – Risk Management Innovation Grants



## WERCS Affinity Groups Project Application

*Workers' Compensation, Emergency Management, Risk Management,  
Environmental Health & Safety, Business Continuity*

<b>Affinity Group: Workers' Compensation &amp; EH&amp;S</b>		<b>February 12, 2018</b>
David Korpan, Kathryn Villarreal, Jacki Graf, Eva Alvarado, Karyn Cote	Phone: 805-756-6662 and - 5427	<a href="mailto:dkorpan@calpoly.edu">dkorpan@calpoly.edu</a> <a href="mailto:kvilla02@calpoly.edu">kvilla02@calpoly.edu</a> Jacki Graf <a href="mailto:jgraf@alliant.com">jgraf@alliant.com</a> Jacki Graf <a href="mailto:jgraf@alliant.com">jgraf@alliant.com</a> Eva Alvarado <a href="mailto:ealvarado@csudh.edu">ealvarado@csudh.edu</a>
<p><b>Project Funding requested for</b> <i>(please describe)</i>: <b>LEAN SAFETY GEMBA WORKSHOP</b> – A cross-functional initiative involving Worker's Comp and EH&amp;S Affinity Groups. The Workshop consists of two days of instructor led training and field exercises. The first day of the Workshop includes training on the principles of LEAN Safety, and how to engage employees in discussions about how to make their work safer. The second day includes a field exercise that applies the lessons learned in training and involves attendees breaking out into work groups conducting live LEAN SAFETY GEMBA walks for different tasks with site employees where a risk of injury is present. The output is a list of "opportunities" to make the task safer and easier. These opportunities are prioritized based on risk, frequency, and effort required to reduce the risk and cost. The workgroups identify priority opportunities and modify the corresponding work procedures resulting in safer work activities.</p> <p>See attached vendor proposal and promotional advertisement. This proposal includes seven separate 2-day workshops at different CSU campuses and four travel-from-home (Chicago) events for the vendor. Each workshop can accommodate up to twenty-four participants.</p> <p><b>Principal Vendor/Supplier:</b> Robert Hafey</p> <p><b>Product/Service Trade Name:</b> LEAN Safety Gemba Workshop</p>		
<b>Planned Date of Purchase:</b> April 15, 2018  <b>Anticipated Project Completion:</b> December 15, 2018	<b>Amount Requested:</b> \$39,800 (7-Workshops and 4 separate travel events)  Please attach vendor/supplier's cost estimate.	
<p><b>This is a</b> <i>(check all that apply)</i>:</p>		
<input type="checkbox"/> Service	<input type="checkbox"/> Software	<input type="checkbox"/> Equipment
<input checked="" type="checkbox"/> Training	<input checked="" type="checkbox"/> Safety Program Development	<input type="checkbox"/> Safety Program Management
<input checked="" type="checkbox"/> Safety Consulting	<input type="checkbox"/> Other <i>(please describe)</i> :	
<p><b>Please describe how this will improve or enhance risk control efforts:</b></p>		
<p>Custodian occupational injury rates are among the highest across the CSU System. The primary types of custodian injuries include musculoskeletal injuries, strains, sprains, repetitive motions and fractures. The causes associated with these injuries include bending, lifting, pushing and pulling, materials handling, operating equipment and repetitive motion tasks (e.g., cleaning bathrooms surfaces).</p> <p>LEAN principles include a validated set of principles that focus on customer service and continuous improvement. The "GEMBA" is a Japanese quality systems term that means, "where the work happens." The goal is for supervisors and leads to walk the GEMBA and engage their employees in a process of positive and collaborative observations and discussions to identify what steps in their work tasks involve excessive strain, working in non-neutral postures, heavy lifting, pushing or pulling, potential for slipping, tripping or falling. By training management to communicate effectively with employees about specific safety aspects of their work</p>		

while observing them at the GEMBA, the employees and management gain better insight into factors that contribute to causing work-related injuries.

After the Workshop is completed, the workgroups each presents their findings to leadership (managers, directors and AVP's), further raising awareness about safety and gaining visible leadership support for the initiative. This is an important incentive for front-line supervisors to follow-through with their employees on conducting additional LEAN Safety Gemba walks to make work safer and easier.

Custodians and their management completed the Workshop at Cal Poly - San Luis Obispo in May of 2016 with very positive feedback from the employees, management and leadership. Over the past three years, 70% of the custodian incidents involved musculoskeletal-related injuries. Feedback from managers and supervisors included a change in the way they approach work. They now look at incidents and work through the LEAN Safety lens, resulting in several ideas to make work safer and a sense of openness and communication among employees and management regarding safety is the new norm.

Since all CSU's have a significant number of custodians and buildings that require routine cleaning, this program will benefit any campus that is engaged in improving safety and reducing Workers' Comp costs.

**Please submit your completed application to:**  
Tevea Him at [thim@alliant.com](mailto:thim@alliant.com) or fax to **415-874-4810**

1. CSURMA project funding dollars are available to all WERCS affinity groups for safety, risk control, and employee health & wellness projects having systemwide application.
2. **This program is intended to enhance existing risk control efforts.** Equipment, trainings, personal protective equipment, etc. that employers are required by law or regulation to provide are not eligible.
3. CSURMA pays up to 100% of project costs, subject to the amount available for this program.
4. Applications must be approved by the CSURMA Executive Committee prior to affinity groups incurring costs for the proposed project.
5. If affinity groups have more than one project, a separate application for each project should be completed.
6. Submissions must represent collaboration and agreement between two or more affinity groups. Applications must be signed by the Chair of the affinity group.
7. Applications must include supporting documents such as:
  - a. Detailed description of the proposed project.
  - b. Explanation of how project is a benefit to CSU systemwide.
  - c. Experience of the supplier/vendor for similar projects.
  - d. Anticipated timeline for start and completion of project.
  - e. Estimated total cost of the proposed project.
8. Project should be completed within a reasonable time frame per 7.d. above. If additional time is needed, affinity groups should provide a written explanation for any extended time necessary to complete the project, and include a revised date for completion.
9. It is the affinity group's responsibility to obtain confirmation from CSURMA that reimbursement requests for approved projects have been received by CSURMA.
10. For any questions, please contact **Rob Leong** at 415.403.1441 or [rluong@alliant.com](mailto:rluong@alliant.com).

January 5, 2018

To: David Korpan – Cal-Poly

Re: Lean Safety Workshop Proposal

As requested this proposal is for the delivery of seven 2-day on-site Lean Safety workshops. Training locations will be determined by CSU staff. Up to 24 people can be accommodated in each training session.

## **2-Day Training Overview**

- Day 1 - Through the use of PowerPoint slides, small group exercises and hands on experiential learning I will ensure the workshop participants understand the concept of safety/business improvement centered on employee engagement. All workshop attendees will leave understanding the need to develop a coaching style of leadership that will allow them to engage their reports or peers in honest safety/business improvement discussions.
- Day 2 - The hands-on portion of the training will be a lean safety gemba walk. During the walk attendees will “learn to see” safety/business improvement differently. They will then be split into small teams and will be assigned specific work areas. In those areas they will engage the staff in discussions that will allow them to identify and record work process improvement opportunities. At the end of the training day the teams will report out the results of their efforts to their peers and any site leadership interested in attending.

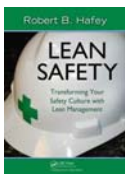
## **Cost of the proposed consulting services would be:**

- For the delivery of the 2-day onsite workshops the cost would be \$5000 per workshop event or \$35,000 for all seven workshops.
- My travel expenses (coach airfare, ground transportation, car rental, lodging, meals, etc.) should be around \$1200 per event. If I travel roundtrip from Chicago for each event my total travel expenses should be approximately \$8400 for the seven training events. If training events can be closely scheduled air travel expenses could be reduced.
- My standard curriculum can be modified based on your request to give focus to your specific needs. Any pre-workshop work to develop custom material would be billed at \$2000/day.

Please let me know if you required any additional information.

Robert Hafey - President

RBH Consulting LLC



Row Labels	Count of File Num
Cal Poly San Luis Obispo	32
CSU Los Angeles	15
San Diego State University	12
CSU Long Beach	12
CSU Sacramento	11
San Jose State University	11
San Francisco State University	9
CSU Chico	9
CSU Northridge	9
CSU Fullerton	8
Cal Poly Pomona	7
Sonoma State University	7
CSU East Bay	6
Humboldt State University	6
CSU Dominguez Hills	5
CSU Stanislaus	4
CSU San Bernardino	4
CSU Channel Islands	3
CSU Fresno	3
CSU Bakersfield	2
Cal Maritime Academy	1
<b>Grand Total</b>	<b>176</b>

# LEAN SAFETY GEMBA WALK WORKSHOPS

## Employee Engagement and Culture Change

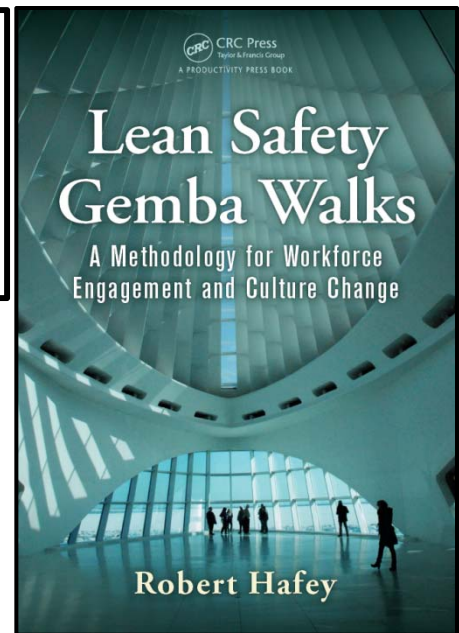
It is impossible to truly engage the hearts and minds of a workforce in continual improvement (lean) if they believe the end result of their efforts will be the loss of their employment. This misuse of the lean philosophy has created a deep and widening trust gap between hourly employees and management.

To narrow or bridge this gap one has to find common ground on which to begin a new lean implementation dialogue. That common ground is safety. Safety is a rallying point for all stakeholders. Unions, managers, front line supervisors and hourly employees will all get in line and support safety.

In order to positively impact the safety culture of a business leaders must engage their employees. Managers have to change their leadership style to that of a coach – someone who asks the right questions versus having the right answers. These 1-2 day workshops teach the participants how to engage employees in honest safety discussions that have a dual benefit. They reduce the risk of injuries by pro-actively improving the safety of the work performed and at the same time reduce the cycle time of the work processes

The Lean Safety Gemba Walk workshop will:

- Highlight the connection between safety and Lean process improvements
- Turn accident/incident investigations into a continuous improvement activity.
- Demonstrate how basic Lean tools are as applicable to safety as they are to Lean.
- Include a Lean Safety Gemba Walk on which the attendees will learn how to coach others in safety improvement identification.
- Prepare all participants to make a safety difference in their place of employment.

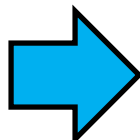


***Lean Safety provides a proven path to culture change because it engages employees in an honest trust building approach to lean implementation. Lean Safety is a culture change enabler.***

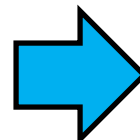
**RBH Consulting LLC  
Homer Glen, IL USA  
RBHafey@gmail.com  
630-881-9301  
www.leansafetybook.com  
http://lean-  
safety.blogspot.com/**



**Apply Lean  
Thinking to  
Safety**



**Build  
Employee  
Trust**



**Accelerate  
your  
Lean Efforts**

### Client Comments:

**Jess Wiley – AIT – US** – “I became a believer in Bob's concepts after reading his book on Lean Safety. I was further convinced that he could impact safety and even productivity after attending an AME Workshop that he facilitated. I then hired Bob to do an event at my company and he impressed me and many others with his ability to quickly understand our environment and provide and foster out-of-the-box thinking about how the job was done. I highly recommend Bob and his concepts. His work is truly making a difference.”

**Patrick Burger – GKN – US** – “What I appreciate about this methodology and approach is the required engagement of the Team Members. This is not an observation audit nor was it the typical compliance inspection. This process leverages the dialog between the Team Members and the Auditor driving safety improvements and eliminating waste in the process.”

**Alice Lee – Toyota – Australia** – “Over the course of two days, Bob showed that although safety improvements can be a by-product of kaizen activities to improve quality, efficiency or productivity; by applying lean thinking to a Safety Kaizen event, an organization can still achieve the same positive outcomes with considerations made to the team members instead of just the process. This type of thinking builds the foundation for an engaged work force and a positive safety culture.”

**Mike Abuls – C.G. Schmidt – US** - “The idea of recognizing safety risks as opportunities for lean improvement is unique. By making a work activity safer we also make the work more productive. I think most lean practitioners do the reverse - they look for waste in the production cycle, fix that, and then trust that the process improvement also makes the work safer. But having a worker-centric point of view makes the whole lean improvement idea more personal and grounded in ethics, which makes sense to me.

**Anna Petrachova – Metinvest – Ukraine** - “Robert did a great job delivering a Lean Safety seminar for top management of my company. The concepts and ideas were conveyed to the audience in a concise yet comprehensive manner leading the participants to view familiar issues in a new light and inspiring them to use new approaches.”

## About the Author

Robert Hafey wants to change how the world views safety. After authoring a book about using lean thinking and lean tools to drive workplace safety improvement he gave up the security of a 40 hour a week job to pursue his goal of positively impacting workplace safety. In addition to lean consulting he facilitates workshops, keynotes and speaks on the topic of Lean Safety for organizations and businesses who want to make safety improvement part of their company culture.



To book Mr. Hafey as a speaker, workshop facilitator or business process improvement consultant call 630-881-9301 or visit [www.leansafetybook.com](http://www.leansafetybook.com)

RBH

Consulting LLC

## **AGILITY RECOVERY**

**ISSUE:** The Executive Committee will be asked to review the Agility Recovery utilization report and the renewal proposal to determine whether to continue the program for FY 18/19.

**RECOMMENDATION:** It is recommended that the Committee review the Agility Recovery utilization report, the current contract and the renewal proposal attached and provide direction to Staff as appropriate.

**FISCAL IMPACT:** Agility has proposed a one-year contract renewal at the same cost as the expiring term - \$6,589 per month (\$79,068 per year). \$79,068 has been included in the CSURMA draft FY 18/19 CSURMA Budget.

Noted below are the historical rates for this contract:

FY 15/16 - \$5,990 Per Month / \$71,880 Per Year  
FY 16/17 - \$5,990 Per Month / \$71,880 Per Year  
FY 17/18 - \$6,589 Per Month / \$79,068 Per Year  
FY 18/19 - \$6,589 Per Month / \$79,068 Per Year

**BACKGROUND:** See the contract proposal and utilization report attached. Five different members have logged into myAgility.com within the last year. Agility Recovery has not been utilized since inception of the contract for assistance with disaster recovery (emergency generators, mobile workspace, connectivity or technology).

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. Agility Recovery Contract Extension – 18/19
- b. Agility Recovery Contract with CSURMA for 7/1/2015 to 6/30/2018
- c. Utilization Report

**SCHEDULE A**

As per the Master Recovery Services Agreement  
 California State University Risk Management Authority (CSURMA)

This Schedule ("Schedule") is entered into and shall be governed by the Master Recovery Services Agreement dated July 1, 2015 between Agility Recovery Solutions, Inc. ("Agility") and the Customer named below (the "Master Recovery Services Agreement"). All capitalized terms used, but not defined, herein shall have the meanings set forth in the Master Recovery Services Agreement.

**Summary of Fees and Term**

Schedule Term:	12-MONTHS
Schedule Commencement Date:	July 1, 2018
Schedule End Date:	June 30, 2019
This Schedule A, supersedes Schedule A dated:	July 1, 2017
Total Monthly Subscription Fees:	\$6,589.00

**Invoices will be sent to Customer at:**

**Customer Name:** CSURMA  
 Address: 100 Pine Street 11<sup>th</sup> Floor  
 San Francisco, CA 94111-5101

Attention: Robert Leong  
 Telephone: 415-403-1441  
 Email: rleong@alliant.com

By the signatures of their duly authorized representatives below, Agility and the Customer, intending to be legally bound, agree to all of the provisions of the Master Recovery Services Agreement including this schedule.

**Agility Recovery Solutions, Inc.**



\_\_\_\_\_  
 CSURMA  
 Customer

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\_\_\_\_\_  
 Contact/Title

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\_\_\_\_\_  
 Signature

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\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 Brendan Bradley  
 Agility Representative

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\_\_\_\_\_  
 Signature  
 Mike Mansoor

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\_\_\_\_\_  
 Accepted and Approved By

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\_\_\_\_\_  
 Date Signed

**SCHEDULE A****As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)****1. Summary of Services**

Upon signing this Schedule, should your pool Member experience an interruption, Agility will provide the resources necessary to rescue their business providing the following capabilities:

<b>SPACE</b>	Office space with desks and chairs
<b>POWER</b>	Emergency generator for your office
<b>COMMUNICATION</b>	Telephone and Internet access
<b>COMPUTER SYSTEM</b>	Computers, printer(s) and fax machine(s)

With this Agreement Agility will work with each of the pool Members to develop a customized recovery plan via MyAgility, our secure online planning portal. The functionality of MyAgility portal will include:

<b>PREPAREDNESS PLAN</b>	Build an implementation plan, access via any web browser, develop a communications strategy
<b>ALERT NOTIFICATION SYSTEM</b>	Send text and email messages to employees and vendors
<b>DOCUMENT MANAGEMENT SYSTEM</b>	Store critical business documents
<b>ASSET MANAGEMENT TOOL</b>	Document and manage assets

**TO DECLARE A DISASTER OR PUT AGILITY ON ALERT, CUSTOMER AND/OR CSURMA CAN CALL AGILITY'S 24-HOUR RECOVERY HOTLINE: 877-364-9393 ALTERNATES: 888-242-3740 OR 866-894-3336.**

**2. Mobile Recovery Equipment Chart****2.1 Facility**

- Mobile Unit(s) as required
  - Wired for voice and data
  - 10/100/1000TX access layer switch for LAN connectivity
  - HVAC
  - Diesel generator(s)
  - 200 ft. Gb Fibre Connectivity between mobile units and/or hitching post.

**2.2 Mobile Requirements**

Total Number of Seats: 48 including

- User Seats: up to 48
  - Intel Based PC's
    - Dual-core Processor
    - 4 GB of Memory
    - 120 GB of Hard Disk
    - DVD-ROM Drive
    - 10/100/1000 Ethernet Adapter
  - Keyboard, Monitor & Mouse, Table, chair and phone

**SCHEDULE A****As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)****2.3 Network Connectivity**

- 512/256 kbps of Satellite bandwidth to Teleport facility.
  - Internet access
  - VPN connectivity from teleport to Customer site.
- Up to 10 simultaneous voice services total will be support over satellite:
  - Up to 48 Desktop phones
- 4G/LTE Solution for Data:
  - As part of the recovery solution Agility will provide a CradlePoint Router with a 4G/LTE stick from one of AT&T, Verizon or Sprint, based on coverage available.
  - Speed range from 5 to 40 Mbps down and 2 to 5 Mbps up.
  - Data usage fee of \$15.00 per GB will apply.

**Note:** Network engineering and/or set up fees of voice and/or ACD/IVR charges will apply, based on the complexity of the required recovery environment.

**3. Covered Location(s)**

**Customer has put in place with Agility, coverage for 114 CSURMA locations, which will be identified in a duly executed Addendum, which must be put in place no later than 30 (thirty) days after execution of this Schedule.**

**Agility will provide recovery services to a maximum of ten (10) CSURMA covered location(s), at any one time. Customer is responsible for managing the declaration process and identifying which locations are allowed to declare and Agility will inform CSURMA when they have reached their limit for simultaneous recoveries.**

**SCHEDULE A**

**As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)**

**4. Terms & Conditions**

**4.1 Technology**

- In the event of a disaster, there will be no daily usage fee for the first sixty (60) days. Day sixty-one (61) and each day thereafter, a daily usage fee as noted in the chart below will apply.
- The daily test fee per unit is noted in the chart below, Customer is responsible for all shipping costs related to the test.

<b>Equipment</b>	<b>Daily Test/Usage</b>	<b>Equipment</b>	<b>Daily Test/Usage</b>
Desktop PC	\$2.00	Printer/Fax Machine	\$2.00
Router	\$25.00	Switch	\$10.00

**4.2 Mobile**

- In the event of a disaster, there will be no daily usage charge for the first 60 (sixty) days. Day 61 (sixty-one) and each day thereafter, a daily usage fee will apply per mobile recovery unit.
- Customer may allow its individual pool Members to test the recovery solution, and a onetime test event fee will apply per pool Member’s test event.

**4.3 Other**

- All equipment provided will be equivalent or better, unless otherwise identified.
- For a Quickship test Customer may allow its individual pool Members to test the recovery solution, a onetime test event fee applies per pool Member test event.
- All pricing is based on a firm term contract.
- **Pricing and Terms & Conditions are valid for forty-five (45)-DAYS**

MASTER RECOVERY SERVICES AGREEMENT

BETWEEN

Agility Recovery Solutions, Inc.  
("Agility")

AND

California State University Risk Management Authority (CSURMA)  
("Customer")

DATED

July 1, 2015

By the signatures of their duly authorized representatives below, Agility and the CSURMA, intending to be legally bound, agree to all of the provisions of this Agreement.

CSURMA



Signature

ROBERT EATON

Name

SECRETARY - AUDITOR

Title

6/15/15

Date Signed

AGILITY RECOVERY SOLUTIONS, INC.



Signature

PAUL SULLIVAN

Name

VP of GM

Title

JUNE 12/15

Date Signed

## DEFINITION OF TERMS

<b>Agreement</b>	This Master Recovery Services Agreement together with any Schedule(s) that may be attached hereto from time to time, as any of the same may be amended or supplemented from time to time by the written agreement of the parties.
<b>Alternate Recovery Facility</b>	A facility selected by the Customer, which can include the Customer's Facility to which the Recovery System(s) may be shipped to conduct business operations.
<b>Business Day</b>	Are the days between and including Monday to Friday and do not include public holidays and weekends.
<b>Business Hours</b>	The hours between 9 am and 5 pm on a Business Day
<b>Commercial Space</b>	Real estate for business use, used at time of recovery to house end users.
<b>Customer's Facility</b>	The Customer's existing primary facility at the location identified in a Schedule to this Agreement.
<b>Daily Test Fee</b>	The daily fee set forth on an applicable Schedule to this Agreement payable by the Customer, for each day in which the Recovery System(s) are in use for a Test.
<b>Daily Usage Fee</b>	The fee set forth on an applicable Schedule to this Agreement payable for each full or partial calendar day during which the Recovery System(s) is used by Customer after Disaster Declare.
<b>Disaster</b>	Any unplanned event that prevents the Customer from providing essential or business services at the Customer's Facility.
<b>Disaster Alert</b>	A notice given by the Customer to Agility by way of a telephone call to the Hot Line that an event has occurred that may result in a Disaster being declared.
<b>Disaster Declare</b>	The notice given by the Customer to Agility, by way of a telephone call to the Hot Line, declaring that a Disaster has occurred at a Customer's Facility.
<b>Hardout</b>	Configuration item on a Schedule that will need to be acquired by Agility in order to meet Customer's requirements. A configuration identified as Hardout cannot be removed from the contract prior to the agreed upon termination date unless otherwise agreed upon by both parties.
<b>Hot Line</b>	Agility shall maintain and list in the Subscriber Manual a Customer support telephone service or paging system, on a 24 (twenty-four) hours per day, 365 (three hundred and sixty-five) days per year basis, which the Customer shall use to inform Agility of a Disaster Alert or Disaster Declare.
<b>In Lieu of</b>	Equipment supplied which is not specific or identical to the requested Recovery System(s) in which Agility has identified that they will meet the Customers' needs, by either matching the equipment or by providing an equivalent solution.
<b>Mobile Recovery Unit</b>	A mobile facility owned and/or operated by Agility, which may be outfitted with any equipment as defined in the Schedule - and provided to the Customer for the purposes of conducting a Test or providing recovery services hereunder.
<b>Multiple Disasters</b>	One or more Disasters being experienced by the Customer and one or more Users, entitling the Customer and such User(s) to access to and use of all or part of the same Recovery System(s) for the same or an overlapping period of time.

<b>Locator Site</b>	Location where testing or recovery will take place in a pre-arranged site that Agility has contracted for on behalf of the customer
<b>Other Disaster Fees</b>	Required reimbursements associated with Disaster recovery services, such as transportation, long distance charges, engineering fees, travel expenses and living expenses.
<b>Other Test Fees</b>	Required reimbursements for additional services associated with a Test, such as transportation, long distance charges, engineering fees, travel expenses and living expenses.
<b>QuickShip</b>	The temporary replacement technology equipment, described in an applicable Schedule(s) to this Agreement, that may be provided by Agility to the Customer at the Test Center or an Alternate Recovery Facility, in the event of a Disaster affecting the Customer's Facility referred to in the Schedule.
<b>Recovery System(s)</b>	Includes QuickShip and/or Mobile Recovery Unit(s).
<b>Retail Space</b>	Real estate for store front or shopping centre, used at time of recovery to house end users.
<b>Schedule</b>	Document that outlines the Customer configurations, pricing and other relevant details. Such a document is reviewed in conjunction with the Agreement and can be amended or supplemented from time to time by the written agreement of the parties.
<b>Seat</b>	A connection point within a Mobile Recovery Unit with adequate space for the associated Recovery System(s), including a voice and/or data port.
<b>Start Up Operating System</b>	An Agility operating system meant to validate the operability of the components. Not to replace the Customer's working operating system.
<b>Subscriber Information Guide</b>	Information guide that outlines operational and procedural information. Agility will provide Customer with one electronic copy of the manual per contracted facility and all applicable updates and revisions, as and when issued.
<b>Subscription Fee</b>	The monthly fee payable by the Customer, as set forth in each Schedule to this Agreement, for the right to obtain the basic services provided hereunder in respect of each such Schedule.
<b>Test</b>	A Recovery System(s) Test conducted at an Alternate Recovery Facility or Agility Test Centre.
<b>Test Centre</b>	A facility operated by Agility at its business premises that may be equipped with all or a subset (portion) of any equipment that may be defined in a Customer Schedule.
<b>User</b>	Another recovery services Customer of Agility who has entered into an agreement with Agility similar to this Agreement.
<b>MyAgility</b>	Online portal provided by Agility providing a template business continuity plan, Alert notification system and Asset Management tool

## A. RECOVERY SERVICES

In consideration of payment by the Customer to Agility of the Subscription Fee and the other fees stated in each of the Schedules to this Agreement, Agility shall provide the following services to the Customer 24 (twenty-four) hours per day, 365 (three hundred and sixty-five) days per year during the term of this Agreement.

*The Customer shall provide Agility with a list of individuals who are authorized on behalf of the Customer to provide Disaster Alert, Disaster Declare or Test notification. The Customer shall review and update the list on a regular basis. Agility will not respond to a Disaster Alert, Disaster Declare or Test notification given by any other person.*

### 1. DISASTER NOTIFICATION

#### 1.1 Disaster Alert

Upon receipt of a Disaster Alert Agility will:

- i. Record all Disaster Alerts in the order in which they are received; and
- ii. Inform the Customer of other User Disaster Alerts.

In the event that Agility receives more than one Disaster Alert from Users, the Customer and each such User will be given the option of escalating to a Disaster Declare status. If the Customer does not exercise such option within 24 (twenty-four) hours after receiving notice thereof, the Customer's Disaster Alert will be cancelled.

#### 1.2 Disaster Declare

The Customer shall notify Agility of the occurrence and nature of a Disaster by telephoning Agility using the Hot Line. The Customer shall confirm the Disaster Declare by written notice or email to Agility within 24 (twenty-four) hours of the telephone notification. Any verbal Declare, once confirmed by Agility will be subject to the minimum Daily Usage Fee as detailed in the corresponding Schedule(s) and any incurred Other Disaster Fees. The Daily Usage Fee will continue to be charged until the Recovery System(s) are no longer required and are returned to a designated Agility location.

For a Mobile Recovery Unit Declare, Customer is responsible for all charges related to; Mobile Recovery Unit(s) installation, setup and de-installation charges, and all shipping charges to and from the Customer's Alternate Recovery Facility. Transportation charges for Mobile Recovery Unit(s) are from closest yard available at time of Declare.

Agility will provide estimate of costs for approval by Customer prior to deployment and a timeline for delivery.

### 2. EQUIPMENT AVAILABILITY – DISASTER OCCURRENCE

Upon receipt of a Disaster Declare from the Customer, Agility shall, deliver the Recovery System(s) to an Alternate Recovery Facility designed by the Customer or a location sourced by Agility.

The Customer will have the option of declaring on a single hardware configuration (power, communications, technology or space) as opposed to all contracted configurations. Should the Customer opt to declare on a single Recovery System configuration then only the unit's Daily Usage Fee will apply if applicable.

"Agility Technical Engineer(s) shall, upon Customer request at time of disaster for a mobile declare, be available on site, at no-charge to the Customer during the initial 48 (forty-eight) hours following the delivery of equipment to the Alternate Recovery Facility, or until completion of set-up, configuration and preparation of the Recovery System(s) for use by the Customer. Additional technical support is available at the current per diem rates and Customer is responsible for all out of pocket expenses including reasonable Travel and Living costs for Agility personnel"

The Customer may use the Recovery System(s) until the Customer no longer requires their use. The Customer shall also pay to Agility the Daily Usage Fee for the Recovery System(s) as noted in the Schedule(s) when delivered to the

Alternate Recovery Facility and/or made available to the Customer until and including the day they are returned to a designated Agility location.

### 3. TESTS

The Customer acknowledges that regular Testing of the recovery capability of their production environment is an important element in ensuring the validity of a business continuity plan and that inadequate Testing may result in the Customer's inability to recover in the event of a Disaster.

If the Customer requests a Test, the Customer shall pay to Agility the Daily Test Fee. The Customer will be responsible for all shipping charges associated with such Test, inclusive and including up to two days transit time.

For a QuickShip Test, Customer is responsible for all charges related to; all shipping charges to and from the Customer's Alternate Recovery Facility. Upon request an estimate of shipping costs will be provided when the Test is scheduled. Plus a one-time test event fee applies per test, unless otherwise stated in the applicable schedule.

For a Mobile Recovery Test, Customer is responsible for all charges related to; Mobile Recovery Unit(s) installation, setup and de-installation charges, and all shipping charges to and from the Customer's Alternate Recovery Facility. Upon request an estimate of shipping costs will be provided when the Test is scheduled. Transportation charges for Mobile Recovery Unit(s) are from closest yard, available at time of Test. The Customer is responsible for reasonable travel and living expenses of Agility personnel participating in the Test.

Agility will provide estimate of costs for approval by Customer prior to deployment.

Recovery System(s) Test shall be subject to immediate cancellation or termination by Agility, and shall be rescheduled as soon as possible, if the Customer or any User notifies Agility of a Disaster Declare.

If a Recovery System(s) Test needs to be rescheduled as a result of another User's Disaster the Customer will not be responsible for shipping charges associated with the cancelled Test. In addition, Agility will credit the Customer's Test account for the cancelled test.

*The Customer may schedule a Test, at its convenience with a minimum of four to six weeks prior notification and is subject to availability.*

If Customer fails to provide written notice at least twenty (20) business days prior to the cancellation of a previously scheduled Test, the booked Test time will be forfeited and Customer will remain liable for all out of pocket expenses incurred including reasonable Travel and Living costs for Agility personnel. Agility agrees to give Customer notice of 7 (seven) business days in the event a test needs to be cancelled for reasons other than if the Customer or any User notifies Agility of a Disaster Declare"

### 4. SOFTWARE

All systems and utility software which Agility owns and has installed at the Test Centre or on the equipment supplied hereunder may be used by the Customer during a Recovery System(s) Test or during a Disaster subject to the Customer complying at all times with the terms and conditions of all license agreements relating to software supplied by Agility. Customer represents that it owns, is lawfully using or may lawfully use all software that it directs Agility to install. Customer understands that it shall be responsible for ensuring and covenants that it shall ensure that Agility has permission to install and test all software requested by Customer at the Test Centre or on the equipment supplied hereunder.

## 5. RISK OF LOSS

When all or any part of the Recovery System(s) is at a Customer's Facility, the Customer shall bear the risk of loss of the Recovery System(s) until Agility or an Agent of Agility retakes possession of it for transportation back to a designated Agility location.

The Customer shall provide appropriate protection and security for the Recovery System(s) and other property of Agility while in the Customer's possession or under its control.

In the event that some or all of the Recovery System(s) is lost or damaged the Customer shall have the option of repairing the damage, replacing the affected units or paying Agility for the loss of any or all of the equipment.

## B. MAINTENANCE OF RECOVERY SYSTEM (S)

### 1. MAINTENANCE

Agility shall adhere to manufacturer's recommended procedures and policies for proper maintenance of the applicable Recovery System(s) and components, including remedial maintenance as applicable and regularly scheduled preventive maintenance. Agility warrants to the Customer that: (1) the Recovery System(s) shall be maintained in a state of readiness at all times, subject to and consistent with Agility and the Customer's respective obligations under this Agreement. In the event of a Recovery System(s) malfunction at the Recovery Facility, Agility's objective is to provide on-site support within 4-6 hours for a generator, network or a mobile unit issue in a single declare event and in a regional event on-site support within a maximum of 24 (twenty-four) hours of receiving notice of the malfunction. For Technology Agility's objective is to provide telephone support within 1-2 hours in a single declare event and in a regional event, alternatively Agility will supply replacement technology within a maximum of 24 (twenty-four) hours of Agility being notified of the issue; (2) the Services will be provided in a professional and competent manner, conforming to generally accepted standards applicable to nationally recognized firms specializing in the area of services that Agility is providing under this Agreement; and (3) Agility possesses all right, power and authority to provide the Services (including, without limitation, all necessary third party software licenses).

### 2. HARDWARE CHANGES

Agility may upgrade and otherwise enhance the Recovery System(s) provided that the Recovery System(s) shall be equal to or better than (in all material respects, including equipment quality, operating system/network compatibility, data storage and processing capacity) the Recovery System(s) described in the Schedule(s) to this Agreement. At any time Customer may alter the recovery requirements as it pertains to technology and mobile components. Agility will re-quote monthly fees associated with the changes. If the resulting monthly fees are less than the then current fees, Customer shall continue to pay the original monthly fees to the end of the contract term, and the difference between the fees shall accrue in a pool of funds available to Customer to upgrade the contract and/or extend the contract past the original expiration date.

### 3. RECORDS AND AUDIT

During the Term and for a period of one (1) year thereafter, Agility will keep all usual and proper records related to the Deliverables and this Agreement. Customer may, upon one (1) weeks' notice, audit Agility's records and consult with Agility's accountants for the purpose of verifying Agility's compliance with the terms of this Agreement, provided that any such audits will be conducted during normal business hours in such a manner as to not unreasonably interfere with the normal business operations of Agility. Any such audit will be paid for by Customer unless such audit reveals an over-billing of one percent (1%) or more between amounts billed to Customer and Agility's records, in which case Agility will reimburse Customer for the costs associated with the audit. Agility agrees to promptly correct any deficiencies detected in the audit and will promptly refund any overpayments disclosed by such an audit, or Customer may, at its election, set off any such overpayment against any amounts subsequently due by Customer to Agility.

#### 4. STANDARD PROCEDURES

Agility shall maintain, and provide in writing to the Customer, uniform rules regarding security, safety, and scheduling and other procedures for accessing and using the Recovery System(s), at Customer site or at Agility site, which may be subject to change. The rules are described in a Subscriber Manual that is supplied to the Customer after signing the Agreement. Agility and the Customer shall comply with these rules in all material respects.

Once Agility recovery space has been turned over to the Customer and Customer has possession of that space, Agility personnel who have been assigned to support that recovery space will abide by the Customer policies and standards set forth by Customer.

#### 5. OPERATING SYSTEM(S)

The Subscription Fee(s) also includes a Start Up PC Operating System pre-load at time of Disaster or Test on PC technology provided by Agility. The Start Up Operating System will be a basic Start Up Operating System pre-load unless specified otherwise in the Schedule(s). In the case of other hardware platforms a basic operating system (excluding maintenance patches) will be pre-loaded. The Start Up Operating System is intended to validate the correct operation of the contracted configuration and provide enough functionality to provide the capability of loading the Customer's own licensed software.

#### 6. SPECIAL PROCEDURES

Agility shall implement any written procedures specified by the Customer regarding special data protection or other security requirements. The Customer shall be responsible for any reasonable additional expenses incurred by Agility in implementing such special procedures, only upon written notification through a statement of work or change order which is mutually agreed upon and executed by both parties.

### C. MULTIPLE DISASTERS

#### 1. MULTIPLE DISASTER PROCEDURES

Agility will use commercially reasonable efforts to co-ordinate and arrange for access to and use of Recovery System(s) when a Multiple Disaster is declared. Agility, in its sole discretion, believes it to have sufficient equipment to accommodate the demand for the same asset that it reasonably anticipates. However, the availability of the Recovery System(s) shall be on a first-come, first-served basis and Agility shall not under any circumstance be liable to the Customer for any lack of availability.

#### 2. MULTIPLE DISASTER PROTECTION

##### 2.1 Preventative Measures

To reduce the likelihood that the Recovery System(s) may be unavailable to provide recovery services for the Customer due to Multiple Disasters, Agility agrees not to enter into a new Agreement in respect of the Recovery System(s) at a time when a prospective Customer's Facility or area housing the equipment to be replaced is then experiencing a Disaster.

##### 2.2 Daily Usage Fee(s)

To discourage unnecessary use of the Recovery System(s), a minimum Daily Usage Fee as provided in the applicable Schedule(s) maybe be charged whenever the Customer issues a Disaster Declare. Following a Disaster Declare, should the Customer decide to acquire all or some of the units that comprise the Recovery System(s) Agility shall, in good faith, negotiate a purchase price for the applicable Recovery System(s) based on a mutually accepted quote from Agility that outlines how the final costs are derived.

Agility will provide estimate of costs for approval by Customer prior to deployment.

#### D. OTHER PROVISIONS

##### 1. AGREEMENT TERM

Unless otherwise provided herein, the term of this Agreement shall continue in respect of each Schedule for the full term specified on the particular Schedule(s), notwithstanding the termination or expiry of any other Schedule(s). The Customer may not terminate this Agreement except as expressly permitted herein.

This Agreement will be automatically renewed for one year at the end of the current term or any renewal term, unless either party provides written notice of non-renewal at least 60 (sixty) days prior to the end of the then-current term. Agility reserves the right to increase fees at its sole discretion after expiry of the initial one year term.

##### 2. FEES AND EXPENSES

Agility shall invoice monthly, in advance, all subscription fees set forth in this Agreement. Payments shall be due 30 (thirty) days after receipt of invoice. The Customer shall reimburse Agility for any applicable taxes (excluding taxes on income), customs, duties and government impositions incurred in connection with this Agreement.

Should such payment not be received by due date, the Customer will be responsible for all late payment charges, as outlined in the invoice(s). The Customer shall pay to Agility any applicable taxes, customs and duties incurred as a direct result of this Agreement.

##### 3. TRANSITION

Agility reserves the right to take up to 45 (forty-five) days (i) after receipt of signed Schedule(s) to procure and make available any equipment identified as Hardout, and (ii) from the commencement of the term of this Agreement to develop and implement any system(s), including, without limitation, satellite and ACD systems, for which information, approvals or other assistance from Customer are required.

##### 4. LIMITATION OF DAMAGES

Under no circumstances shall Agility be liable for special, exemplary or consequential damages (including, but not limited to, lost profits, loss of business or other economic loss) in connection with the services to be rendered under this Agreement. Agility shall not be responsible for any application or the results obtained from the use of any computer programs or for results (foreseen or unforeseen) obtained by the Customer in the use of such programs.

Agility shall have no liability for damages resulting from personal injury, or property damage except to the extent such injury or damages directly result from the gross negligence or wilful misconduct of an employee of Agility.

**EXCEPT FOR THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND AS SPECIFICALLY STATED IN THIS AGREEMENT, AGILITY MAKES NO REPRESENTATIONS OR WARRANTIES EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION IN RESPECT OF MERCHANTABILITY**

##### 5. FORCE MAJEURE

To the extent and for the period of time that Agility is delayed or prevented from performing any obligation under this Agreement because of circumstances beyond reasonable control, including but not limited to acts of God, acts of terrorism that would prevent or delay delivery, civil or military authority and severe inclement weather, such performance shall be excused. Agility is required and expected to use commercially-reasonable efforts to restore and provide contracted services under this Agreement as soon as it is feasible after an event has impacted Agility's ability to service the Customer. Agility shall provide Customer with reasonable notice of the onset and removal of any force majeure event, provided Agility discovers or is made aware of the event.

## 6. TERMINATION

The Customer may, upon ninety (90) days written notice to Agility terminate this Agreement, Schedule A and any other schedules then agreed to between the parties for the Customer's convenience, after the initial 12 (twelve) month term of the agreement.

In the event Agility or Customer breaches or defaults in the performance of its duties and obligations under the terms of this Agreement or any Schedule(s), and the breach or default is not be cured within seven (7) days after written notice identifying the breach or default, then the non-breaching party may terminate this Agreement by delivering a written notice of termination.

In the event the breach or default concerns Customer's payment obligations, and the breach or default is not be cured within 30 (thirty) days after written notice from Agility, then Agility may terminate this Agreement by delivering a written notice of termination.

Notwithstanding anything herein to the contrary, in the event that Agility fails to deliver services as described, Agility shall pay Member, as liquidated damages, the total value of all subscription fees paid by Member for the previous 12 (twelve) months and Member shall be entitled to end the term of this Agreement without penalty.

If Agility effects any change to the Recovery System(s) which adversely affects the Customer to the extent that, in the Customer's reasonable judgement after subsequent Testing, it cannot use the resulting configuration for the purposes of its business continuity plan, the Customer may give written notice to Agility of its intent to terminate this Agreement, together with sufficient documentation of the Customer's inability to use the configuration. If Agility fails to cure the failure described therein to Customer's satisfaction within 90 (ninety) days after it's receipt of Customer's notice, then the Customer may terminate the Agreement retroactive to the date of the Customer's notice and Agility will refund the prorated portion of any fees paid.

## 7. ASSIGNMENT

This Agreement may be assigned by Agility in conjunction with a sale of all or substantially all of the assets of the assigning party. Agility will notify Customer of any such assignment. Customer may, with or without cause and for any reason, terminate this Agreement within 30 (thirty) days of receiving notice of the assignment. Assignment of this agreement for any other reason by either party will need prior written agreement which shall not be unreasonably withheld. No assignment shall relieve either party of its obligations hereunder with respect to payments due prior to the assignment. This Agreement shall be binding upon the parties' respective successors and assigns. A party has the option to terminate this agreement upon notification of assignment and said assignment creates a conflict.

## 8. INDEMNIFICATION

Agility agrees to defend, indemnify and hold Customer and its Affiliates, and the officers, directors, employees, agents, affiliates, successors and assigns of both, harmless from and against any and all claims, demands, actions, liabilities, damages, or expenses (including reasonable attorneys' fees) arising out of or relating to: (a) Agility's or its Subcontractor's negligent performance of the Services; (b) a defect in any Work Product; (c) any breach by Agility or a Subcontractor of any of the agreements made by Agility or a Subcontractor under this Agreement; (d) any personal injury (including death) or property damage occurring wholly or in part due to acts or omissions to act by Agility or a Subcontractor or any person directly or indirectly employed by Agility or a Subcontractor in connection with the Services; or (e) any improper disclosure of Customer Information resulting from an act or omission to act by Agility or its Subcontractor and/or Agility's or its Subcontractor's breach of this Agreement. Customer agrees to give Agility prompt notice of any such claim, demand, or action and shall, to the extent Customer is not adversely affected, cooperate fully with Agility in the defense and settlement thereof. Agility shall not be liable for any settlement amount unless approved in writing by Agility.

## 9. INSURANCE

At its own expense Agility will maintain the following types and minimum amounts of insurance:

1. Commercial General Liability
  - a. \$1,000,000 per occurrence
  - b. \$2,000,000 general aggregate
  - c. \$2,000,000 products/completed operations aggregate
2. Workers Compensation per applicable state law(s) and Employers Liability
  - a. \$1,000,000 each accident
  - b. \$1,000,000 disease, each employee
  - c. \$1,000,000 disease policy limit
3. Commercial Umbrella Liability
  - a. \$2,000,000 each occurrence
  - b. \$10,000,000 aggregate

All insurance companies must be licensed or approved in the state(s) where the services are being performed and must maintain an A.M. Best rating of at least A-.

## 10. MISCELLANEOUS

### 10.1 Jurisdiction; Modifications; Entire Agreement; Headings; Governing Law.

This Agreement, which includes all Schedule(s), contains the entire understanding of the parties and there are no promises, covenants or undertakings other than those expressly set forth herein. This Agreement, together with any Schedule(s) attached hereto, contains the entire understanding of the parties relating to the subject matter contained herein and therein and supersedes all prior agreements and understandings relating to the subject matter hereof, including without limitation, any proposals or RFP's between the Customer and Agility.

This Agreement cannot be changed or terminated orally. This Agreement may not be modified or amended except by a written document signed by authorized representatives of both parties.

Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

This Agreement shall be governed and construed in all respects by the laws of the State of California, without regard to conflicts of law provisions

Any action, suit or proceeding arising out of or under or in connection with this Agreement, whether brought for equitable relief or money damages, shall be brought in either state or federal court in Los Angeles County, California and no other forum. The Parties irrevocably and unconditionally submit to the exclusive jurisdiction and venue of such courts and agree to take any and all future action necessary to submit to the jurisdiction of such courts. The Parties irrevocably waive any objection they have to the venue of any suit, action or proceeding brought in any such court.

### 10.2 Order of Precedence

In the event of a conflict between the Master Recovery Services Agreement and a Schedule, the Schedule will have precedence.

### 10.3 Notices

All notices in connection with this Agreement will be deemed given: (a) three (3) days after they are deposited in the U.S. mails, postage prepaid, certified or registered, return receipt requested; (b) one (1) days after they are sent by air express courier, charges prepaid, (c) on the date sent by facsimile (with confirmation of transmission); (d) when received by the addressee if sent by a nationally recognized courier from outside the US (receipt requested), in each case to the address set forth above or to such other address as the party to receive the notice or request so designates by written notice to the other.

**10.4. Use of Customer Name**

Neither party shall, except as required by applicable Law or as otherwise agreed to by the other party in writing: (a) use in advertising, publicity or otherwise, the name, trade name, trademark, service mark, or logo of the other party; (b) represent, directly or indirectly, that any product or any service provided by one party has been approved or endorsed by the other party; or (c) make any information concerning this Agreement or Schedules public or available to third parties except as required by applicable Law or regulatory requirement.

**10.5. Non-Solicitation**

**Non-Solicitation of Employees.** So long as Agility shall be rendering Services to Customer under any Schedule, and for a period of twelve (12) months after Agility ceases to provide Services to Customer for any reason whatsoever, Agility shall not, directly or indirectly, recruit, solicit or hire any employee of Customer or its affiliates, or induce or attempt to induce any employee of Customer or its affiliates to terminate his or her employment with, or otherwise cease his or her relationship with, Customer or any such affiliate.

**10.6. Data Use, Restrictions and Security.**

Agility does not have any right in the course of providing Services to (a) access Customer networks (including without limitation, by way of data feed from or to Customer via the Internet) or facilities; (b) access or use any personal data of Customer employees other than in the normal course of providing the Services; (c) access or use any personal data of Customer customers; or (d) access or use any Customer sensitive business information. In the event that Agility gains access to any of the foregoing data/information, Agility shall not review, use, process, disclose or otherwise handle the data/information and such review, use, processing, disclosure or handling shall constitute a material breach of this Agreement. In the event that Agility gains access to any of the foregoing data/information, Agility shall immediately notify Customer of that fact.

Agility shall not utilize any information made available to it by reason of this Agreement for pecuniary gain not contemplated by the terms of this Agreement, regardless of whether Agility is or is not under contract at the time such gain is realized.

**11 COMPLIANCE WITH CUSTOMER POLICIES.**

**11.1 Laws Defined.** As may be used in this Agreement, "Laws" mean all US and non-US federal, state, provincial and local law, rules and regulations; and the term "applicable law" mean all Laws applicable to Agility's performance and or delivery of Recovery Services as noted in any Schedule. Agility represents and warrants that its performance and or delivery of Recovery Services does and will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations.

**11.2 Other Policies.** Agility shall comply, subject to applicable Law, with all additional Customer policies that the parties agree in the Schedule or applicable documentation.

**11.3 Updates to Policies.** Notwithstanding anything in this Agreement to the contrary, and subject to applicable Law, Customer may, at any time and in its sole discretion, update, amend or supersede any Customer Policy attached hereto or incorporated into this Agreement by reference, provided Customer notifies Agility in writing. If any updated, revised or replacement policy would require Agility to provide materially new services or additional resources under any then-current Schedule or incur any additional costs or expenses in connection therewith, the parties shall confer in good faith to address this situation.

**11.4 Confidential Information.**

**11.4.1 Confidential Information.** Agility shall treat as confidential any information made available to it by reason of this Agreement ("Confidential Information"). Such information includes, but is not limited to, data and information relating to the operations of Customer. Agility will not release or disclose any such information without the express approval of Customer. Confidential Information does not include any information that Agility is able to prove by documents or other competent evidence: (a) was or becomes publicly known and generally available in the public

domain prior to or after the time of disclosure; (b) was in its possession at the time of disclosure; (c) is obtained by Agility from a third party without a breach of such third party's obligations of confidentiality; or (d) is independently developed by Agility without use of or reference to the Confidential Information.

**11.4.2 Duty to Maintain Confidentiality.** Agility shall protect Customer's Confidential Information against unauthorized use or disclosure using at least those measures that it takes to protect its own Confidential Information of a similar nature, but no less than reasonable care, and shall not use or disclose the Confidential Information for any purpose except in connection with its performance of this Agreement.

**11.4.3 Use and Disclosure.** Notwithstanding the foregoing, Agility may disclose Confidential Information to its directors, officers, employees and agents who have a bona fide need to know to such information in order perform the Services, administer this Agreement, Schedule or any Statement of Work and/or manage the relationship between the parties; provided, however, each person to whom such Confidential Information is disclosed is subject to confidentiality obligations comparable in scope to those herein, and Agility shall be liable for any breach of confidentiality by any such person.

**11.4.4 Duration of Confidentiality Obligation.** The obligations of this Section 11.4 shall be continuing and binding until the earlier of: (a) three (3) years from the date Agility receives the Confidential Information; or (b) the date on which the Confidential Information is no longer confidential other than by a breach of this Agreement; provided; however, protection of trade secrets shall extend for as long as the relevant information qualifies as a trade secret under applicable Law. Absent written consent of Customer ~~the~~, the burden of proving that Confidential Information is no longer confidential or a trade secret shall be with Agility.

**11.4.5 Ownership of Confidential Information.** Agility acknowledges that all Confidential Information it receives from Customer, including all copies thereof in its possession or control, in any media, is proprietary to and exclusively owned by Customer, and nothing in this Agreement grants Agility any right, title or interest in or to any of Customer's Confidential Information. Agility's incorporation of the Disclosing Party's Confidential Information into any of its own Property shall not render Confidential Information non-confidential.

**11.4.6 Third Party Rights.** Customer represents that it may lawfully disclose its Confidential Information to Agility, and that such disclosure will not infringe, misappropriate or otherwise constitute an improper disclosure of a third party's trade secrets or confidential information.

**11.4.7 Return of Confidential Information.** Upon termination of this Agreement, Schedule or any Statement of Work for any reason or Customer's earlier written request, Agility promptly shall use commercially reasonable efforts to: (a) return to Customer or destroy all tangible Confidential Information of Customer in its possession or control; and (b) delete all electronic copies of the Customer's Confidential Information residing on the Agility's computers and other electronic storage devices; provided, however, Agility shall have the right, subject to its continuing confidentiality obligations, to retain copies of the Customer Confidential Information as required by applicable Law or regulatory requirement.

**11.4.8 Compelled Disclosure.** Should Agility be compelled by court decree, subpoena or other legal or regulatory requirement to disclose any of Customer's Confidential Information, it shall promptly notify Customer in writing, unless prohibited from doing so, and use reasonable good faith efforts to: (a) disclose only the specific Confidential Information required to be disclosed; and (b) assist Customer (if and to the extent requested by Customer) in obtaining a protective order or other appropriate assurances that the confidential nature of the Confidential Information shall be protected and preserved.

**11.4.9 Remedies.** Agility acknowledges that any actual or threatened violation of this Section 11 may cause irreparable, non-monetary injury to Customer the extent of which may be difficult to ascertain, and therefore agrees that Customer shall be entitled to seek injunctive relief in addition to all other remedies available at law and/or in equity.

**E. CONTACT INFORMATION**

Company Name:	Agility Recovery Solutions, Inc.	Customer Name:	CSURMA
Address:	2101 Rexford RD Suite 350E Charlotte, NC 28211 U.S.A.	Address:	
Attention:	Paul Sullivan	Attention:	
Telephone:	704-927-7926	Telephone :	
Fax:	704-341-9099	Fax :	
Email:	<u><a href="mailto:Paul.Sullivan@agilityrecovery.com">Paul.Sullivan@agilityrecovery.com</a></u>	Email:	
Mobile	704-299-8156	Mobile:	

**SCHEDULE A**

As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)

**Summary of Fees and Term**

Schedule Term:	12-MONTHS
Schedule Commencement Date:	July 1, 2015
Schedule End Date:	June 30, 2016
Total Monthly Subscription Fees:	\$5,990.00

Invoices will be sent to Customer at:

Customer Name: CSURMA  
Address:

Attention:  
Telephone:  
Email:

By the signatures of their duly authorized representatives below, Agility and the Customer, intending to be legally bound, agree to all of the provisions of the Master Recovery Services Agreement including this schedule.

Agility Recovery Solutions, Inc.  
▼

CSURMA

---

Customer  
*ROBERT LIPPON, SECRETARY - AUDITOR*

---

Contact/Title  
*Robert Lippon*

---

Signature  
*Robert Lippon*

---

Date Signed  
*6/15/15*

Bryan Bristow  
Agility Representative

---

Signature  
*Bryan Bristow*

---

Accepted and Approved By  
*PAUL SULLIVAN VP of G.M.*

---

Date Signed  
*JUNE 12, 2015*

**SCHEDULE A**

As per the Master Recovery Services Agreement  
 California State University Risk Management Authority (CSURMA)

**1. Summary of Services**

Upon signing this Schedule, should your pool Member experience an interruption, Agility will provide the resources necessary to rescue their business providing the following capabilities:

<b>SPACE</b>	Office space with desks and chairs
<b>POWER</b>	Emergency generator for your office
<b>COMMUNICATION</b>	Telephone and Internet access
<b>COMPUTER SYSTEM</b>	Computers, printer(s) and fax machine(s)

With this Agreement Agility will work with each of the pool Members to develop a customized recovery plan via MyAgility, our secure online planning portal. The functionality of MyAgility portal will include:

<b>PREPAREDNESS PLAN</b>	Build an implementation plan, access via any web browser, develop a communications strategy
<b>ALERT NOTIFICATION SYSTEM</b>	Send text and email messages to employees and vendors
<b>DOCUMENT MANAGEMENT SYSTEM</b>	Store critical business documents
<b>ASSET MANAGEMENT TOOL</b>	Document and manage assets

**TO DECLARE A DISASTER OR PUT AGILITY ON ALERT, CUSTOMER AND/OR CSURMA CAN CALL AGILITY'S 24-HOUR RECOVERY HOTLINE: 877-364-9393  
 ALTERNATES: 888-242-3740 OR 866-894-3336.**

**2. Mobile Recovery Equipment Chart**

**2.1 Facility**

- Mobile Unit(s) as required
  - Wired for voice and data
  - 10/100/1000TX access layer switch for LAN connectivity
  - HVAC
  - Diesel generator(s)
  - 200 ft. Gb Fibre Connectivity between mobile units and/or hitching post.

**2.2 Mobile Requirements**

Total Number of Seats: 48 including

- User Seats: up to 48
  - Intel Based PC's
    - Dual-core Processor
    - 4 GB of Memory
    - 120 GB of Hard Disk
    - DVD-ROM Drive
    - 10/100/1000 Ethernet Adapter
    - Keyboard, Monitor & Mouse
  - Table, chair and phone

**SCHEDULE A****As per the Master Recovery Services Agreement****California State University Risk Management Authority (CSURMA)****2.3 Network Connectivity**

- 512/256 kbps of Satellite bandwidth to Teleport facility.
  - Internet access
  - VPN connectivity from teleport to Customer site.
- Up to 10 simultaneous voice services total will be support over satellite:
  - Up to 48 Desktop phones
- 4G/LTE Solution for Data:
  - As part of the recovery solution Agility will provide a CradlePoint Router with a 4G/LTE stick from one of AT&T, Verizon or Sprint, based on coverage available.
  - Speed range from 5 to 40 Mbps down and 2 to 5 Mbps up.
  - Data usage fee of \$15.00 per GB will apply.

**Note:** Network engineering and/or set up fees of voice and/or ACD/IVR charges will apply, based on the complexity of the required recovery environment.

**3. Covered Location(s)**

**Customer has put in place with Agility, coverage for 114 CSURMA locations, which will be identified in a duly executed Addendum, which must be put in place no later than 30 (thirty) days after execution of this Schedule.**

**Agility will provide recovery services to a maximum of ten (10) CSURMA covered location(s), at any one time. Customer is responsible for managing the declaration process and identifying which locations are allowed to declare and Agility will inform CSURMA when they have reached their limit for simultaneous recoveries.**

SCHEDULE A

As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)

Summary of Fees and Term

Schedule Term:	12-MONTHS
Schedule Commencement Date:	July 1, 2016
Schedule End Date:	June 30, 2017
This Schedule A, supersedes Schedule A dated:	July 1, 2015
Total Monthly Subscription Fees:	\$5,990.00

Invoices will be sent to Customer at:

Customer Name: CSURMA  
Address:

Attention:  
Telephone:  
Email:

By the signatures of their duly authorized representatives below, Agility and the Customer, intending to be legally bound, agree to all of the provisions of the Master Recovery Services Agreement including this schedule.

Agility Recovery Solutions, Inc.



Customer CSURMA  
 Contact/TITLE Zachary Gifford - Secretary Auditor  
 Signature [Handwritten Signature]  
 Date Signed 6/29/16

Bryan Bristow Josh Smith  
 Agility Representative  
 Signature [Handwritten Signature]  
 Accepted and Approved By PAUL SULLIVAN  
 Date Signed JULY 1 / 16

This contract has been reviewed and approved by the CSURMA Legal Counsel.

[Handwritten Signature]  
 William Hsu, CSURMA Legal Counsel

6/23/2016  
 Date

**SCHEDULE A**

As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)

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Total Number of Seats: 48 including

- User Seats: up to 48
  - Intel Based PC's
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    - DVD-ROM Drive
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**SCHEDULE A**

As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)

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  - Internet access
  - VPN connectivity from teleport to Customer site.
- Up to 10 simultaneous voice services total will be support over satellite:
  - Up to 48 Desktop phones
- 4G/LTE Solution for Data:
  - As part of the recovery solution Agility will provide a CradlePoint Router with a 4G/LTE stick from one of AT&T, Verizon or Sprint, based on coverage available.
  - Speed range from 5 to 40 Mbps down and 2 to 5 Mbps up.
  - Data usage fee of \$15.00 per GB will apply.

**Note:** Network engineering and/or set up fees of voice and/or ACD/IVR charges will apply, based on the complexity of the required recovery environment.

**3. Covered Location(s)**

Customer has put in place with Agility, coverage for 114 CSURMA locations, which will be identified in a duly executed Addendum, which must be put in place no later than 30 (thirty) days after execution of this Schedule.

Agility will provide recovery services to a maximum of ten (10) CSURMA covered location(s), at any one time. Customer is responsible for managing the declaration process and identifying which locations are allowed to declare and Agility will inform CSURMA when they have reached their limit for simultaneous recoveries.

**SCHEDULE A**

As per the Master Recovery Services Agreement  
 California State University Risk Management Authority (CSURMA)

**4. Terms & Conditions**

**4.1 Technology**

- In the event of a disaster, there will be no daily usage fee for the first sixty (60) days. Day sixty-one (61) and each day thereafter, a daily usage fee as noted in the chart below will apply.
- The daily test fee per unit is noted in the chart below, Customer is responsible for all shipping costs related to the test.

Equipment	Daily Test/Usage	Equipment	Daily Test/Usage
Desktop PC	\$2.00	Printer/Fax Machine	\$2.00
Router	\$25.00	Switch	\$10.00

**4.2 Mobile**

- In the event of a disaster, there will be no daily usage charge for the first 60 (sixty) days. Day 61 (sixty-one) and each day thereafter, a daily usage fee will apply per mobile recovery unit.
- Customer may allow its individual pool Members to test the recovery solution, and a onetime test event fee will apply per pool Member's test event.

**4.3 Other**

- All equipment provided will be equivalent or better, unless otherwise identified.
- For a QuickShip test Customer may allow its individual pool Members to test the recovery solution, a onetime test event fee applies per pool Member test event.
- All pricing is based on a firm term contract.
- Pricing and Terms & Conditions are valid for forty-five (45)-DAYS

**SCHEDULE A**

As per the Master Recovery Services Agreement  
California State University Risk Management Authority (CSURMA)

**Summary of Fees and Term**

Schedule Term:	12-MONTHS
Schedule Commencement Date:	July 1, 2017
Schedule End Date:	June 30, 2018
This Schedule A, supersedes Schedule A dated:	July 1, 2016
Total Monthly Subscription Fees:	\$6,589.00

Invoices will be sent to Customer at:

Customer Name: CSURMA  
Address: 100 Pine Street 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101

Attention: Robert Leong  
Telephone: 415-403-1441  
Email: rleong@alliant.com

By the signatures of their duly authorized representatives below, Agility and the Customer, intending to be legally bound, agree to all of the provisions of the Master Recovery Services Agreement including this schedule.

Agility Recovery Solutions, Inc.



Erin Mitchell

Agility Representative

Signature

Accepted and Approved By

Date Signed

CSURMA

Customer


Contact/Title

Signature

Date Signed

This contract has been reviewed and approved by CSURMA legal counsel.

  
William Hsu - CSURMA Legal Counsel

  
Date 4/27/2017

**Agility Recovery - Member Access Report**

<b>ID</b>	<b>Account Name</b>	<b>Email</b>	<b>Name</b>	<b>Date</b>
15544	CSU FRESNO	lisak@csufresno.edu	lisa kao	
15545	CSU INSTITUTE	akim@calstate.edu	alice kim	
15546	CSU STANISLAUS	msimao@csustan.edu	Malinda Simao	
15547	CSU STANISLAUS	lmascorro1@csustan.edu	Laura Rodriguez-Mascorro	
15548	CSU CHICO	methorpe@csuchico.edu	mike thorpe	4/3/2017 0:00
15549	CSU HUMBOLDT STATE UNIVERSITY	cade.webb@humboldt.edu	Cade Webb	
15550	CSU STANISLAUS	althomas@csustan.edu	Amy Thomas	
15551	CSU NORTHRIDGE	daniela.cross@csun.edu	Daniela Cross	
15552	CSURMA	rleong@alliant.com	robert leong	
15553	CSU MONTEREY BAY	lreed@csumb.edu	lenore reed	
15554	CSU DOMINGUEZ HILLS	jwood@csudh.edu	jeff wood	
15555	CSU SAN FRAN STATE UNIV FOUND	venesia@sfsu.edu	venesia thompson	
15556	CSU SAN JOSE ST UNIV RES FOUND	norma.rossiter@sjsu.edu	norma rossiter	
15557	CSU EAST BAY	nyassa.love@csueastbay.edu	nyassa love	
15558	CSU SAN MARCOS FOUNDATION	nhoss@csusm.edu	neal hoss	
15559	CSU POLYTECHNIC UNIV POMONA	cmculla@cpp.edu	cora culla	
15560	CSU LOS ANGELES UNIV AUX SVCS	asahag@cslanet.calstatela.edu	alma sahadun	
15561	CSU SDSU ASSOCIATED STUDENTS	raven.tyson@sdsu.edu	raven tyson	
15562	CSU SANTOS MANUEL STUDENT UNIO	aburgess@csusb.edu	aaron burgess	
15563	CSU SACRAMENTO UNIV ENT	craig.barth@csus.edu	craig barth	
15564	CSU BAKERSFIELD STUDENT UNION	ecallahan@csub.edu	emile callahan	
15565	CSU BAKERSFIELD FOUNDATION	kgarcia@csub.edu	kellie garcia	
15566	CSU BAKERSFIELD AUX PROG ADMIN	twilliams@csub.edu	tina williams	
15567	CSU MARITIME ACADEMY	vdhillon@csum.edu	vineeta dhillon	
15568	CSU LONG BEACH	felissa.waynick@csulb.edu	felissa waynick	
15569	CSU FULLERTON	mcoughlin@fullerton.edu	michael coughlin	
15570	CSU CHANNEL ISLANDS	katharine.hullinger@csuci.edu	katharine hullinger	
15571	CSU BAKERSFIELD	tridley1@csub.edu	tim ridley	
15572	CSU HUMBOLDT STATE UNIVERSITY	willie.bence@humboldt.edu	Willie Bence	
15573	CSU HUMBOLDT STATE UNIVERSITY	josh.callahan@humboldt.edu	Josh Callahan	
15574	CSU HUMBOLDT STATE UNIVERSITY	rachael.gipson@humboldt.edu	Rachael Gipson	4/3/2017 0:00
15574	CSU HUMBOLDT STATE UNIVERSITY	rachael.gipson@humboldt.edu	Rachael Gipson	5/25/2017 0:00
15574	CSU HUMBOLDT STATE UNIVERSITY	rachael.gipson@humboldt.edu	Rachael Gipson	6/27/2017 0:00
15574	CSU HUMBOLDT STATE UNIVERSITY	rachael.gipson@humboldt.edu	Rachael Gipson	7/3/2017 0:00

### Agility Recovery - Member Access Report

ID	Account Name	Email	Name	Date
15574	CSU HUMBOLDT STATE UNIVERSITY	rachael.gipson@humboldt.edu	Rachael Gipson	7/7/2017 0:00
15574	CSU HUMBOLDT STATE UNIVERSITY	rachael.gipson@humboldt.edu	Rachael Gipson	7/25/2017 0:00
15575	CSU HUMBOLDT STATE UNIVERSITY	kim.comet@humboldt.edu	Kim Comet	
15808	CSU POLYTECHNIC UNIV POMONA	vjeberle@cpp.edu	Valerie Eberle	4/5/2017 0:00
15810	CSU POLYTECHNIC UNIV POMONA	wjfields@cpp.edu	Whitney Fields	4/5/2017 0:00
15810	CSU POLYTECHNIC UNIV POMONA	wjfields@cpp.edu	Whitney Fields	6/7/2017 0:00
15811	CSU POLYTECHNIC UNIV POMONA	email	bfg	
15812	CSU POLYTECHNIC UNIV POMONA	mjdesalvio@cpp.edu	Michael DeSalvio	4/5/2017 0:00
19760	CSU MONTEREY BAY UNIV CORP	abagchess@csumb.edu	allison bagchee	
19761	CSU FULLERTON AUX SVCS CORP	tmarji@fullerton.edu	tariq marji	
19762	CSU SAN BERNARDINO	dburns@csusb.edu	debbie burns	
19763	CSU NORTHRIDGE UNIV STUDENT UN	joe.illuminate@csun.edu	Joseph Illuminate	
19764	CSU FULLERTON PHILAN FOUND	tgarcia@fullerton.edu	tara garcia	
19765	CSU DOMINGUEZ HILL FOUNDATION	rdstatham@csudh.edu	russel statham	
19766	CSU FRESNO FOUNDATION	Jimm@bccsoftware.com	Jim Mann	
19767	CSU NORTHRIDGE ASSOC STUDENT	danisha.lawrence@csun.edu	danisha lawrence	
19768	CSU LONG BEACH ASSOC STUDENTS	marfi.barnes@csulb.edu	marfi barnes	
19769	CSU SAN DIEGO STATE UNIVERSITY	ndemich@mail.sdsu.edu	nancy demich	
19770	CSU SAN FRANCISCO STATE UNIV	mbeatty@sfsu.edu	Michael Beatty	
19771	CSU SAN JOSE STATE UNIV	mark.loftus@sjsu.edu	mark loftus	
19772	CSU CAL POLY SAN LUIS OBISPO	dzachmey@calpoly.edu	dru zachmeyer	
19773	CSU SAN MARCOS	rfrasca@csusm.edu	regina frasca	
19774	CSU SONOMA STATE UNIVERSITY	missy.brunetta@sonoma.edu	Missy Brunetta	
19775	CSU OFFICE OF THE CHANCELLOR	zgifford@calstate.edu	zachary gifford	
19776	CSU SACRAMENTO	kirtland@csus.edu	kirtland stout	
19777	CSU CAL POLY POMONA	vjeberle@cpp.edu	Valerie Eberle	
19778	CSU NORTHRIDGE UNIV STUDENT UN	scott.schorn@csun.edu	Scott Schorn	
19779	CSU SAN BERNARDINO	jody.vanleuven@csusb.edu	Jody Van Leuven	
19780	CSU SONOMA STATE UNIVERSITY	emergency@sonoma.edu	General User	
19781	CSU HUMBOLDT STATE UNIV SPF	Steven.Karp@humboldt.edu	steven karp	
19782	CSU HUMBOLDT STATE UNIVERSITY	marykay.hartman@humboldt.edu	mary kay hartman	
19783	DONALD P & KATHERINE B LOKER	cortiz@csudh.edu	cecilia ortiz	
19784	CSU DOMINGUEZ HILLS ASSOC STUD	rshakoor@csudh.edu	rasheedah shakoor	
19785	CSU SAN FRAN STATE UNIV CORP	angstman@sfsu.edu	mark angstman	

**Agility Recovery - Member Access Report**

<b>ID</b>	<b>Account Name</b>	<b>Email</b>	<b>Name</b>	<b>Date</b>
19786	CSU SAN FRAN STATE ASSOC STUD	abarnes@asi.sfsu.edu	aimee barnes	
19787	CSU SONOMA ST UNIV ASSOC STUD	erik.dickson@sonoma.edu	erik dickson	
19788	CSU SONOMA ST UNIV ACAD FOUND	Ian.Hannah@sonoma.edu	ian hannah	
19789	CSU SONOMA ST ENTERPRISES INC	neil.markley@sonoma.edu	neil markley	
19790	CSU NORTHRIDGE UNIV STUDENT UN	debra.hammond@csun.edu	debra hammond	
19791	CSU NORTHRIDGE FOUNDATION	ira.unterman@csun.edu	ira unterman	
19792	CSU NORTH CAMPUS UNIV PARK DEV	john.s.griffin@csun.edu	john griffin	
19793	CSU FRESNO FOUNDATION	nicolel@csufresno.edu	nicole lane	
19794	CSU FRESNO ASSOC STUDENTS	ktuckness@csufresno.edu	kate tuckness	
19795	CSU SAN JOSE ST STUDENT UNION	Mary.Lewis@sjsu.edu	mary lewis	
19796	CSU SAN MARCOS ASSOC STUDENTS	rdandrea@csusm.edu	rodger d'andreas	
19797	CSU CAL POLY POMONA FOUNDATION	dfprenovost@cpp.edu	david prenovost	
19798	CSU FOUNDATION	amoore@calstate.edu	aaron moore	
19799	CSU SAN MARCOS UNIV CORP	kclark@csusm.edu	kim clark	
19800	CSU UNIV AUX AND RESEARCH SVCS	mhinojos@csusm.edu	michelle hinojosa	
19801	CSU UNIV GLEN CORP CHANNEL ISL	erik.blaine@csuci.edu	erik blaine	
19802	CSU LOS ANGELES FOUNDATION	jdial@calstatela.edu	janet s dial	
19803	CSU LA UNIV STUDENT UNION BRD	rtran@cslanet.calstatela.edu	rowena tran	
19804	CSU LA ASSOCIATED STUDENTS	iweser@cslanet.calstatela.edu	intef weser	
19805	CSU SDSU AZTEC SHOPS	gayle.fernandez@darth.sdsu.edu	gayle fernandez	
19806	CSU SDSU RESEARCH FOUNDATION	mcoil@foundation.sdsu.edu	melinda coil	
19807	CSU FRESNO ATHLETIC CORP	cstovall@csufresno.edu	chanel stovall	
19808	CSU SAN BERNARDINO ASSOC STUD	cbates@csusb.edu	cathy bates	
19809	CSU SB UNIVERSITY ENT CORP	ivaldez@csusb.edu	ingrid valdez	
19810	CSU SB PHILANTHROPIC FOUND	rfremont@csusb.edu	ron fremont	
19811	CSU SACRAMENTO ASSOC STUDENTS	gennifer@csus.edu	gennifer gonzalez	
19812	CSU SACRAMENTO UNIV UNION OPS	leslied@csus.edu	leslie davis	
19813	CSU SACRAMENTO ST UNIV FOUND	vsales@csus.edu	vance sales	
19814	CSU LONG BEACH FORTY NINER SHP	robert.dewit@csulb.edu	robert de wit	
19815	CSU LONG BEACH RESEARCH FOUND	Brian.Nowlin@csulb.edu	brian nowlin	
19816	CSU LB 49ER FOUNDATION	Michael.losquadro@csulb.edu	michael losquadro	
19817	CSU SACRAMENTO CAP PUBLIC RAD	reina@csus.edu	jun reina	
19818	CSU FULLERTON ASSOC STUDENTS	daveedwards@fullerton.edu	dave edwards	
19819	CSU CHICO ASSOCIATED STUDENTS	dbuckley@csuchico.edu	david buckley	

**Agility Recovery - Member Access Report**

<b>ID</b>	<b>Account Name</b>	<b>Email</b>	<b>Name</b>	<b>Date</b>
19820	CSU CAL POLY CORPORATION	jaalves@calpoly.edu	joe alves	
19821	CSU CHICO RESEARCH FOUNDATION	cthoma@csuchico.edu	katy thoma	
19822	CSU CAL POLY ST UNIV FOUND	gtrexler@calpoly.edu	grant trexler	
19823	CSU STANISLAUS STUDENT UNION	CRumayor@csustan.edu	cesar rumayor	
19824	CSU STANISLAUS FOUNDATION	bhutton@csustan.edu	briquel hutton	
19825	CSU STANISLAUS AUX AND BUS SVC	JBenevedes@csustan.edu	julie benevedes	
19826	CSU SAN JOSE ST ASSOC STUDENTS	jennifer.montero@sjsu.edu	jennifer montero	
19827	CSU SAN JOSE ST TOWER FOUND	judy.kass@sjsu.edu	judy kass	
19828	CSU AUXILIARY ORG ASSOCIATIONS	RTJackson@csuchico.edu	richard jackson	
19829	CSU CAL POLY ST ASSOC STUDENTS	cbrizend@calpoly.edu	carol brizendine	
19830	CSU NORTHRIDGE UNIV STUDENT UN	emilio.fernandez@csun.edu	Emilio Fernandez	
19831	CSU NORTHRIDGE UNIV STUDENT UN	brent.nelson@csun.edu	Brent Nelson	
19832	CSU NORTHRIDGE UNIV STUDENT UN	agonzale@csun.edu	Alexander Gonzales	
19833	CSU LOS ANGELES	kbrady@cslanet.calstatela.edu	kevin brady	
19834	CSU HUMBOLDT ST UNIV STUDENTS	joan.tyson@humboldt.edu	joan tyson	
19835	CSU SAN MARCOS	efullerton@csusm.edu	erin fullerton	

## **AIME PROGRAMS UPDATE**

**ISSUE:** The Athletic Injury Medical Expense (AIME) program continues to address the insurance and risk management needs of its members.

The Executive Committee Liaison for AIME, will report on the activities of the AIME Committee.

**RECOMMENDATION:** This item is for information only; no action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** AIME is designed to cover medical expenses arising from injuries to student athletes while practicing or competing in inter-collegiate sports programs of the university.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **AORMA PROGRAMS UPDATE**

**ISSUE:** The Auxiliary Organizations Risk Management Alliance (AORMA) continues to address the insurance and risk management needs of its members. All Auxiliary Organizations in Good Standing purchase insurance coverage through the AORMA.

The AORMA Chair, will report on the activities of the AORMA Committee.

**RECOMMENDATION:** No action is required on this item at today's meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 86 members, and represents 100% participation.

**PUBLICATION:** None.

**ATTACHMENT(S):** None.

## **REVIEW OF CSURMA FY 2017/2018 LONG RANGE ACTION PLAN**

**ISSUE:** The Executive Committee will be asked to review the items on the FY 2017/18 Long Range Action Plan to gauge progress, re-evaluate where efforts should be focused, and to establish new goals for the next one to three years.

**RECOMMENDATION:** It is recommended that the Executive Committee review and discuss assigned responsibilities and deadlines of the Long Range Planning Goals, taking action as appropriate.

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

**BACKGROUND:** At its March, 2018 meeting, the Executive Committee adopted the CSURMA Long Range Planning Goals. The Committee will receive a report from Staff on the assigned responsibilities and timelines of the Long Range Planning Goals.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA's FY 2017/18 Long Range Action Plan

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
<b>LRP-1 SPECIAL EVENTS RESOURCE GUIDE</b>					
<b>Create a Special Events Resource Guide. Implement risk management training for special events.</b>	1	Identify and engage consultant to create Special Events Risk Management Manual and training modules.	SRM	Aug-15	Completed
	2	Consultant presents Special Event Management Project at Fitting the Pieces Together Conference	SRM	Nov-16	Completed
	3	Develop subject content for special events risk management manual.	SRM	Apr-17	Completed
	4	Oversee design and development of special events risk management manual.	SRM	Apr-17	Completed
	5	Consultant develops training module(s) for CSU LMS	SRM	Mar-18	In Process
	6	Roll out manual to all campus and auxiliary organization staff	SRM	Mar-18	In Process
	7	Post manual on the CSURMA website.	PA	Mar-18	In Process
	8	Roll out special events training on the CSU LMS.	SRM	May-18	In Process
<b>LRP-2 RMIS REPORTING</b>					
<b>Implement a Risk Management Information System and Provide Regular Reporting</b>	1	Populate Ventiv database with hierarchy structure.	PA	17-Oct	In Process
	2	Populate Ventiv database with Phase 1 policy data.	PA	17-Dec	In Process
	3	Present Phase 1 project results and recommendations for Phase 2.	SRM, PA	17-Dec	In Process
	4	Implement initial benchmarking project.	SRM, PA	18-Jan	In Process
	5	Approve Phase 2 and ongoing database maintenance plan.	EC	18-Mar	In Process
	6	Initial report to EC and BOD.	SRM, PA	18-Apr	In Process
	7	Presentation of sustainable long term benchmarking program.	SRM, PA	18-Oct	
	8	Approval of long term benchmarking project scope and costs.	EC	19-Jan	
<b>LRP-3 CAPTIVE INSURER</b>					
<b>Complete cost / benefits analysis for a captive insurance company to operate within CSURMA.</b>	1	Identify and engage consultant to evaluate CSURMA's captive utilization options.	EC, SRM, PA	Jan-16	Completed
	2	Review the Pinnacle Actuarial Resources initial evaluation of CSURMA's captive utilization options.	EC	May-16	Completed
	3	Present further evaluation to EC for direction	EC	Sep-16	Completed
	4	Report on project to EC and BOD	BOD	Nov-16	Completed
	5	Approval of the use of a captive for the legacy workers' compensation claims	EC	Mar-17	Completed
	6	Report on project to the BOD	PA	May-17	Completed
	7	Perform legal and actuarial work needed to evaluate further	SRM, PA	Feb-18	In Process
	8	Analyze captive relative to JPA & new investment flexibility	SRM, PA	Mar-18	In Process
	9	Oversee development of a captive cell	SRM, PA	May-18	
<b>LRP-4 CAMPUS VISITS</b>					
<b>Visit Campus VPs to</b>	1	Schedule meetings with all Campus VPs	PA	Aug-16	Completed

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>provide updates on CSURMA</b>	2 RPTG will meet to review risk pool rating plans	SRM, RPTG, PA	Oct-16	Completed
	4 Completion of Campus VP presentation	PA	Nov-16	Completed
	5 Completion Campus visits	SRM , PA	Mar-17	In Process
<b>LRP-5 ACCESSING AND COMMUNICATING EIA RESOURCES</b>				
<b>Provide information to the membership regarding the risk management and loss control services available through CSAC-EIA</b>	1 Report on CSAC-EIA resources to the BOD	PA	May-17	Completed
	2 Report on CSAC-EIA resources to the BOD	PA, SRM	Apr-18	In Process
<b>LRP-6 MEMBER LOAN POLICY</b>				
<b>Revise member loan policy to apply to risk management projects</b>	1 Report of Project to the BOD	PA, CO	May-17	Completed
	2 Review parameters of current loan policy	PA	Oct-17	Completed
	3 Revise Policy and Procedure No. 10 to provide a clear description of the types of risk management projects that may be approved	PA, CO	Oct-17	Completed
	4 Approve revisions to Policy and Procedure No. 10	EC	Oct-17	Completed
	5 Report on the changes to the member loan policy and the changes to Policy and Procedure No. 10 to the BOD	PA	Oct-17	Completed
<b>LRP-7 ALLOCATION OF INVESTMENTS</b>				
<b>Explore and evaluate alternate investment strategies.</b>	1 Discuss alternate investment strategies.	EC	Mar-17	Completed
	2 Review CSU's new investment flexibility with legal counsel as it pertains to CSURMA.	SRM	Mar-18	In Process
	3 Report on project to EC and BOD.	CO	Mar-18	In Process
	4 Approval of alternate investment options.	EC	Sep-18	
	5 Report on final project to BOD	PA	Oct-18	
<b>LRP-8 EARTHQUAKE COVERAGE</b>				
<b>Review and consider the purchase of Systemwide earthquake coverage with a parametric trigger</b>	1 Report on project to the BOD	PA	May-17	Completed
	2 Prepare marketing specifications for earthquake coverage with a parametric trigger	Pa	Jul-17	Completed
	3 Set-up and organize a presentation by the insurer(s) at the CO	PA	Aug-17	Completed
	4 Solicit quotations	PA	Aug-17	Completed
	5 Present coverage and premium quotation to the EC for approval (if moving forward)	PA	Sep-17	Completed

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
<b>LRP-9 RISK MANAGEMENT GRANT PROGRAM</b>					
<b>Revise the Risk Management Innovation Grant Program to apply only to projects proposed by the affinity groups</b>	1	Update the Risk Management Innovation Grant Program application and Policy and Procedure No. 21 to apply only to projects proposed by the affinity groups	PA, SRM	Apr-17	Completed
	2	Present changes to the EC for approval	PA, SRM	May-17	Completed
	3	Report on project to BOD	PA, SRM	May-17	Completed
	4	Send out a bulletin to the membership explaining the change to the risk management grant program	PA, SRM	May-17	Completed
<b>LRP-10 WORKERS' COMPENSATION PROJECTS BASED ON CWCI DATA</b>					
<b>Create risk management / loss control workers' compensation projects based on the CWCI data</b>	1	Report on project to BOD	PA, SRM	May-17	Completed
	2	Review CWCI benchmarking results and reports for the CSURMA dashboard	PA, SRM	Jul-17	Completed
	3	Identify campus / auxiliary organization outliers and suggest action to be taken	PA, SRM	Oct-17	Completed
<b>LRP-11 MARINE PROGRAM</b>					
<b>Create a marine program to cover watercraft owned by campus and auxiliary organization members</b>	1	Review and update watercraft schedule, as appropriate	PA	Nov-16	Completed
	2	Create marine program coverage specifications	PA	Nov-16	Completed
	3	Report on project to the BOD	PA	May-17	Completed
	4	Obtain coverage options, and pricing, for program and present to the EC	PA	Jun-17	Completed
	5	Present final program design	PA	Jul-17	Completed
	6	Disseminate the Marine Program information to CSURMA members	PA	Jul-17	Completed
<b>LRP-12 AUXILIARY ORGANIZATIONS EMPLOYEE BENEFITS</b>					
<b>Provide assistance and oversight to the AOA</b>	1	Report on project to the BOD Pending Completion of the AOA Benefits User Group RFP	PA	May-17	Completed
	2	Approve potential program	BOD	Oct-17	Completed
	3	Evaluate an AORMA based program	AORMA	May-18	In Process
<b>LRP-13 STUDENT HEALTH AND UC SHIP</b>					
<b>Formation of a student health program</b>	1	Report on project to the BOD	PA	May-17	In Process
<b>LRP-14 WORKERS' COMPENSATION EXPERIENCE MODIFICATION FACTOR</b>					
<b>Review and modification if appropriate the Workers'</b>	1	Appoint a task group to review the current workers' compensation experience modification	EC	Mar-17	Completed
	2	Review current calculation to address the disincentive for members to negotiate claim	SRM, PA	Mar-17	Completed

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>Compensation Experience Modification calculation</b>	3 Report on project to BOD.	BOD	May-17	Completed
	4 Meet with the task group to finalize recommendations for change.	Task Group	Jun-17	Completed
	5 Report and recommendation for change to EC	EC	Sep-17	Completed
	6 Final report on project to BOD	BOD	Oct-17	Completed

**BOD:** CSURMA Board of Directors

**CABO:** CSU Chief Administrators and Business Officers

**CO:** Chancellor's Office

**CPDC:** CO Capital Planning Design & Construction

**EC:** CSURMA Executive Committee

**OGC:** CSU Office of General Counsel

**PA:** CSURMA Program Administrator

**SRM:** CSU Systemwide Risk Management

## **RISK MANAGEMENT INFORMATION SYSTEM (VENTIV) UPDATE**

**ISSUE:** At today's meeting, the Executive Committee will receive a demonstration of the new Risk Management Information System through Ventiv.

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

**FISCAL IMPACT:** The cost of the RMIS reporting through Ventiv is included in the current budget and has been included in the FY 18/19 CSURMA budget as well.

**BACKGROUND:** The Ventiv database has been populated with CSURMA's hierarchy structure, policy data and claims data.

**PUBLICATION:** None at this point.

**ATTACHMENT(S):** None.

## **CAMPUS RISK POOLS FUNDING STATUS**

**ISSUE:** In accordance with the CSURMA's adopted funding policy for its self-funded pooling programs, Staff prepared an analysis of the pooled programs funding position relative to the actuary's projection for CSURMA's minimum funding requirements and expected cash expenditures for program administration as of December 31, 2017 projected to June 30, 2018. The Executive Committee, at its March meeting, reviews the pooled programs funding position and determines if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures.

**RECOMMENDATION:** The Executive Committee is asked to review CSURMA's pooled programs funding position as of December 31, 2017 projected to June 30, 2018, and take action or direct staff as it deems appropriate.

**FISCAL IMPACT:** Dividends (Assessments), if any, will reduce (increase) fund balances by the amount recommended by the Executive Committee in the fiscal period from which excess funds are distributed to members.

**BACKGROUND:** Prior to FY 1995/1996, the CSU Chancellor's Office paid all liability, Workers' Compensation and IDL/NDL/UI claims and related expenses. CSU funded these liabilities on a cash basis as the claims became payable. Beginning in FY 1995/1996, the campuses became accountable for these liabilities. The *Risk Pool* was developed as a funding mechanism so that campuses could share primary layer costs while simultaneously being encouraged to manage risks. Each campus' base budget was increased by a pro rata share of the systemwide budget for these liabilities.

The CSURMA (successor to the *Risk Pool*) inherited prior years' claim liabilities when it was established. The CSURMA Board of Directors adopted a policy of fully funding each year's liabilities as they are incurred. That is, campuses will pay a premium to CSURMA for each fiscal year to cover all projected costs of claims attributed to that fiscal year, even though the claims will be paid over future years.

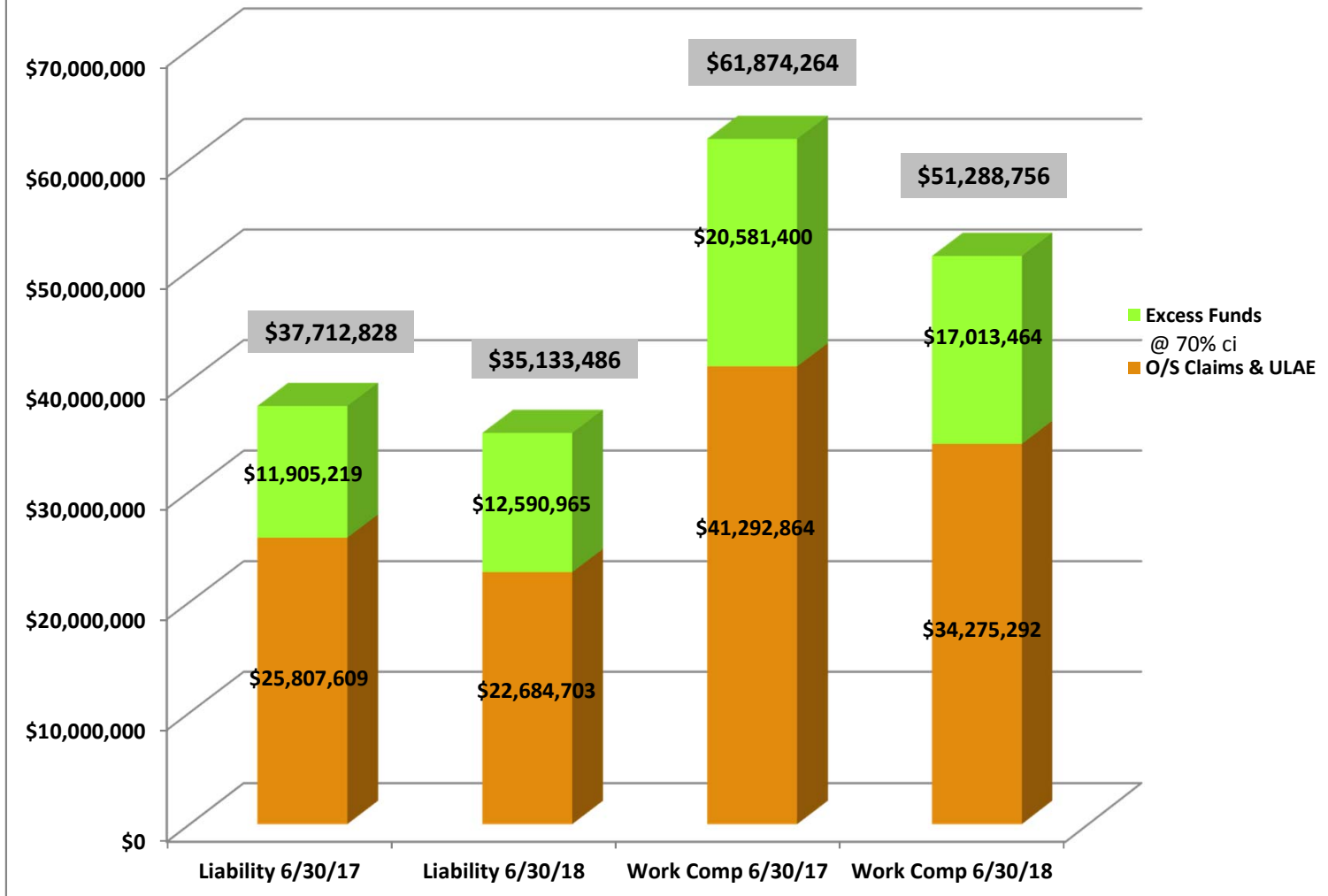
**PUBLICATION:** None.

**ATTACHMENTS:**

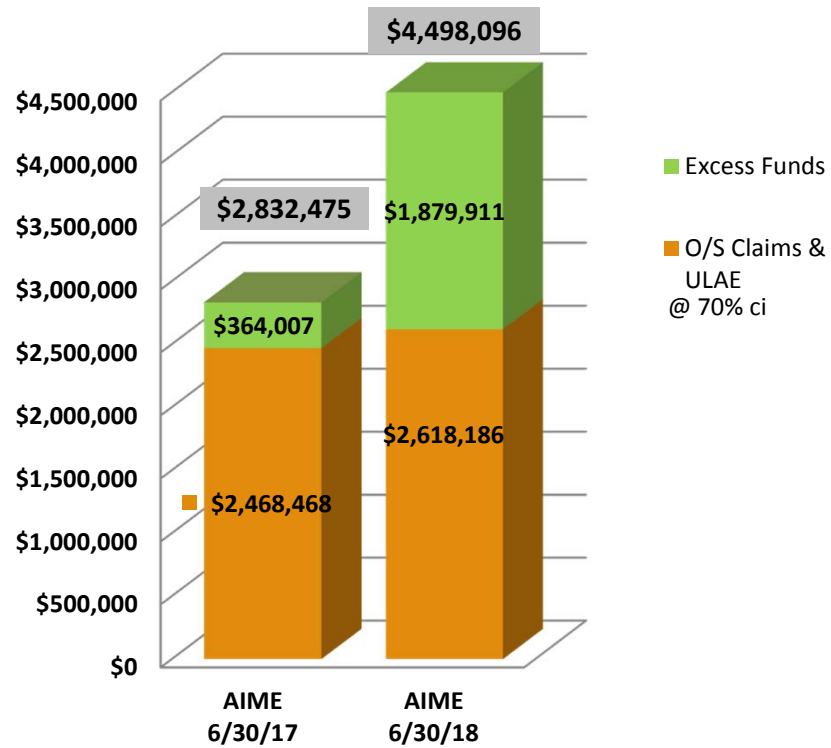
- a. Estimated Pool Funding Projected to FYE 2018
- b. CSURMA Policy & Procedure No. 7 – Self-Insured Program Funding
- c. CSURMA Actuarial Reports valued as of June 30, 2017 (*available at the meeting for reference*)

## Campus Risk Pools

Estimated Funding Projected to FYE 2018 (undiscounted)

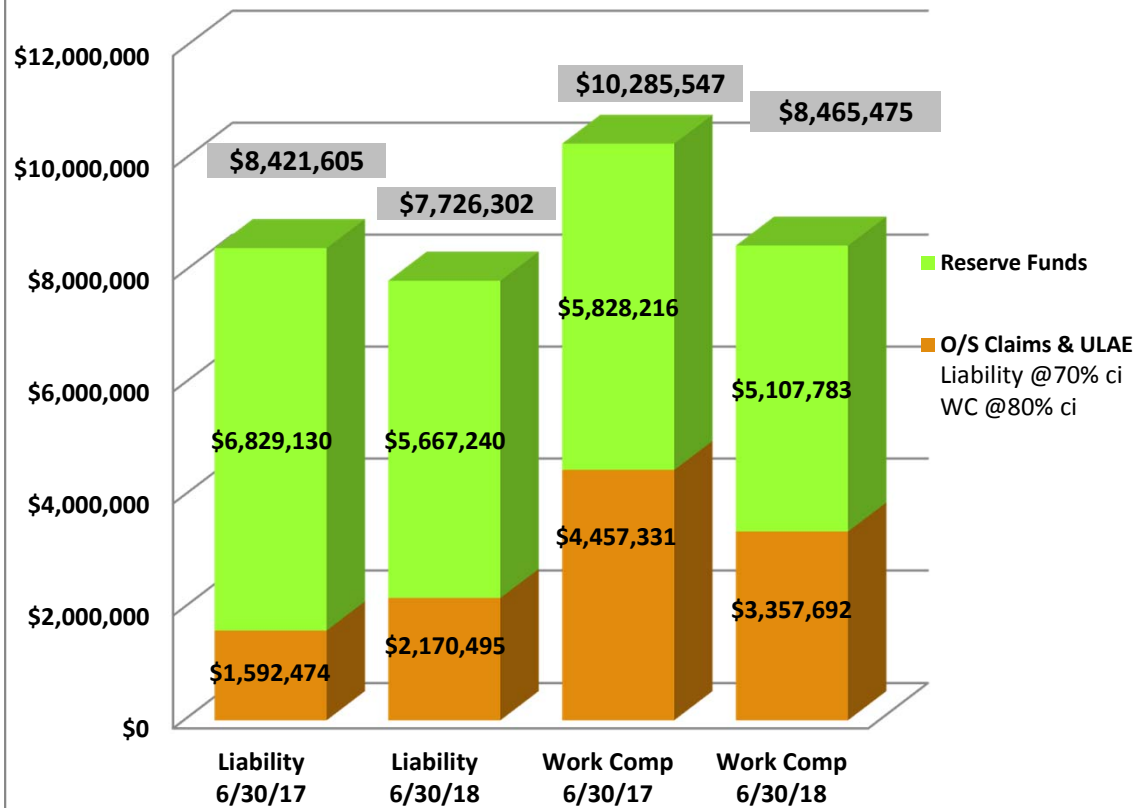


## Athletic Injury Medical Expense Estimated Funding Projected to FYE 2018 (undiscounted)



## AORMA Risk Pools

Estimated Funding Projected to FYE 2018 (undiscounted)





## **CSURMA**

## **POLICY AND PROCEDURE NO. 7**

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**EFFECTIVE:** JANUARY 1, 2000

**REVISED:** APRIL 27, 2015

**SUBJECT:** SELF-INSURED PROGRAM FUNDING

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### **ISSUE:**

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

### **POLICY STATEMENT:**

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

### **PROCEDURE:**

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. Adopted funding shall include sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.



## **CSURMA**

## **POLICY AND PROCEDURE NO. 7**

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Staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' funding status in accordance with this Policy & Procedure No. 7.

## **CSURMA CAJPA OPERATIONAL REVIEW REPORT**

**ISSUE:** At its March 10, 2017 meeting, the CSURMA Executive Committee determined that it would have a consultant perform an operational review along the lines of a California Association of Joint Powers Authorities (CAJPA) accreditation review. Robin Johnson was retained to perform the review and presented his report to the Executive Committee at its March, 2018 meeting. Staff will be present at today’s meeting to discuss the status of actions being taken in response to the report.

**RECOMMENDATION:** It is recommended that the Committee review and discuss the Operational Review Report, taking action or providing direction as appropriate.

**FISCAL IMPACT:** No additional cost is anticipated from action at today’s meeting.

**BACKGROUND:** The report preparer, Robin Johnson, is a practicing attorney in the Sacramento area who has previously worked with joint powers authorities as an administrator. He has served as Chair of the CAJPA Legislative Committee for several years and performs CAJPA accreditation reviews.

**PUBLICATION:** The report will be posted on the CSURMA website.

**ATTACHMENT(S):**

- a. CSURMA Operational Review – March 2018 *(The report will be provided at the meeting as a handout)*

**GENSOURCE CORPORATION - CAMPUS SUPPORT FOR  
ALTERNATIVE EH&S SOFTWARE PACKAGE**

**ISSUE:** CSURMA's Executive Committee has agreed to support campus implementation of the University of California's Risk and Safety Solutions (RSS) software modules, with campuses to pay for annual licensing. Sacramento State University has asked CSURMA to also consider a similar product from Gensuite. These software packages include modules that support Environmental Health and Safety activities and compliance. Some general considerations include:

- Does CSU have a systemwide strategy for this type of software solution or are campuses to effect their own solutions?
- Is there a plan for Systemwide metrics or are campuses to develop their own measurements?
- Should CSURMA support various software efforts by campuses?

**RECOMMENDATION:** The Executive Committee may take action or provide direction to staff based on the discussion at the meeting.

**FISCAL IMPACT:** The cost of the campus support for additional software solutions has not been included in the budget. The Executive Committee has budgeted up to \$20,000 per campus for implementation of the RSS solution by up to seven campuses per year.

**BACKGROUND:** CSURMA's risk control advisor has reviewed at a basic level the two products offered by UC RSS and Gensuite and products and his observations include:

- The RSS product was originally designed to meet the UC's needs related to lab safety and have been expanded to include modules designed for higher education and teaching hospital operations. Gensuite was developed for the General Electric and launched as an independent software product in 2010.
- Both are modular with expansion possibilities and support mobile devices. RSS has several modules and Gensuite is designed with global enterprise compliance capabilities.
- We do not have information at this time on the pricing of Gensuite.

**PUBLICATION:** None at this time.

**ATTACHMENT(S):**

- a. Gensuite Overview

February 9, 2018

**To:** Zachary Gifford and Daniel Howell  
**From:** John Owen, Alliant Risk Control Consulting  
**Re:** GenSource RMIS Software Solutions

I have not had the opportunity to use either Gensuite or the RSS software (have only see demo of the RSS a little over a year ago). I was able to discuss Gary Rosenblum's experience with Gensuite with him last week. With that in mind, the comments below are based on review of both RSS and Gensuite websites, demo of RSS (over a year ago) and feedback from Gary.

The fundamental question is the CSU objectives for Safety Software – meaning is the software primarily focused on specific operations (ex. labs), or does the software need to have a wide coverage of capabilities that encompasses all of the operations at the campus? Also – how software outputs will be used/measured (department, campus, Chancellor's Office) should be a consideration between the software packages.

Summary of Risk & Safety Solutions and Gensuite software background:

- Both are designed to be modular (customer can purchase the functions they want and add more over time)
- Both offer multi-device capabilities (including mobile/tablet)
- Both have user authentication / rights capabilities (so user access can be restricted)
- Each was developed in-house and expanded to meet their organization (RSS = UC and Gensuite = General Electric) business/operational priorities
- Capability focuses are different due to development origin and priority
  - RSS – focused more towards academic operations with emphasis on laboratory and research safety (although capabilities are expanding to other areas of operation)
  - Gensuite – focused on global enterprise level operations, going beyond traditional EHS to encompass more of the operation (from security to quality to product management). Also – capabilities show an understanding of the overall operation areas/considerations (ex. contractor safety, employee engagement, change management)
    - Also has multilingual capabilities (16+)
    - Allows for use of API (Application Programming Interface): provides for customization done by IT organization.
- Gensuite appears to be best suited for organization with dedicated IT resources to manage and implement tool (did not get confirmation from Gensuite on this).
  - Gensuite partners with other companies who may also help manage for a client
- Gensuite appears to have a greater breadth of capabilities that can be used within multiple campus departments
- Was not able to confirm the user license model (i.e. named users licenses or concurrent user licenses)

- Pricing will likely vary based on number of users, modules used (in either software), on premise or cloud-based (subscription) and also amount of customization.

Gensuite Summary:

1. Originally designed by internal General Electric team to assist with operational needs
2. Began in 1997 (internal to GE), in 2010 became own company and have over 240 employees globally
3. Due to requirements of GE’s business operations, the Gensuite software is designed and grown for a global enterprise (multi-facility, multi-country, multi-operation)
4. Gensuite: appears to offers cloud or on premise capabilities (meaning data can be hosted on their cloud or CSU servers)
  - a. Several attempts to confirm by contacting Gensuite were not returned.
5. General Observations
  - a. Appears **very customizable** (provides lots of flexibility to how implemented and updated). Gary confirmed that this was a significant value to the software.
  - b. Has functionality that allows for deployment of capabilities (functions and solutions as needed) as the organization can handle
  - c. Solutions appear to be very robust in safety capabilities
    - i. Ex. Safety Programs & Procedures: encompasses hazard assessment, industrial hygiene, hazard communication, safe work permits, lockout/tagout, ergonomics and contractor safety
6. Support appears to be international based (India)
7. Overall capabilities appear to have more depth than RSS in different operational areas (ex. equipment maintenance for campus Facilities, or sustainability/energy management)
8. The industries identified on the Gensuite website do not include academia
9. Have several software partners that support content, implementation, services, and support of product and clients.
10. Capabilities are packaged into 5 distinct “Functions”, and 18 “Solutions”.
11. Functions include:
  - a. EHS & Sustainability
  - b. Quality
  - c. Security
  - d. Responsible Sourcing
  - e. Product Stewardship
12. Solutions Include: (link to solution and product briefs: <https://www.gensuite.com/library/>)

Audit and Compliance Assurance	Environmental Remediation	Quality Management Systems
Change Management	Equipment Maintenance	Responsible Sourcing
Chemical Management	Insights & Analytics	Safety Programs & Procedures
Contractor Management	Incident Management	Security Program Management
Employee Engagement	Management Systems	Sustainability/Energy Management
Environmental Compliance	Product Stewardship	Training Compliance

Risk & Safety Solutions (RSS)

1. Originally designed by UC (Davis) to support system-wide needs focused on laboratory safety
2. Workflows appear to be designed with university lab activities in mind (due to experience)
3. The RSS application has continued to grow and expand and now covers modules beyond laboratory safety
4. RSS is a cloud based solutions (versus on premise), so all data resides on their servers.
5. RSS appears to be best suited for organizations who are looking for minimal IT resource support, and have initial priority on laboratories
6. Functionality is packed into 8 distinct modules with 16 distinct capabilities.
7. Modules include:
  - a. Hazard Management
  - b. Hazardous Waste Management
  - c. Health Screening
  - d. Injury Reporting and Prevention
  - e. Inspections
  - f. Lab Safety
  - g. Travel Safety
  - h. Use Authorization Management
8. Capabilities include: (<http://risksafety.universityofcalifornia.edu/products>)

Hazard Assessment	Waste Accumulation Storage Tracking	Inspections	Abroad Travel Tips
Drones	Occupational Health Surveillance System	Chemical Inventory Management	Away – register trips
Hazard Assessment & Chemical Exposure	Disability Management	Procedures – Chemical SOP's, LOTO	BIO safety information
Laboratory Hazard Assessment Tool	Employee First report (claims)	Safety Data Sheet	Radiation Management

9. Support is based on Northern California

While I am not a software expert, before considering any software, there are some fundamentals that will help guide the evaluation, use and business impact from the selected software. Below are a few thoughts/questions (if this is already in place then disregard):

General Considerations:

- Is there a software strategy for the system-wide CSU?
  - If not, there should be a work group identified to establish strategy and understand operational requirements (how to prioritize, deploy, support, integrate (especially to existing software like HR, Procurement), align to campus workflows
  - The workgroup should have adequate campus representation (management and users), define selection criteria requirements, and identify software vendors who can support requirements for further evaluation.
  - Economy and productivity of scale – how does strategy support both economic value to CSU and also productivity to the campuses

- Strategy should be a multi-year roadmap that provides clarity on strategy, how prioritization for software investments is determined, flexibility of systems to support both Chancellor's Office and Campus reporting levels, alignment to the business challenges of the campuses.
- Inventory of currently used systems
  - Understanding what software in this category is currently used will play into the overall software strategy (especially for integration, reoccurring software fees, number of campuses using same system, etc.)
- Application support
  - Cloud versus on premise (or a hybrid)?
  - How will system be technically supported (team in CSU (Chancellor's office or campus or both) or at vendor)
  - Prioritization of customization
    - Software update roadmap with schedule
    - Who customizes (internal CSU resources or vendor)
- Software Requirements and Evaluation Criteria
  - Before completing an evaluation, it is important to determine the challenge that needs to be addressed with the software, and the capabilities that will help improve those challenges.
  - The evaluation should be tied into the overall software strategy and funding (ex. what systems/purchases will be decided upon at Chancellor's Office versus campus)
  - There should be an evaluation criteria (software functionality, ease of use, customization ability, integration, reporting, support, access, ...etc.) established that includes the input of representatives from major user groups.
  - How will outputs from the software be used to help manage business metrics (at Chancellor's Office, Campus Management and Campus Departments)

## **LEARNING MANAGEMENT SYSTEM FOR ALL CSU STUDENTS**

**ISSUE:** Systemwide Professional Development (SPD) has requested one-time funding to support a systemwide initiative for students. Systemwide Professional Development (SPD) has identified an area of opportunity for the CSU through its relationship with SkillSoft and the needs of the CSU's students. SPD initiated a pilot to build a Learning Management System (LMS) for all CSU students across the 23 campuses in 2017. This LMS is not intended (or capable) of replacing student learning systems such as Blackboard or Moodle but will provide an administrative platform to support peripheral learning on campuses. Many campuses have shown interest in such a system and would like to implement it as a new system or replacement.

**RECOMMENDATION:** Systemwide Risk Management recommends approval of a one-time partial funding of \$25,000 for the LMS for students.

**FISCAL IMPACT:** A one-time partial funding of \$25,000 has been requested by SPD for the LMS for students.

**BACKGROUND:** Shown below are the notes that Systemwide Risk Management developed to show how the Student LMS helps risk for the CSU system:

Infrastructure is the most important part of this initiative. Currently, the CSU does not have an overarching systemwide solution to make courses available to our students. Campuses use their own system to provide content, post it on their sites, or don't provide anything at all. In most cases, content that we have available does not reach the student population, is not tracked, and efforts are being duplicated. As I previously noted, student's lack of access to LMS modules is a consistent point of concern with my campus colleagues. Our solution will enable campuses to:

- Answer needs fast by using centrally sourced courses
- Many campuses are not aware of courses that are available or don't have the resources to curate them. Our solution will put all the minimally required courses in a location that is easily located
- Courses like Defensive Driving have an immediate need when a student volunteers to drive a state vehicle for a campus function. The length of the event is usually shorter than it would take to get the student access to the course on the employee site (due to provisioning process). As a result, a student may be driving a state vehicle without taking the required

training. The same student would be able to access the course on the Student LMS without provisioning, on the spot.

- Systemwide synergy to share content between campuses. Many campuses would be easily able to share content if we all used the same system

Examples of risk related content potentially available on the system:

- Lab Safety
- Title IX (Sexual violence prevention)
- Driver safety
- Concussion management
- Wellness
- Any EH&S course we purchase (from UC or others)
- “Audit/crisis of the day” related course (someone say Michigan State U.?)

**PUBLICATION:** None through CSURMA; however, SPD will notify the campuses accordingly.

**ATTACHMENT(S):** None.

## **DEVELOPMENT OF NEW PROGRAMS, SERVICES AND PROJECTS**

**ISSUE:** At the annual Long Range Planning Meeting, the Executive Committee evaluates potential for developing new coverages, services and projects.

**RECOMMENDATION:** It is recommended that the Executive Committee evaluate potential programs, services and projects and take action or provide direction as appropriate.

**FISCAL IMPACT:** Program development costs may be incurred at the direction of the Executive Committee. Costs will be allocated to the CSURMA fund as appropriate.

**BACKGROUND:** None.

**PUBLICATION:** No specific publication from action on this item is anticipated. Potential program development may result in published documents.

**ATTACHMENT(S):** None.

**DEVELOPMENT OF CSURMA GOALS FOR NEXT  
ONE TO THREE YEARS**

**ISSUE:** The Long Range Planning session offers the Executive Committee the opportunity to consider the direction CSURMA should take in the development of potential programs. The 2017/18 Long Range Action Plan developed last year is attached for the Committee’s review.

**RECOMMENDATION:** It is recommended that the Executive Committee review the attached 2017/18 Long Range Action Plan and develop a new Long Range Action Plan for 2018/19. The Executive Committee and staff may have other ideas for potential CSURMA programs for discussion at today’s meeting that will result new items.

**FISCAL IMPACT:** No fiscal impact is anticipated by action that may be taken at today’s meeting.

**BACKGROUND:** The Long Range Action Plan establishes the Executive Committee’s vision for CSURMA, and assigns responsibilities and tasks to staff in order to accomplish its vision.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA 2017/18 Long Range Action Plan

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>LRP-1</b>	<b>SPECIAL EVENTS RESOURCE GUIDE</b>			
<b>Create a Special Events Resource Guide. Implement risk management training for special events.</b>	1 Identify and engage consultant to create Special Events Risk Management Manual and training modules.	SRM	Aug-15	Completed
	2 Consultant presents Special Event Management Project at Fitting the Pieces Together Conference	SRM	Nov-16	Completed
	3 Develop subject content for special events risk management manual.	SRM	Apr-17	Completed
	4 Oversee design and development of special events risk management manual.	SRM	Apr-17	Completed
	5 Consultant develops training module(s) for CSU LMS	SRM	Mar-18	In Process
	6 Roll out manual to all campus and auxiliary organization staff	SRM	Mar-18	In Process
	7 Post manual on the CSURMA website.	PA	Mar-18	In Process
	8 Roll out special events training on the CSU LMS.	SRM	May-18	In Process
<b>LRP-2</b>	<b>RMIS REPORTING</b>			
<b>Implement a Risk Management Information System and Provide Regular Reporting</b>	1 Populate Ventiv database with hierarchy structure.	PA	17-Oct	In Process
	2 Populate Ventiv database with Phase 1 policy data.	PA	17-Dec	In Process
	3 Present Phase 1 project results and recommendations for Phase 2.	SRM, PA	17-Dec	In Process
	4 Implement initial benchmarking project.	SRM, PA	18-Jan	In Process
	5 Approve Phase 2 and ongoing database maintenance plan.	EC	18-Mar	In Process
	6 Initial report to EC and BOD.	SRM, PA	18-Apr	In Process
	7 Presentation of sustainable long term benchmarking program.	SRM, PA	18-Oct	
	8 Approval of long term benchmarking project scope and costs.	EC	19-Jan	
<b>LRP-3</b>	<b>CAPTIVE INSURER</b>			
<b>Complete cost / benefits analysis for a captive insurance company to operate within CSURMA.</b>	1 Identify and engage consultant to evaluate CSURMA's captive utilization options.	EC, SRM, PA	Jan-16	Completed
	2 Review the Pinnacle Actuarial Resources initial evaluation of CSURMA's captive utilization options.	EC	May-16	Completed
	3 Present further evaluation to EC for direction	EC	Sep-16	Completed
	4 Report on project to EC and BOD	BOD	Nov-16	Completed
	5 Approval of the use of a captive for the legacy workers' compensation claims	EC	Mar-17	Completed
	6 Report on project to the BOD	PA	May-17	Completed
	7 Perform legal and actuarial work needed to evaluate further	SRM, PA	Feb-18	In Process
	8 Analyze captive relative to JPA & new investment flexibility	SRM, PA	Mar-18	In Process
	9 Oversee development of a captive cell	SRM, PA	May-18	
<b>LRP-4</b>	<b>CAMPUS VISITS</b>			
<b>Visit Campus VPs to</b>	1 Schedule meetings with all Campus VPs	PA	Aug-16	Completed

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
<b>provide updates on CSURMA</b>	2 RPTG will meet to review risk pool rating plans	SRM, RPTG, PA	Oct-16	Completed
	4 Completion of Campus VP presentation	PA	Nov-16	Completed
	5 Completion Campus visits	SRM , PA	Mar-17	In Process
<b>LRP-5 ACCESSING AND COMMUNICATING EIA RESOURCES</b>				
<b>Provide information to the membership regarding the risk management and loss control services available through CSAC-EIA</b>	1 Report on CSAC-EIA resources to the BOD	PA	May-17	Completed
	2 Report on CSAC-EIA resources to the BOD	PA, SRM	Apr-18	In Process
<b>LRP-6 MEMBER LOAN POLICY</b>				
<b>Revise member loan policy to apply to risk management projects</b>	1 Report of Project to the BOD	PA, CO	May-17	Completed
	2 Review parameters of current loan policy	PA	Oct-17	Completed
	3 Revise Policy and Procedure No. 10 to provide a clear description of the types of risk management projects that may be approved	PA, CO	Oct-17	Completed
	4 Approve revisions to Policy and Procedure No. 10	EC	Oct-17	Completed
	5 Report on the changes to the member loan policy and the changes to Policy and Procedure No. 10 to the BOD	PA	Oct-17	Completed
<b>LRP-7 ALLOCATION OF INVESTMENTS</b>				
<b>Explore and evaluate alternate investment strategies.</b>	1 Discuss alternate investment strategies.	EC	Mar-17	Completed
	2 Review CSU's new investment flexibility with legal counsel as it pertains to CSURMA.	SRM	Mar-18	In Process
	3 Report on project to EC and BOD.	CO	Mar-18	In Process
	4 Approval of alternate investment options.	EC	Sep-18	
	5 Report on final project to BOD	PA	Oct-18	
<b>LRP-8 EARTHQUAKE COVERAGE</b>				
<b>Review and consider the purchase of Systemwide earthquake coverage with a parametric trigger</b>	1 Report on project to the BOD	PA	May-17	Completed
	2 Prepare marketing specifications for earthquake coverage with a parametric trigger	Pa	Jul-17	Completed
	3 Set-up and organize a presentation by the insurer(s) at the CO	PA	Aug-17	Completed
	4 Solicit quotations	PA	Aug-17	Completed
	5 Present coverage and premium quotation to the EC for approval (if moving forward)	PA	Sep-17	Completed

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
<b>LRP-9 RISK MANAGEMENT GRANT PROGRAM</b>					
<b>Revise the Risk Management Innovation Grant Program to apply only to projects proposed by the affinity groups</b>	1	Update the Risk Management Innovation Grant Program application and Policy and Procedure No. 21 to apply only to projects proposed by the affinity groups	PA, SRM	Apr-17	Completed
	2	Present changes to the EC for approval	PA, SRM	May-17	Completed
	3	Report on project to BOD	PA, SRM	May-17	Completed
	4	Send out a bulletin to the membership explaining the change to the risk management grant program	PA, SRM	May-17	Completed
<b>LRP-10 WORKERS' COMPENSATION PROJECTS BASED ON CWCI DATA</b>					
<b>Create risk management / loss control workers' compensation projects based on the CWCI data</b>	1	Report on project to BOD	PA, SRM	May-17	Completed
	2	Review CWCI benchmarking results and reports for the CSURMA dashboard	PA, SRM	Jul-17	Completed
	3	Identify campus / auxiliary organization outliers and suggest action to be taken	PA, SRM	Oct-17	Completed
<b>LRP-11 MARINE PROGRAM</b>					
<b>Create a marine program to cover watercraft owned by campus and auxiliary organization members</b>	1	Review and update watercraft schedule, as appropriate	PA	Nov-16	Completed
	2	Create marine program coverage specifications	PA	Nov-16	Completed
	3	Report on project to the BOD	PA	May-17	Completed
	4	Obtain coverage options, and pricing, for program and present to the EC	PA	Jun-17	Completed
	5	Present final program design	PA	Jul-17	Completed
	6	Disseminate the Marine Program information to CSURMA members	PA	Jul-17	Completed
<b>LRP-12 AUXILIARY ORGANIZATIONS EMPLOYEE BENEFITS</b>					
<b>Provide assistance and oversight to the AOA</b>	1	Report on project to the BOD Pending Completion of the AOA Benefits User Group RFP	PA	May-17	Completed
	2	Approve potential program	BOD	Oct-17	Completed
	3	Evaluate an AORMA based program	AORMA	May-18	In Process
<b>LRP-13 STUDENT HEALTH AND UC SHIP</b>					
<b>Formation of a student health program</b>	1	Report on project to the BOD	PA	May-17	In Process
<b>LRP-14 WORKERS' COMPENSATION EXPERIENCE MODIFICATION FACTOR</b>					
<b>Review and modification if appropriate the Workers'</b>	1	Appoint a task group to review the current workers' compensation experience modification	EC	Mar-17	Completed
	2	Review current calculation to address the disincentive for members to negotiate claim	SRM, PA	Mar-17	Completed

## FY 2017/18 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS	
<b>Compensation Experience Modification calculation</b>	3	Report on project to BOD.	BOD	May-17	Completed
	4	Meet with the task group to finalize recommendations for change.	Task Group	Jun-17	Completed
	5	Report and recommendation for change to EC	EC	Sep-17	Completed
	6	Final report on project to BOD	BOD	Oct-17	Completed

**BOD:** CSURMA Board of Directors

**CABO:** CSU Chief Administrators and Business Officers

**CO:** Chancellor's Office

**CPDC:** CO Capital Planning Design & Construction

**EC:** CSURMA Executive Committee

**OGC:** CSU Office of General Counsel

**PA:** CSURMA Program Administrator

**SRM:** CSU Systemwide Risk Management

## **CSAC-EIA 2017 ANNUAL REPORT**

**ISSUE:** Attached to this item is CSAC EIA's 2017 Annual Report which provides an overview of its many coverage programs as well as its available risk management and loss control services.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** CSURMA joined the CSAC EIA excess workers' compensation program effective January 1, 2015.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSAC EIA 2017 Annual Report



Annual Report

2017

Gears in Motion





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# 2016/17 Year in Review

Greetings,

One of the best things about working with such a great group of members is just that: working together. Our focus this year is on collaboration and progress—Gears in Motion.

Many things can be accomplished with ideas and perseverance, but only the best things are completed when people work together. Unity and the sharing of ideas brings the best to the table, creating opportunities that may not have been thought of without others.

At the June Executive meeting, for example, a collaborative moment took place when the attending board members worked with the Executive Committee to fashion a new Mission and Vision Statement for the EIA. Though at the time it was almost a storm of ideas and re-phrasing, the end product was a wonderful example of what the EIA is and what we want to accomplish:

*EIA Vision: The CSAC Excess Insurance Authority (EIA) will continue to be internationally recognized as a leading risk sharing pool for its member-directed operating philosophy and commitment to member fiscal sustainability. The EIA will continue to influence and shape the future of the risk management profession.*

When it comes to collaboration, one of the best examples was in June when SANDPIPA merged with the EIA, adding new gears to our polished organization. The merger was significant in the world of JPAs. We worked alongside the people at SANDPIPA to create a solution that helped us both, moving the mechanism forward.

Another wonderful example of the EIA members working together for our greater good was in March, when the Board of Directors voted to eliminate the public entity fee: once again showing that creating an equitable organization is better for all.

In addition, innovative collaborations came about this year in the form of unique trainings and work opportunities. The Risk Management Practitioner Certificate Program allowed the EIA to work in conjunction with CPS HR Consulting and the California Joint Powers Insurance Authority to create a lasting risk management training program. The Member Services Committee is in the process of finalizing an avenue for consultants to continue bringing their expertise and experience to members with the creation of the Enterprise Risk Consultant Program.

Gears work underneath the shiny surface of a well built machine. The EIA's committees and staff often work behind the scenes. Throughout the renewal cycle, our brokers at Alliant work in conjunction with program committees and staff to find the best coverages and prices for our members.

This year included some interesting foundational updates including the creation of web tools such as the subsidy tool, governance search functions, and overall improvements to the membership databases by the IT staff. The EAGLE Committee spent time evaluating the submissions for the First Annual EIA EAGLE Awards and these member projects will be shared with the rest of the members as best practices, again increasing collaboration. Upgrades and additions such as these are part of what makes the EIA the leader in our industry—another set of gears turning together and pushing the EIA forward.

The EIA has seen tremendous growth this past year, and we will continue working together in the coming year to keep the momentum of collaboration and progress steady, and keep the EIA's Gears in Motion.

Regards,

James Brown  
EIA President



## 2016/17 Year in Review

This is the EIA's 38th year providing outstanding risk coverage programs and risk management services to California's public agencies. The organization continued to develop and thrive. Significant accomplishments this year included, but are not limited to:

- Continued growth in terms of program membership, breadth of coverage and service, and overall financial health
- Created a new strategic framework including our Mission, Vision, Core Values and long-term goals
- Utilized the Excess Insurance Organization (EIO) single-parent captive insurance company to transfer risk from various programs
- Created the EAGLE (Exemplary Achievement in Government Leadership and Enrichment) Awards and corresponding committee to highlight innovation in risk management and loss prevention
- Created the Member Services Committee
- Grew staff in the Claims, Member Services, Actuarial Services, and Data & Analytics Departments
- Retained 99% of members at renewal of the programs
- Created new services, such as: Risk Management Practitioner Certificate Program, Protective Footwear, Risk Assessment Tool, Checkpoint Systems, and Critical Incident Counseling
- Received awards from the Government Finance Officers Association for our Comprehensive Annual Financial Report, Popular Annual Financial Report, and Distinguished Budget
- Received CAJPA's Accreditation with Excellence Award for 2016 - 2019
- Received AGRiP's Advisory Standards Award for 2016 - 2019
- Members were reimbursed over \$113M through thousands of claims payments

The theme of this year's annual report is "Gears in Motion," highlighting the continuous momentum of our evolving programs and services, and the value added by collaboration.

The Board of Directors has been focused on providing programs and services that deliver benefits for all members. The Executive Committee has spent much time this past year on strategic initiatives, including the promotion of the EIO captive to transfer corridor risk, succession planning, as well as updating the EIA's Mission and Vision statements, and statement of Core Values.



### 2017 Executive Committee

Pictured (from left to right): Ken Hernandez, James Brown, Ann Richey, Matt Gutierrez, Scott Schimke, Kimberly Greer, Richard Egan, Roberta Allen, Kerry John Whitney, and Lance Sposito. (Not pictured: John Viegas)

# EIA's Mission, Vision & Core Values

## Our Mission

The CSAC Excess Insurance Authority is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices.

## Our Vision

The CSAC Excess Insurance Authority (EIA) will continue to be internationally recognized as a leading risk sharing pool for its member-directed operating philosophy and commitment to member fiscal sustainability. The EIA will continue to influence and shape the future of the risk management profession.

## Our Core Values

CSAC EIA is dedicated to preserving a member-directed culture, defining standards for quality and performance throughout the industry, and ensuring programs and services are:

**C**ompetitive in scope and price over the long term

**A**daptable and customized to meet member needs, based on high-quality standards

**R**esolute in delivering timely solutions that address present and emerging risks

**E**quitable in allocating costs and services between various members in a fair and consistent manner

**S**table in supporting cost-effective, fiscally prudent operations and long-term solvency, and in building long-term relationships with members and program/service partners.

The Executive Committee has adopted the following Service and Technology Vision Statements to provide guidance to the programs and supporting committees:

### Service Vision

The EIA will provide value added risk management services designed to:

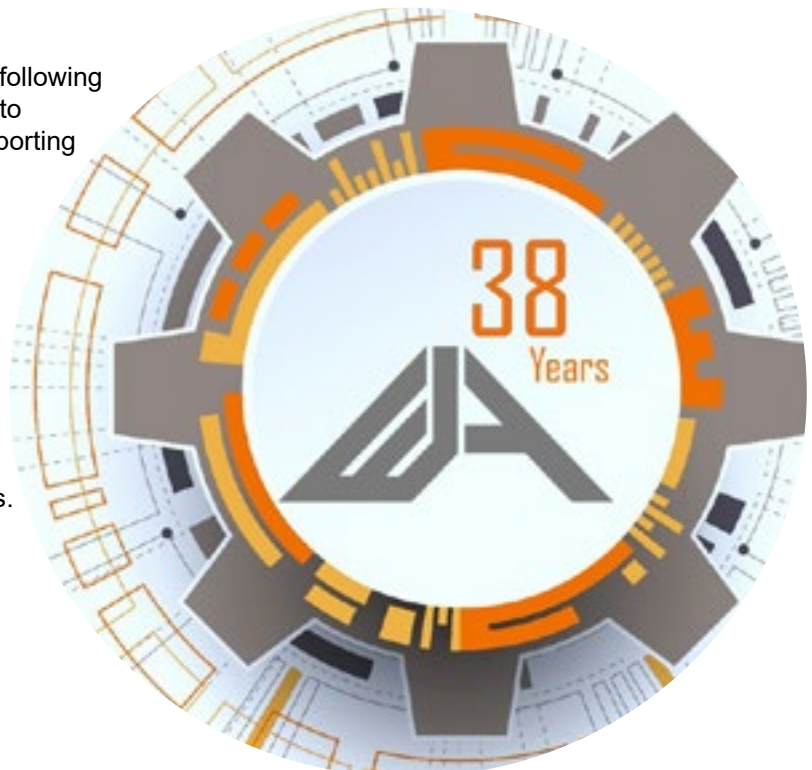
- Attract new members
- Retain existing members
- Improve program performance

It shall be a priority to provide services that complement member-provided services.

### Technology Vision

The EIA will provide technology that is:

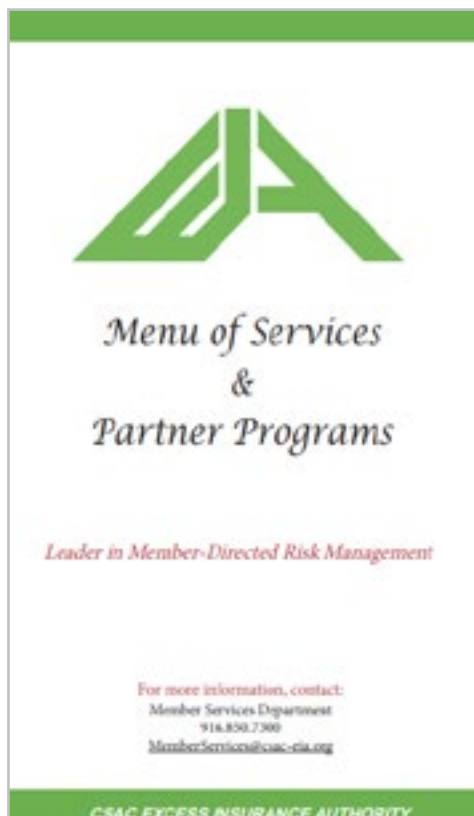
- Interactive
- Accessible
- User-friendly
- Dynamic



## Current Services

The Member Services Department, established in 2015, has helped the EIA put in to motion many new and valuable services, as well as increase members' awareness of services. Be it new or existing risk management, claims, or loss prevention services, the gears are turning to move the EIA's offerings forward and helping members manage their risk exposures. Some of the services and benefits currently enjoyed by the members include:

- Financial subsidy programs for actuarial analyses, loss prevention, and risk management
- Wide variety of loss prevention and risk management training programs, provided on a regional basis, on-site for individual members, or through live or previously recorded internet-based sessions
- Extensive loss prevention platform including online training, automated system for monitoring employee driving records, flexible tools to monitor compliance, communication solutions for exchanging information and risk identification and mitigation technologies
- Loss prevention consultation, program assessments, and facility inspections
- Crisis Incident Management and Counseling services
- School Liability Handbook: Student Activities and Employment Issues
- Legal Advice and advice on Insurance Requirements in Contracts (IRIC) via an updated IRIC Manual v 10.0
- New and revamped services including Protective Footwear, Body-Worn Cameras, Incident Reporting System, Background Check Services, and Risk Assessment Tool
- Real and personal property appraisals
- Online access to coverage documents, certificates of insurance, subsidy balances, renewal applications, and property schedules
- Extension of EIA's contracted services at reduced rates for actuarial studies, claims audits, and certificate of insurance management services
- Access to additional programs and services through the EIA's membership in the ISO ClaimSearch Program and Insurance Educational Association
- Active presence with the state legislature, taking positions on those items that may impact EIA members



# Coverage Programs

Since our beginning in 1979, the EIA has challenged ourselves to keep moving forward, providing world class financial, risk management, and actuarial analysis. We implement the best risk financing programs, providing structures that offer options to diverse entities with different risk tolerances, and continually evaluate the programs based on market conditions and emerging risks—re-designing or adding programs when necessary.

Over time, 10 major coverage programs have been created. These programs are described in greater detail throughout this report. The common element of the 10 major programs is that they each blend some level of pooled risk and purchased insurance. They are designed to be flexible to meet members’ needs, yet also maintain structural soundness to be there long-term. The risk pooling concept allows the program structures to adapt to current insurance market conditions. During hard market conditions, when insurance rates rise above the cost to actuarially fund the group’s exposures, the pools expand and less insurance is purchased.

When insurance rates decrease to the point where it is more cost effective to purchase insurance, the pools contract and additional insurance is purchased. This flexibility is a perfect example of switching gears when necessary to ensure costs are kept low and members are provided with the best possible coverage and service.

## Major Coverage Programs

Five Year Premium vs. Estimate Stand-Alone Cost



The EIA is able to leverage the purchasing power of our membership to secure more cost-effective coverage than members could obtain on their own. This strategy of leveraging volume has also benefited affiliate members because of the competitive role the EIA has assumed in the public sector insurance marketplace. Annually, the EIA compares the cost of its major programs to the estimated cost members would pay if they were purchasing similar coverage on their own. To the left is a chart showing the premium paid over the last five years by the EIA members and the premium that would have been paid by members individually. In just the past five years, the EIA has saved members over \$460M.

The EIA has designed strong and stable programs for more than 38 years. “Gears in Motion” is illustrative of the mindset that by striving to move forward while working with our members to evaluate our programs and services based on internal needs and external conditions, the best solutions for our members are created. We grow, shift and change gears in a calculated manner and through our history, the EIA has built long-term collaborations with its underwriters and a very impressive reputation in the insurance marketplace.

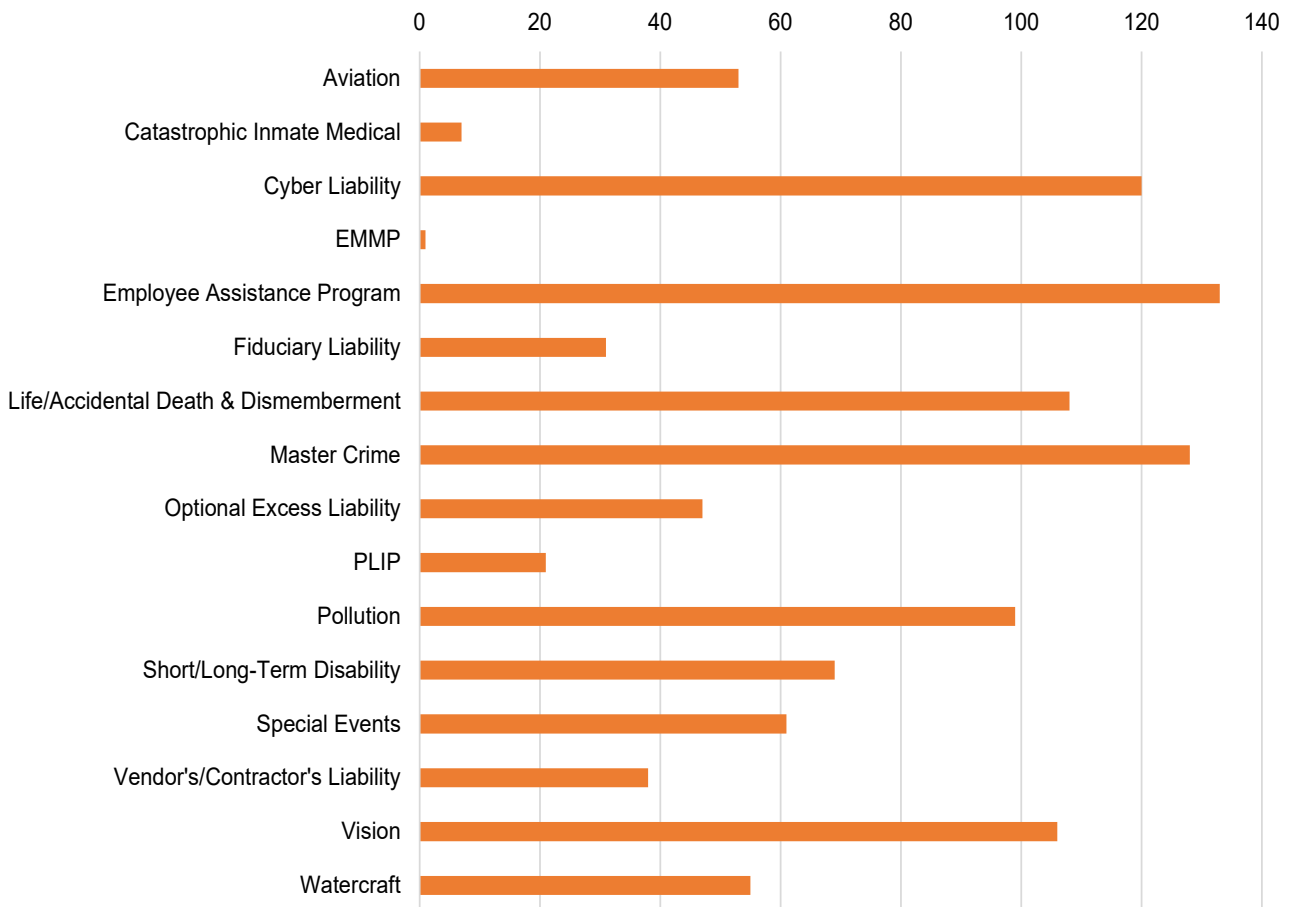
## Miscellaneous and Employee Benefits Programs

Our committees continually evaluate whether the major coverage programs address all the needs of the members. Where they may not, the EIA provides a variety of group purchase insurance programs to offer the members protection from other exposures, including Aviation, Crime, Cyber, EAP, Pollution and many others.

Most recently, an Equipment Maintenance Management Program (EMMP) was added to assist members by offering extremely competitive rates and adding functionality compared to most equipment warranty programs. Additionally, through a joint venture between the EIA and the California State Association of Counties (CSAC), the Personal Lines Insurance Program (PLIP) was established to provide discounted homeowners and automobile coverage to employees and retirees of member entities. The PLIP is underwritten by Liberty Mutual, who is known for their high-quality customer and claims services. To complement the PLIP, a wide range of voluntary insurance products from numerous insurers can be provided on a payroll-deduction basis.

The chart below illustrates the number of members participating in the Miscellaneous and Employee Benefit Programs for the current year.

### Miscellaneous Program Participation



# Primary Workers' Compensation

The Primary Workers' Compensation (PWC) Program was formed to adjoin with the Excess Workers' Compensation (EWC) Program, offering those members the opportunity to secure first dollar coverage instead of maintaining a self-insured retention. The PWC Program provides members with claims administration services, which is accomplished through a choice of six claims administrators. The Program offers several cost containment programs including a Medical Provider Network (MPN), a 24/7 Nurse Triage Service, and a Return-to-Work Program.

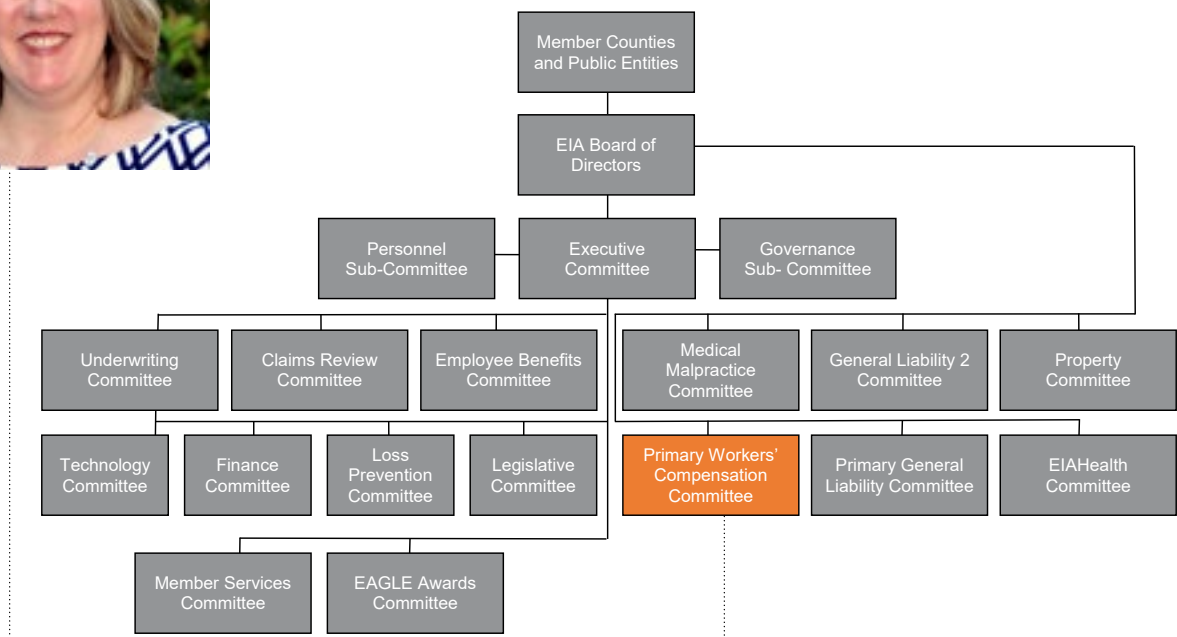
The PWC Program pays for claims with a blending of pooling and insurance. The first \$10k of each claim is paid out of the Program's pool. The Program's insurer pays for the balance of the claim up to the \$125k attachment point to the EWC program. During the 2016/17 year, the PWC Program canceled the reinsurance agreement with AmTrust mid-term and bound with ACE American Insurance Co., creating a 14-month coverage term. As part of the move from AmTrust to Ace American, the program was able to increase the corridor retention from \$5M corridor to \$12M for the 14-month coverage period. The \$12M corridor was transferred to the EIO resulting in a savings of \$518k to the PWC Program. The Program structure is illustrated on page 8.

The funding of the Program's pooled layer is evaluated each year. Since 2009, the Committee has returned over \$50M in the form of dividends to the Program members. This year, the Program declared a \$2.5M dividend and continues to be well funded.

The PWC Committee governs the 39 member Program, reviewing all matters pertaining to the Program including funding, coverage issues, claims, claims administration, services, new member applications, and insurance renewals.



**Jill Abel**  
Yuba County  
Primary Workers' Compensation  
Committee Chair



# Primary Workers' Compensation Membership

2017/2018

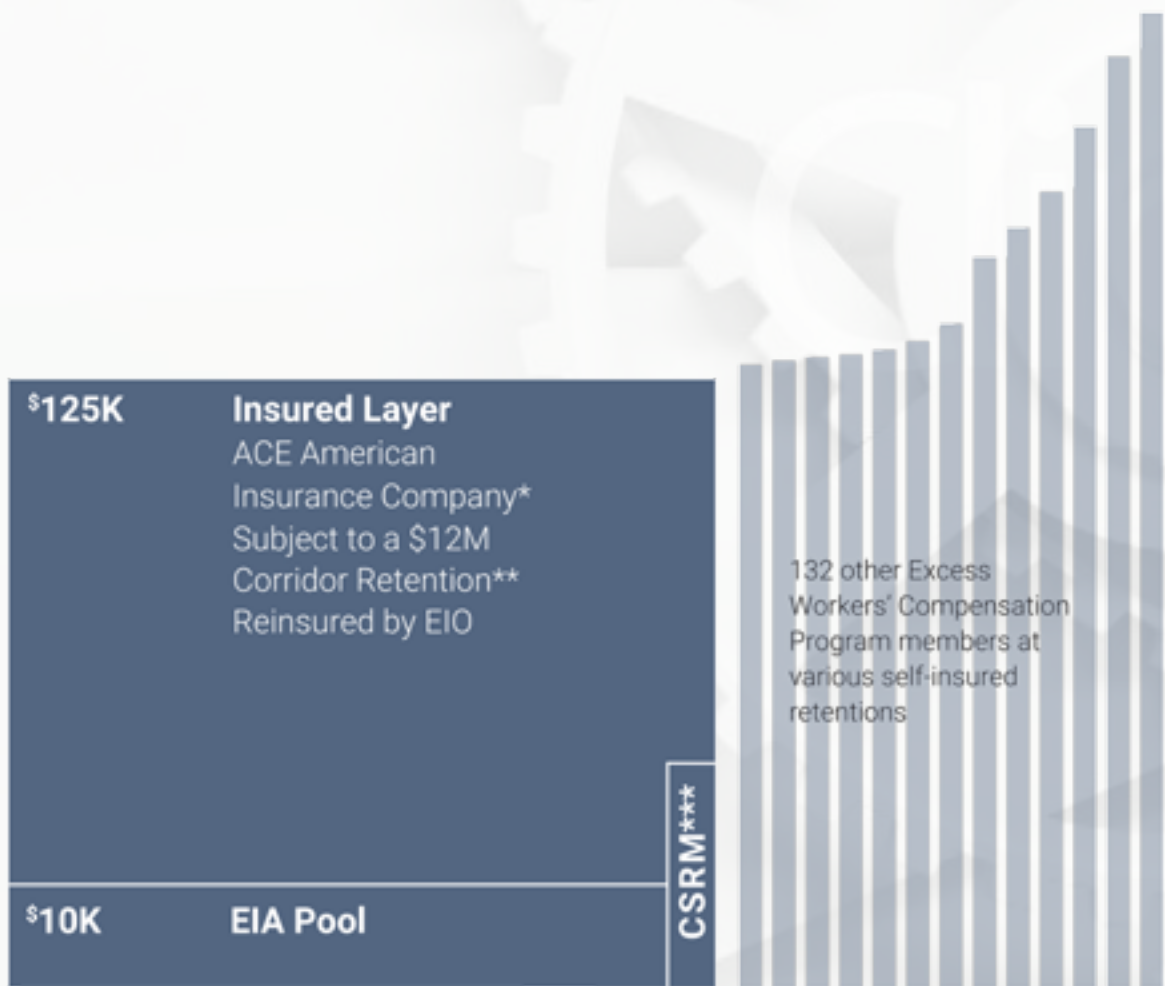
Amador County  
Amador Transit  
Calaveras County  
Central Sierra Child Support  
City of Belmont  
City of Carmel By The Sea  
City of El Cajon  
City of Hemet  
City of Imperial Beach  
City of Lancaster  
City of Rancho Cordova  
CSAC EIA  
California Schools Risk  
Management (CSRMA)  
Evergreen School District  
First Five Contra Costa Children  
and Families Commission  
Gold Coast Transit District  
Humboldt County  
Humboldt Transit Authority  
Huntington Beach Union  
High School District

Inyo County  
Kings County Area Public  
Transit Agency  
Kings Waste & Recycling Authority  
Lake County  
Mendocino County  
Morongo Basin Transit Authority  
Mt. Diablo Unified School District  
Nevada County  
Sacramento County Contracts  
San Luis Obispo Regional Transit Authority  
Santa Barbara County  
Santa Cruz County Fire Agencies  
Insurance Group (SCCFAIG)  
Self Insurance Risk Management  
Authority (SIRMA)  
Siskiyou County  
South County Area Transit  
Tahoe Transportation District  
Tehama County  
Town of Colma  
West San Gabriel WC JPA  
Yuba County

# Primary Workers' Compensation

2017/2018

## Statutory — Excess Workers' Compensation Program



\* 14 Month Policy, 5/1/17 - 7/1/18  
 \*\* The Corridor Retention will be adjusted at the end of the year.  
 \*\*\* CSRM's deductible is \$25K effective 7/1/17

# Excess Workers' Compensation

The EWC Program was the first EIA coverage program offered to the members in 1979. Today, the EWC Program provides 171 members with statutory coverage, subject to the members' self-insured retention ranging from \$125k to \$5M. The structure of the Program is illustrated on page 10. While the coverage structure remains the same, we entered into a new partnership this year with Great American, who is providing reinsurance for the pooled layers for both the Core and Educational Towers, as well as the primary layer in the Educational Tower. There are two new service enhancements for this program. Members now have access to Crisis Incident Counseling Services following an unexpected death in the workplace. Additionally, a surgical cost containment pilot program was rolled out with the expectation that the pilot program will reduce costs for certain surgical procedures and provide for better outcomes and faster return-to-work.

Like most markets, the insurance market is cyclical and insurance companies attempt to balance profits and market share. There will also be times when the Program can leverage its volume to secure insurance at a cost that is less than it would be for the combined group to self-insure. The current market conditions continue to allow the Program the opportunity to balance retaining and transferring risk. By having Great American in place to provide reinsurance when the corridor retentions are exhausted, we gain additional predictability in determining the costs and helps to grow the Program's overall funding position.

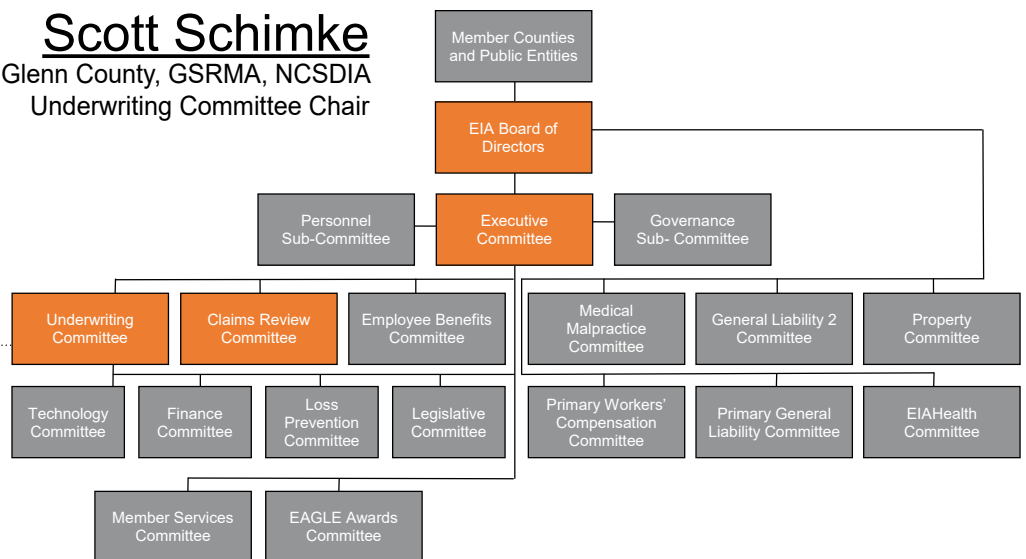
With the move to Great American, the Program now maintains a single shared corridor between the Educational and Core Towers. Additionally, there is a separate corridor retention for the CSURMA's primary layer in the Ed Tower thus allowing for continued diversification of risk. In total, the Program transferred over \$60M in corridor retentions to the EIO resulting in a savings of \$4.8M for the program

The Board of Directors strives for each program to have a healthy funding position, and at the same time, balances the need to keep premium costs to the members low and to ensure the Program is not retaining more funding than it needs. For the past few years, the EWC Program has been working towards increasing its overall funding position. The funding level is very carefully monitored by the Board and governing committees, and decisions to increase funding levels are continually evaluated to ensure the EWC Program will continue as one of our largest and strongest programs for EIA members.

The Board of Directors governs the EWC Program, with recommendations being made by the Executive, Underwriting, and Claims Review Committees. The Board has delegated a significant amount of authority to the Underwriting and Claims Review Committees to handle the day-to-day business of the Program. More details on the Claims Review Committee can be found on page 13.



**Scott Schimke**  
Glenn County, GSRMA, NCS DIA  
Underwriting Committee Chair



# Excess Workers' Compensation Membership

2017/2018

## \$125,000

Amador County  
 Amador Transit  
 Butte County  
 Calaveras County  
 Casitas Municipal Water District  
 Central Sierra Child Support  
 City of Belmont  
 City of Calexico  
 City of Carmel By The Sea  
 City of Del Mar  
 City of El Cajon  
 City of Hemet  
 City of Imperial Beach  
 City of Lancaster  
 City of Lemon Grove  
 City of Los Alamitos  
 City of Pico Rivera  
 City of Rancho Cordova  
 City of Solana Beach  
 City of South Pasadena  
 CSAC EIA  
 California Schools Risk Management (CSRMA)  
 CA State University Risk  
 Mgmt Auth (CSURMA): Campuses  
 CA State University Risk  
 Mgmt Auth (CSURMA): AORMA  
 Evergreen School District  
 First Five Contra Costa Children and Families Commission  
 First Five Sacramento Commission  
 Gold Coast Transit  
 Humboldt County  
 Humboldt Transit Authority  
 Huntington Beach Union High School District  
 Inyo County  
 Irvine Ranch Water District  
 Kings County Area Public Transit Agency  
 Kings Waste & Recycling Authority  
 Lake County  
 Madera County  
 Mendocino County  
 Morongo Basin Transit Authority  
 Mt. Diablo Unified School District  
 Nevada County  
 PASIS San Diego:  
 Alpine Fire Protection District  
 Bonita/Sunnyside Fire District  
 Lakeside Fire Protection District  
 Sacramento County Contracts  
 San Luis Obispo Regional Transit  
 Santa Barbara County  
 Santa Cruz County Fire Agencies Insurance Group (SCCAIG)  
 Self Insurance Risk Management Authority (SIRMA)  
 Siskiyou County  
 Solano County  
 South County Area Transit  
 Tahoe Transportation District  
 Tehama County

Town of Colma  
 Tulare County  
 West San Gabriel WC JPA  
 Yuba County

## \$150,000

City of Ridgecrest

## \$200,000

Northern California Special Districts Insurance Authority (NCSIDIA)

## \$250,000

Berkeley Unified School District  
 Central County Fire Department  
 City of Bell  
 City of Hanford  
 City of Los Altos  
 Lake Elsinore Unified School District  
 Monterey Bay Area Self Insurance Authority (MBASIA)  
 San Luis Obispo County  
 Shasta County  
 University of CA, Hastings College of Law

## \$300,000

Alpine County  
 City of Beaumont  
 City of Lompoc  
 City of Moreno Valley  
 City of Napa  
 City of San Clemente  
 Colusa County  
 Del Norte County  
 El Dorado County  
 Golden State Risk Management Authority (GSRMA)  
 Imperial County  
 Kings County  
 Lassen County  
 Mariposa County  
 Merced County  
 Modoc County  
 Mono County  
 PASIS – San Diego:  
 City of San Marcos  
 North County Fire Protection District  
 Rancho Santa Fe Fire Protection District  
 San Miguel Consolidated Fire Protection District  
 Placer County  
 Plumas County  
 San Benito County  
 Santa Clara County  
 Office of Education (SCCOE)  
 Sierra County  
 Sonoma County  
 Sutter County  
 Trinity County  
 Tuolumne County

## \$350,000

Bay Area Housing Authority Risk Management Authority (BAHARMA)  
 Campbell Union School District  
 California Association for Park & Recreation Indemnity (CAPRI)  
 City of Daly City  
 City of Redwood City  
 East Bay Regional Park District  
 Monterey Salinas Transit  
 Napa County  
 Redondo Beach Unified School District  
 Santa Cruz Metro Transit District  
 Upland Unified School District

## \$400,000

Authority for California Cities  
 Excess Liability (ACCEL):  
 City of Monterey  
 City of El Monte  
 City of Rialto  
 Monterey County

## \$500,000

Authority for California Cities  
 Excess Liability (ACCEL):  
 City of Bakersfield  
 City of Santa Clara  
 City of Burlingame  
 City of Chico  
 City of Concord  
 City of Covina  
 City of Cupertino  
 City of Escondido  
 City of Fremont  
 City of Hawthorne  
 City of Hayward  
 City of Millbrae  
 City of National City  
 City of Newport Beach  
 City of Oceanside  
 City of Santa Clara  
 City of Santa Rosa  
 City of South San Francisco  
 City of Stockton  
 City of Sunnyvale  
 City of Whittier  
 CFSA  
 Community Development Commission of LA County  
 Fresno County  
 Golden Empire Transit District  
 Kern County Hospital Authority  
 Municipal Pooling Authority (MPA)  
 Northern California Cities Self Insurance Fund (NCCSIF)  
 San Joaquin County  
 Santa Barbara Metro Transit  
 Santa Cruz County  
 Stanislaus County  
 Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

## \$750,000

Authority for California Cities  
 Excess Liability (ACCEL):  
 City of Modesto  
 City of Mountain View  
 City of Ontario  
 City of Palo Alto  
 City of Santa Barbara  
 City of Santa Monica  
 City of Downey  
 City of Fairfield  
 City of Manhattan Beach  
 City of Oakland  
 City of Redding  
 City of Redondo Beach  
 City of Richmond  
 City of San Bruno  
 City of Simi Valley  
 Contra Costa County  
 Riverside Transit Agency  
 Turlock Irrigation District

## \$1,000,000

City of Chula Vista  
 City of Corona  
 City of Fontana  
 City of Garden Grove  
 Big Independent Cities Excess Pool (BICEP):  
 City of Huntington Beach  
 City of Oxnard  
 City of San Bernardino  
 City of San Buenaventura  
 City of Santa Ana  
 City of West Covina  
 City of Montebello  
 City of Pomona  
 Omnitrans  
 Orange County Sanitation District

## \$1,500,000

Special District Risk Management Authority (SDRMA)

## \$2,000,000

Authority for California Cities  
 Excess Liability (ACCEL):  
 City of Anaheim  
 City of Sacramento  
 City of Torrance  
 Orange County Fire Authority  
 Riverside County  
 San Bernardino County  
 San Diego County

## \$3,000,000

Alameda County  
 Sacramento County

## \$4,000,000

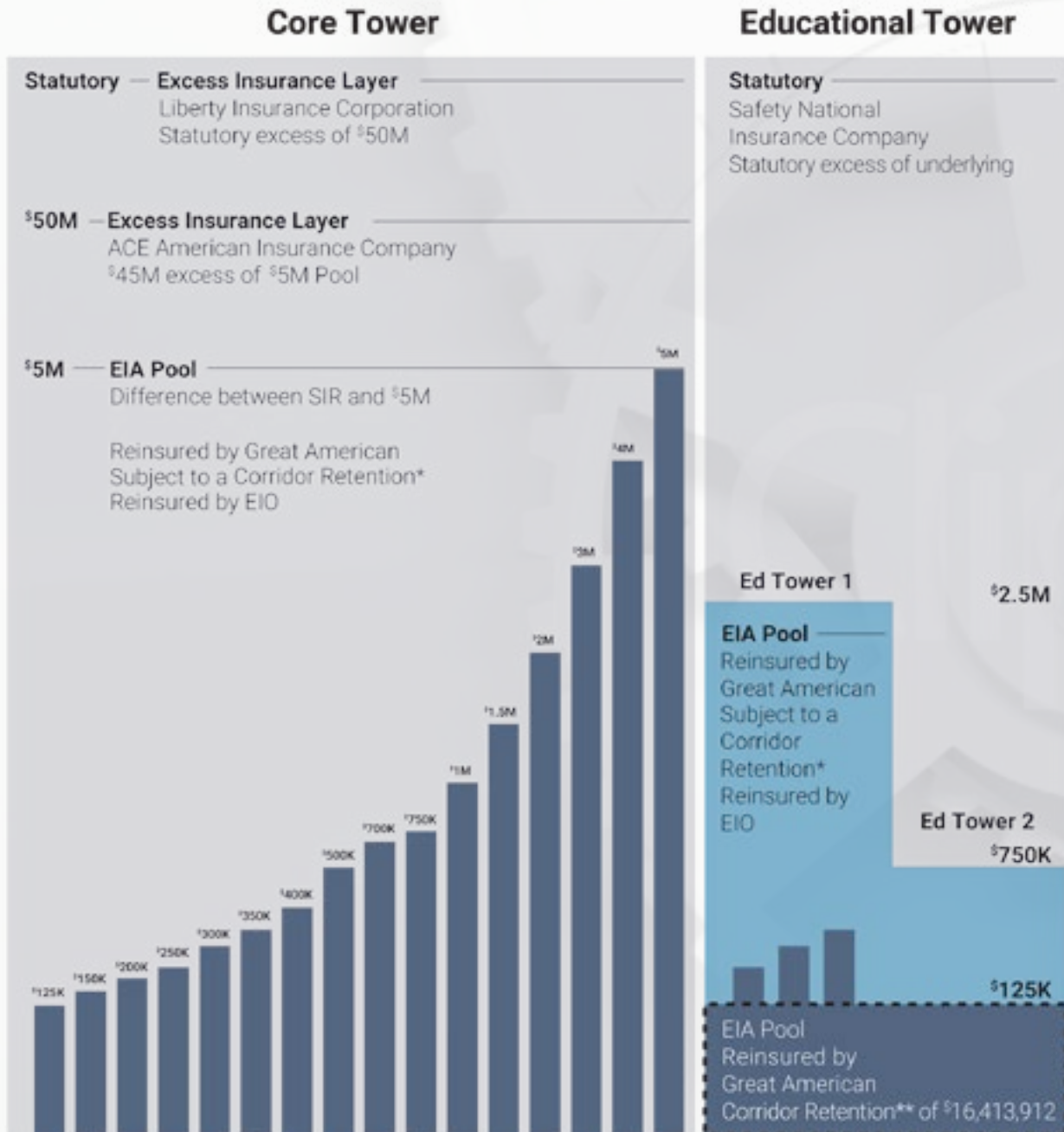
Santa Clara County

## \$5,000,000

Local Agency Workers' Compensation Excess (LAWCX) JPA

# Excess Workers' Compensation

2017/2018



\* The Corridor Retention will be adjusted at the end of the year. The Core and Educational Towers are subject to a single, shared corridor retention of \$44,864,854 (does not include primary <\$125k layer).

\*\* The Corridor Retention will be adjusted at the end of the year.

# Primary General Liability

The Primary General Liability (PGL) Program is another adjoining program, similar to the PWC/EWC model, and was created out of a desire to provide members the opportunity to convert their self-insured retention to a \$10k deductible. For smaller members, the Program has served to protect them from the financial instability that can come with maintaining a self-insured retention. This support has been significant for the members in terms of managing their cash-flows and budgets.

In addition to providing coverage at a lower level, the PGL Program also provides its 22 members with claims administration services, which are now provided by three claims administrators. Under the Program's current structure, there is no pooling. Rather, the Program's limit is provided through a reinsurance arrangement with Berkley Insurance Company, who pays for the balance of claims between the member's deductible and the \$100K attachment point to the GL1 program.

A new component was added this year as the program implemented a new \$500k corridor retention that was reinsured by the EIO. The transfer of the corridor retention to the EIO resulted in a savings of \$40k to the Program. This structure is depicted graphically on page 12.

Transferring the risk to an insurance company, along with the incorporation of corridor retention, has helped accomplish the PGL members' goals for the Program: keep costs reasonable, maintain stability, and ensure the members have the ability to control their claims disposition. The PGL Committee has demonstrated they are flexible and will react to changes in the insurance environment, when necessary. The members have enjoyed a very successful program for more than 15 years.

The PGL Committee governs this Program. They review all matters pertaining to the Program including coverage issues, claims, program services, new member applications, and reinsurance renewals.



**Paul Hight**  
 Sacramento County Contracts  
 Primary General Liability  
 Committee Chair

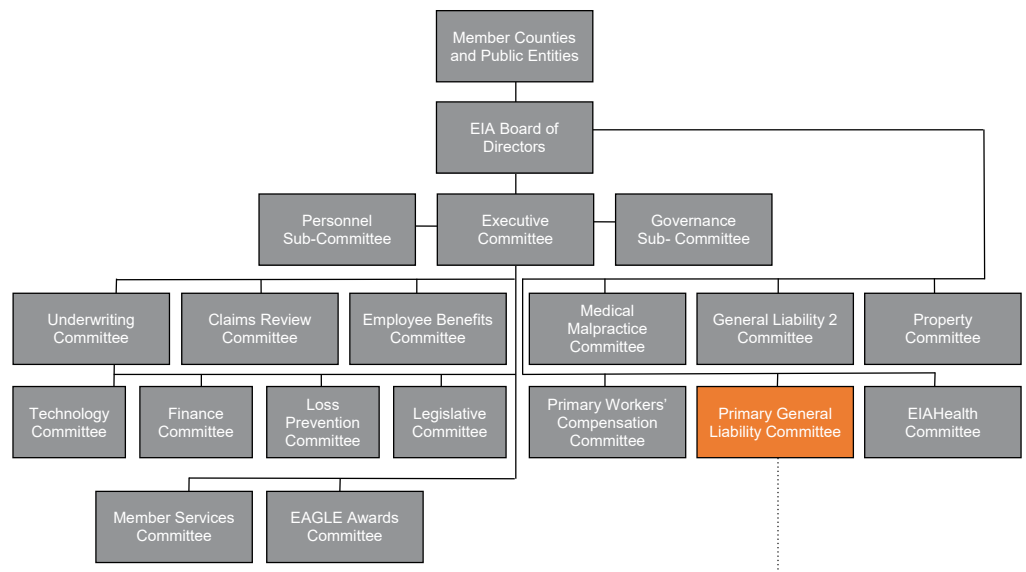


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# Primary General Liability Membership

2017/2018

Amador County  
California Mental Health  
Services Authority  
Central Sierra Child  
Support Agency  
City of Carmel by The Sea  
City of Rancho Cordova  
Contra Costa IHSS Public Authority  
Del Norte IHSS Public Authority  
Housing Authority of the  
County of Riverside  
Humboldt IHSS Public Authority  
Imperial IHSS Public Authority  
Kern IHSS Public Authority

Lake County  
Madera IHSS Public Authority  
Riverside IHSS Public Authority  
Sacramento County Contracts  
San Bernardino IHSS Public Authority  
San Diego IHSS Public Authority  
Shasta IHSS Public Authority  
Siskiyou County  
Solano County  
Sutter IHSS Public Authority  
Tuolumne County

# Primary General Liability

2017/2018

\$25M — General Liability 1 Program

<p><b>\$100K</b></p> <p><b>PGL Program Reinsurance Layer Berkley Insurance Co.</b>  <small>\$90K excess of deductible</small></p> <p><small>Subject to a \$500K Corridor Retention Reinsured by EIO</small></p>
<p><b>\$10K</b></p> <p><b>Member Deductible</b></p>



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# General Liability 1

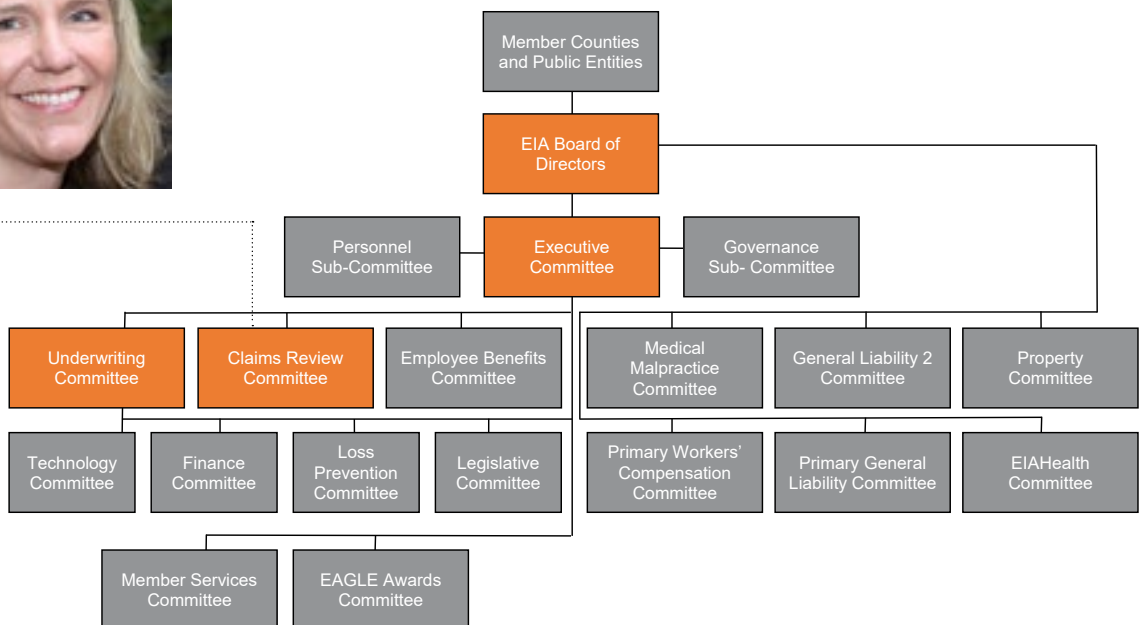
Another core piece of the EIA's programs, the General Liability 1 (GL1) Program, provides members with coverage for third party liabilities (including general, automobile, employment practices, and errors and omissions). The Program added six new members during the year, bringing the total to 120 members, who enjoy \$25M in coverage limits, subject to the members' self-insured retention which can range from \$100k to \$2M (retentions as low as \$25k have been provided on an exception basis). Because members maintain self-insured retentions in this Program, they are able to manage their own claims, either through a third party administrator of their choice or with their own claims staff. The Program funds a \$5M pool and purchases \$20M in reinsurance to achieve the \$25M limit. In the first layer of reinsurance (\$5M excess of \$5M), a third year was added on to the 2-year \$5M corridor, to make it a 3-year \$7.5M corridor retention. The program was able to transfer an additional \$2.5M to the EIO, resulting in \$200k in savings for the Program. There is also a separate program for optional excess insurance if members desire a higher limit. The structure of the GL1 Program is depicted graphically on page 14.

Within the public liability arena, there are many coverage issues to consider. The Program's coverage document is frequently reviewed, and the decisions to grant coverage or exclude risks must be made carefully. The Program has a growing and diverse membership, and the Board and governing Committees must ensure the needs and desires of all members are considered. At the same time, these groups must also consider the potential risk for unanticipated claims to the Program. This ongoing evaluation of providing coverage, while protecting the Program's assets, is reviewed on a regular basis. Like the EWC Program, the GL1 Program is governed by the Board of Directors, with recommendations being made by the Executive, Underwriting, and Claims Review Committees. The Board has delegated a significant amount of authority to the Underwriting and Claims Review Committees to handle the day-to-day business of the Program. More detail on the Underwriting Committee can be found on page 9.

The Claims Review Committee reviews GL1 and EWC claims. They have full authority to authorize settlements and take action regarding claims services, such as cost containment solutions and claims audit services.



**Janell Crane**  
Sonoma County  
Claims Review Committee Chair



# General Liability 1 Membership

2017/2018

## \$25,000

Council of San Benito County Governments  
East San Gabriel Valley Regional Occupational Program  
Marin County Transit District  
Military Department of the State of California

## \$50,000

Capitol Area Development Authority (CADA)  
City of Elk Grove  
West San Gabriel Liability & Property JPA

## \$100,000

Alpine County  
Amador County  
California Mental Health Services Authority  
Butte County  
Calaveras County  
Central Sierra Child Support Agency  
City of Carmel By The Sea  
City of Del Mar  
City of Hanford  
City of Imperial Beach  
City of Lemon Grove  
City of Lompoc  
City of Los Alamitos  
City of Pico Rivera  
City of Rancho Cordova  
City of Ridgecrest  
City of Solana Beach  
City of South Pasadena  
Colusa County  
Contra Costa IHSS Public Auth.  
CSAC EIA  
Del Norte County  
Del Norte IHSS Public Authority  
Golden State Risk Management Authority (GSRMA) JPA Administration  
Housing Authority of the County of Riverside  
Humboldt County  
Imperial IHSS Public Authority  
Inyo County  
Irvine Ranch Water District  
Kern IHSS Public Authority  
Lake County  
Lassen County  
Madera County  
Madera IHSS Public Authority  
Merced County  
Modoc County  
Mono County  
Nevada County  
Pasadena Unified School District

Plumas County  
Riverside IHSS Public Authority  
Sacramento County Contracts  
Sacramento Area Flood Control Agency (SAFCA)  
San Benito County  
San Benito IHSS  
San Bernardino IHSS Public Authority  
San Diego IHSS Public Authority  
San Jose Unified School District  
Shasta IHSS Public Authority  
Sierra County  
Siskiyou County  
Solano County  
Solano Transportation Authority  
Sutter County  
Sutter IHSS Public Authority  
Tehama County  
Torrance Unified School District  
Trindel Insurance Fund  
Trinity County  
Tuolumne County  
Yuba County

## \$150,000

City of Napa  
City of Santee  
City of Vista  
Mariposa County  
Mendocino County  
San Diego Unified School District

## \$200,000

Imperial County

## \$250,000

City of Belmont  
City of Calexico  
City of Carson  
City of Coronado  
City of El Cajon  
City of Encinitas  
City of Hemet  
City of Lancaster  
City of National City  
Golden State Risk Management Authority (GSRMA)  
Mt. Diablo Unified School District  
San Luis Obispo County  
South Bay Area Schools Insurance Authority (SBASIA)  
Shasta County  
San Mateo County Schools Insurance Group (SMCSIG)  
Stanislaus County  
Tulare County

## \$300,000

Napa County

## \$500,000

City of Chula Vista  
City of Concord  
City of Corona  
City of Covina  
City of Escondido  
City of Manhattan Beach  
City of Newport Beach  
City of Oceanside  
City of Redlands  
City of Redondo Beach  
City of Rialto  
East Bay Regional Park District  
Kings County  
San Bernardino County Departments  
Santa Barbara County

## \$750,000

Fresno County

## \$1,000,000

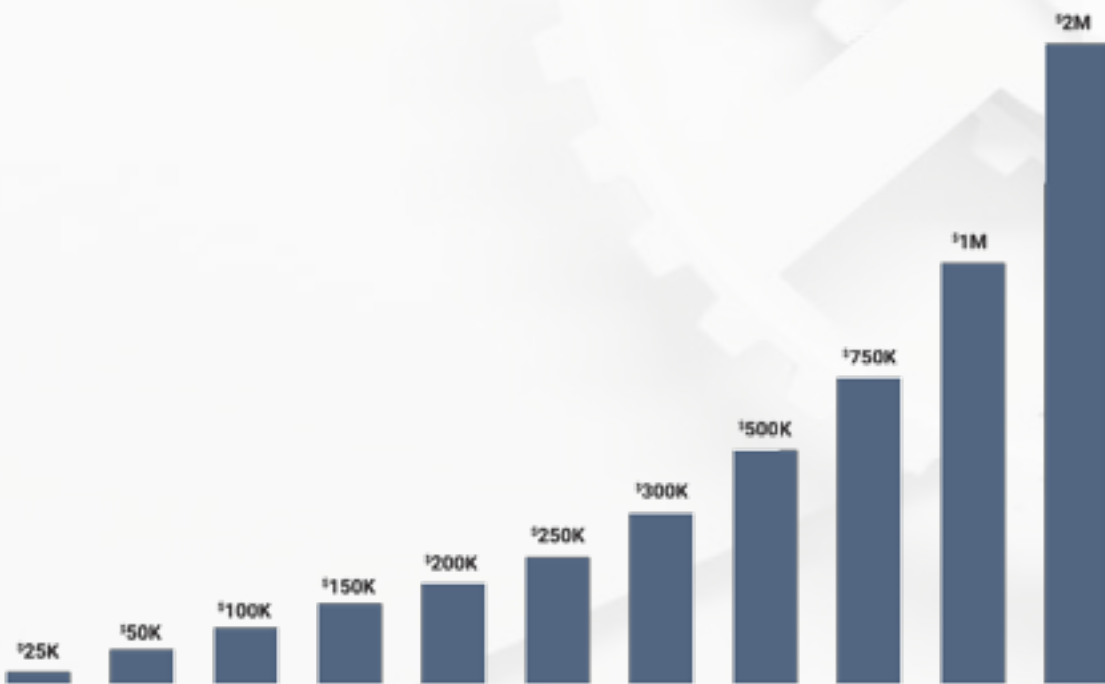
California Association for Park & Recreation Indemnity (CAPRI)  
City of Carlsbad  
City of Fontana  
City of Pomona  
City of Simi Valley  
Public Agency Risk Sharing Authority of California (PARSAC)  
Public Entity Risk Management Authority (PERMA)  
Placer County  
Schools Excess Liability Fund (SELF)  
Sonoma County

## \$2,000,000

City of Garden Grove

# General Liability 1

2017/2018



\*37 GL1 Program members purchase additional limits through the Optional Excess Liability Program.

# General Liability 2

The General Liability 2 (GL2) Program has been firmly embedded in insurance offerings of the EIA for more than two decades. The Program grew by two new members and now provides 17 members with coverage for third party liabilities (general, automobile, employment practices, and errors and omissions), up to a limit of \$25M subject to the members' self-insured retentions, which range from \$1M to \$5M. Some members also have individual member corridor deductibles, which sit on top of those members' self-insured retentions.

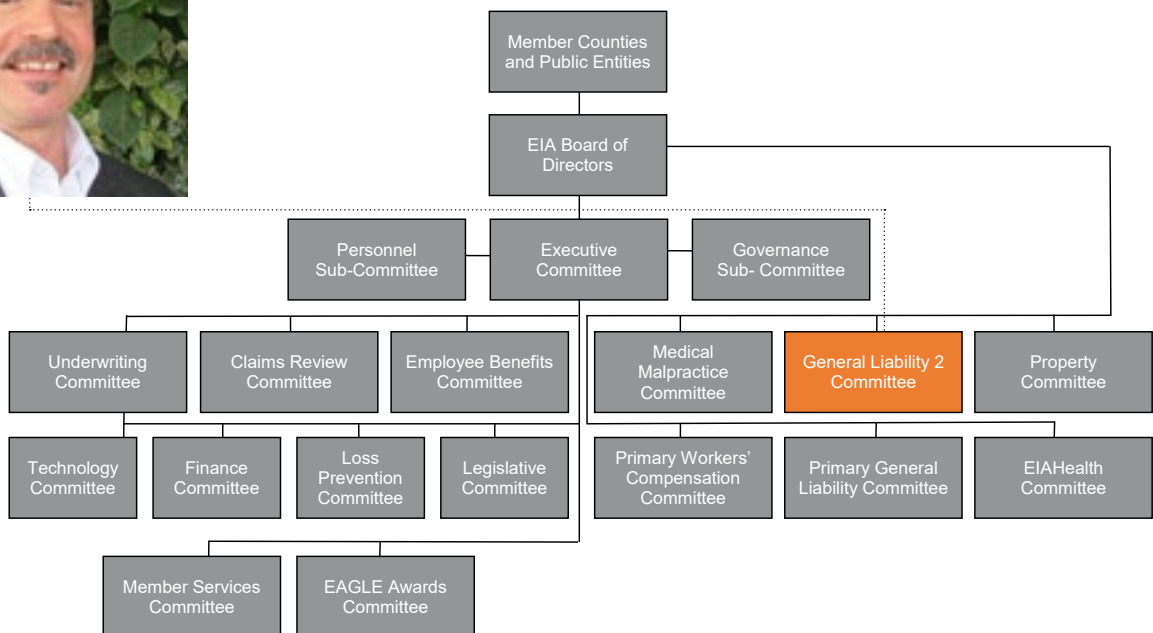
Although the Program has historically had a challenging loss history and continues to face complex liability issues, the Program enjoyed a very successful renewal with only a 1% increase in overall premium. Supporting this Program and its members with proper risk financing and risk management services is vitally important. Members have worked together to make changes to ensure the Program is attractive to the insurance market, such as last year's addition of the Crisis Incident Management Policy allowing members \$50k of coverage for situation assessment and crisis management communications through our chosen service provider.

The Program currently has three reinsurance layers, with QBE and Munich Re providing the first layer of reinsurance coverage above the group corridor retention up to \$10M. The group corridor retention is \$17.9M and is reinsured by the EIO. The transfer of corridor retention to the EIO resulted in savings of \$1.4M to the Program. Markel Global Reinsurance Co., Great American, and Brit Insurance each share in the next \$10M layer; while three different Lloyd's of London Syndicates take on the upper \$5M layer of the Program. This structure is illustrated on page 16.

The GL2 Committee governs this Program. They review all matters pertaining to the GL2 Program including insurance placements, coverage issues, claims administration, program services, and new member applications. The GL2 premium is allocated between its members using a market-based model which maintains competitiveness of the Program and equity between members.



**Lance Sposito**  
Santa Clara County  
General Liability 2 Committee Chair



# General Liability 2 Membership

2017/2018

<b>\$1,000,000</b>	<b>IMCD</b>
Alameda County	Nil
Contra Costa County	Nil
El Dorado County	Nil
Exclusive Risk Management Authority of CA (ERMAC)	\$250,000
City of Montebello	\$500,000
San Joaquin County	Nil
Santa Cruz County	Nil
Tulare County	Nil

<b>\$2,000,000</b>	<b>IMCD</b>
City of Sacramento	\$1,000,000
Sacramento County	Nil
Santa Clara County	\$500,000

<b>\$3,000,000</b>	<b>IMCD</b>
City of Oakland	Nil
City of San Diego	\$2,000,000
City of Santa Clara	Nil
San Bernardino County	Nil

<b>\$3,500,000</b>	<b>IMCD</b>
Riverside County	\$2,000,000

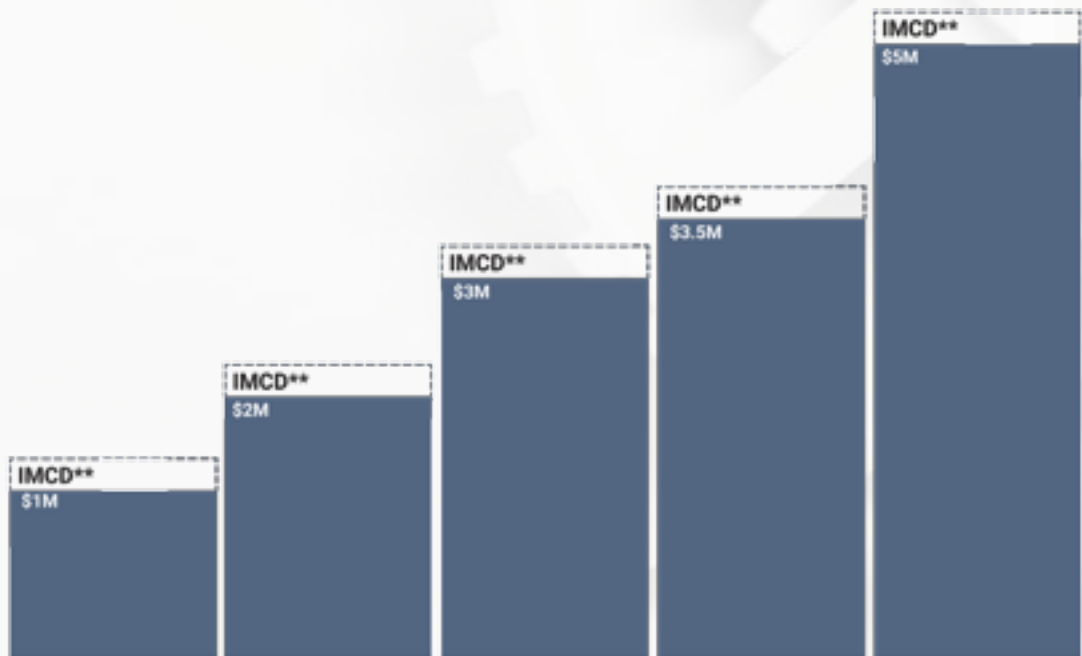
<b>\$5,000,000</b>	<b>IMCD</b>
City of Redlands	Nil

Individual Member Corridor Deductibles (IMCD) are aggregated deductibles retained by members and must be exhausted before reinsurance layers apply.

# General Liability 2

2017/2018

\$25M	<b>Reinsurance Layer</b> Quota Share Placement 65% AmTrust Syndicate 25% Hiscox Syndicate 10% Apollo Syndicate \$5M excess of \$20M
\$20M	<b>Reinsurance Layer</b> Quota Share Placement 45% Markel Global Reinsurance Co. 30% Great American 25% Brit Insurance \$10M excess of \$10M
\$10M	<b>Reinsurance Layer</b> QBE and Munich Re Subject to a \$17,973,212 Corridor Retention Reinsured by EIO



\*12 GL2 Program members purchase additional limits through the Optional Excess Liability Program.  
 \*\*Individual Member Corridor Deductible (IMCD) where applicable.

# Property

The Property Program, with all of its intricacies, is much like an insurance version of clockwork. With towers and rooftop layers, flood and earthquake coverages, each part syncs together creating a well-structured, well-funded program. It is flexible, creative, works systematically through renewals and collaborations with underwriters, provides the best protection at the lowest possible cost. The Property Program runs like a well-oiled machine, allowing its 100 members to thrive.

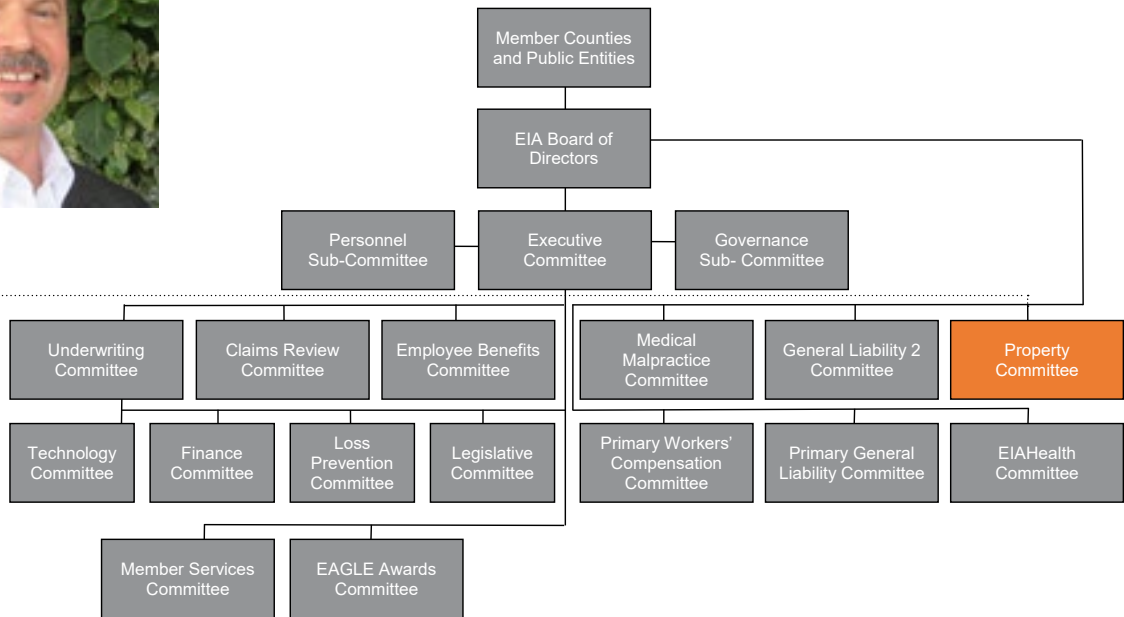
Each year, the Property Committee works hard to balance the members' desire for best in class coverage and the need for protection, within their budget constraints. There is only so much insurance capacity available in the marketplace, in particular as respects earthquake coverage. This year, however, we were able to maintain the earthquake deductible at 2%, a great member benefit found only in the EIA Program, and reduced the vehicle coverage deductible from \$20k to \$10k for vehicles valued less than \$250k. In addition to reducing the vehicle deductible, the Program formed a \$400K vehicle coverage pool which was reinsured by the EIO.

Ideally, we would like to buy additional limits, but at some point purchasing additional coverage becomes cost-prohibitive or simply unavailable. To address these issues, the Property Program has implemented a unique structure with "Towers" to spread risk both geographically and categorically. This spread of risk allows the Program to access higher limits at reduced costs. Members have \$600M in all risk and \$550M in flood limits. Plus, members that purchase earthquake coverage have access to \$540M in earthquake coverage in one or more of five towers. The Program maintains a \$3M pool, with reinsurance and insurance providing the balance of the limits. The pool exposure is limited to \$10M for the year, and upon exhaustion of the pool's aggregate, the primary reinsurer, Lexington, pays for losses excess of the members' deductibles. This year, the Program transferred both the \$10M All Risk pool exposure and the \$400k vehicle deductible pool exposure to the EIO, affording the Program members \$520k in savings.

The Property Committee governs this Program. They review all matters pertaining to the Program including insurance placements, coverage issues, property appraisals, other program services, and new member applications.



**Lance Sposito**  
Santa Clara County  
Property Committee Chair



# Property Membership

2017/2018

## \$5,000

Amador County  
Butte County  
Calaveras County  
Central Sierra Child Support Agency  
City of Bakersfield  
City of Calexico  
City of Coronado  
City of Del Mar  
City of Elk Grove  
City of Encinitas  
City of Hemet  
City of Imperial Beach  
City of Lemon Grove  
City of Napa  
City of National City  
City of Oceanside  
City of Pico Rivera  
City of Rancho Cordova  
City of Rialto  
City of Ridgecrest  
City of Solana Beach  
City of Santee  
City of South Pasadena  
City of Vista  
CSAC EIA  
Golden State Risk Management Authority (GSRMA)  
Humboldt County  
Imperial County  
Inyo County  
Kings County  
Lake County  
Madera County  
Mariposa County  
Merced County  
Mountain Communities Healthcare District  
Napa County  
Placer County  
Santa Cruz County  
Solano County  
Sonoma County Employees' Retirement Association  
Sutter County  
Tehama County  
Tuolumne County  
Yuba County

## \$10,000

City of Carmel By The Sea  
City of Chula Vista  
City of Concord  
City of Escondido  
City of Manhattan Beach  
City of Oakland  
Housing Authority of the County of Riverside  
Mendocino County  
Orange County  
Plumas County  
San Luis Obispo County  
Santa Barbara County  
Santa Clara County Vector Control District  
Siskiyou County  
Stanislaus County  
Tulare County  
Ventura County

## \$25,000

Alpine County  
City of Covina  
City of Redondo Beach  
City of San Diego  
Colusa County  
Del Norte County  
East Bay Regional Park District  
El Dorado County  
Fresno County  
Irvine Ranch Water District  
Lassen County  
Modoc County  
Mono County  
Monterey County  
Nevada County  
San Benito County  
San Bernardino County  
San Diego Housing Commission  
San Diego Metro Transit System  
San Joaquin County  
Shasta County  
Sierra County  
Trinity County  
Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

## \$50,000

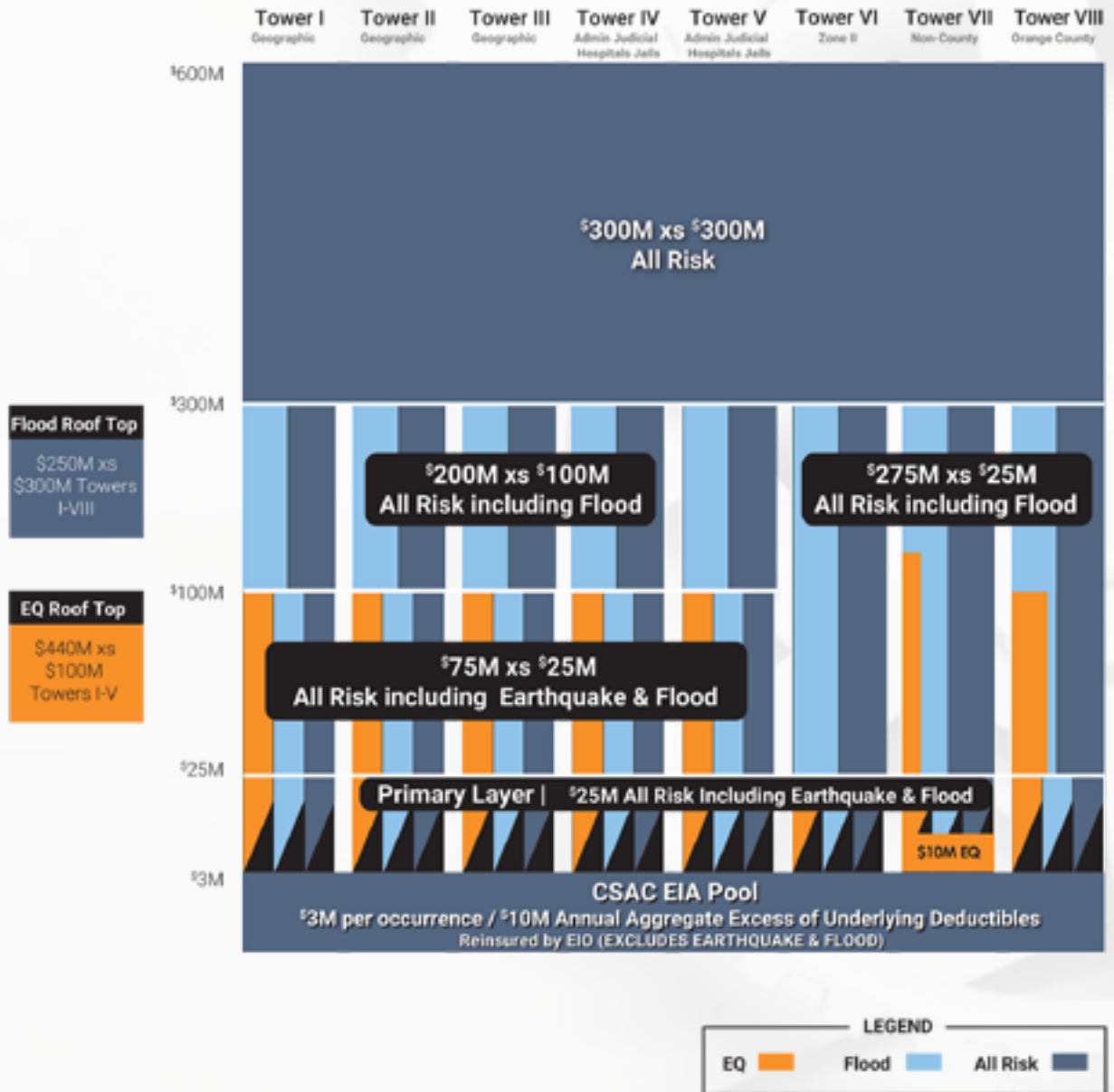
Alameda County  
Alameda Health System  
Contra Costa County  
Kern County  
Kern County Hospital Authority  
Pasadena Unified School District  
Riverside County  
Sacramento County  
San Diego County  
Santa Clara County  
Santa Clara County Library JPA  
Sonoma County  
West San Gabriel Property & Liability JPA

## \$100,000

California Schools Risk Management (CSRM)  
Mt. Diablo Unified School District

# Property

2017/2018



Not shown graphically is the Catastrophic Risk pool, designed to buy down member deductibles for Flood and EQ.

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# Medical Malpractice

The Medical Malpractice Program has recently added three new members now providing 52 members with coverage for medical professional services and limited general liability exposures at established healthcare facilities. The Program offers limits of \$21.5M in addition to the members' deductible or self-insured retention, which range from \$5k to \$1.1M. For members who maintain a deductible, claims administration is provided by the Program's claims administrator, Risk Management Services (RMS). Members who maintain a self-insured retention are able to manage their claims, either through a claims administrator, or with their own claims staff. The Program funds a \$1.5M pool and purchases \$20M of reinsurance to fulfill the limits. This structure is depicted graphically on page 20.

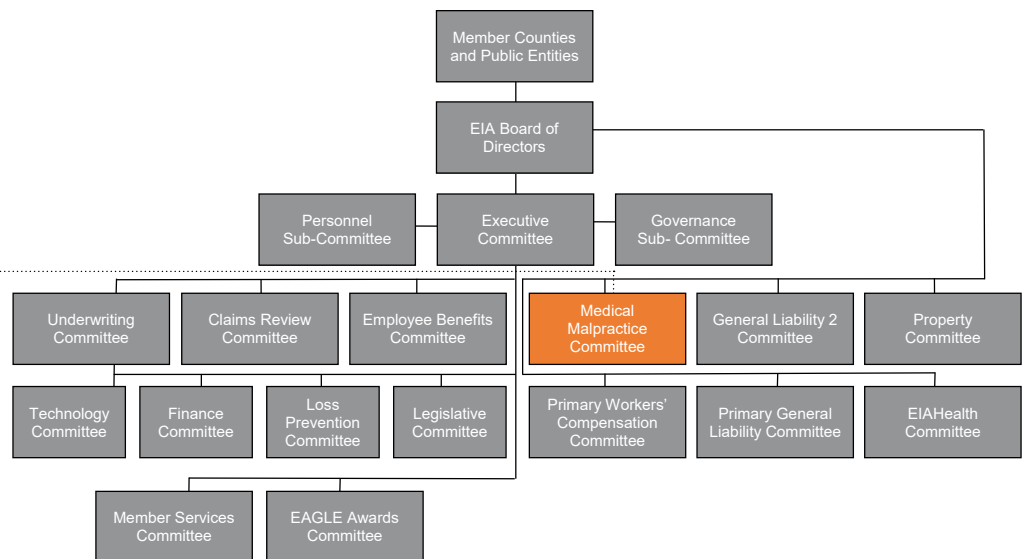
Beginning with the 2010/11 year, the Program's reinsurance agreement was converted from "claims-made" to an "occurrence" basis. This was achieved by taking advantage of a soft insurance market with the long term strategy to retain occurrence based coverage until the market hardened significantly. At the same time, the members have continued to fund and provide coverage for the pooled layer on a claims-made basis in order to take advantage of risk financing benefits of lower cost, greater predictability, and stability.

Since the conversion to occurrence based coverage the market has remained soft. However, this year Lexington, the Program's long time reinsurer, made a business decision to no longer offer occurrence based policies for medical malpractice across their entire book of business. The Program was marketed, resulting in a move to MedPro, a Berkshire Hathaway Company, who offered an occurrence based solution at very competitive rates. The Program enjoyed a successful renewal, and outside of replacing Lexington with MedPro, the Program structure remained unchained.

The Program is governed by the Medical Malpractice Committee, who is responsible for all matters pertaining to the Program including pool funding, coverage issues, claims, program services, new member applications, and insurance placements.



**Tanya Moreno**  
 San Joaquin County  
 Medical Malpractice Committee Chair



# Medical Malpractice Membership

2017/2018

## \$5,000

Alpine County  
Calaveras County  
City of Anaheim  
City of Berkeley  
City of Fremont  
Colusa County  
Del Norte County  
Kings County  
Lassen County  
Los Angeles Unified School  
District  
Mariposa County  
Mendocino County  
Merced County  
Modoc County  
Mono County  
Placer County  
San Diego Unified  
School District  
Sierra County  
Siskiyou County  
Solano County  
Sonoma County  
Sutter County  
Tehama County  
Trinity County  
University of CA, Hastings  
College of Law

## \$10,000

Alameda County  
Amador County  
Butte County  
El Dorado County  
Glenn County  
Humboldt County  
Imperial County  
Inyo County  
Madera County  
Marin County  
Napa County  
Nevada County  
Plumas County  
San Benito County  
San Luis Obispo County  
Santa Barbara County  
Santa Cruz County  
Shasta County  
Stanislaus County  
Tulare County  
Tuolumne County  
Yolo County  
Yuba County

## \$500,000

Santa Clara County

## \$1,000,000

Contra Costa County  
San Joaquin County

## \$1,100,000

Riverside County

# Medical Malpractice

2017/2018

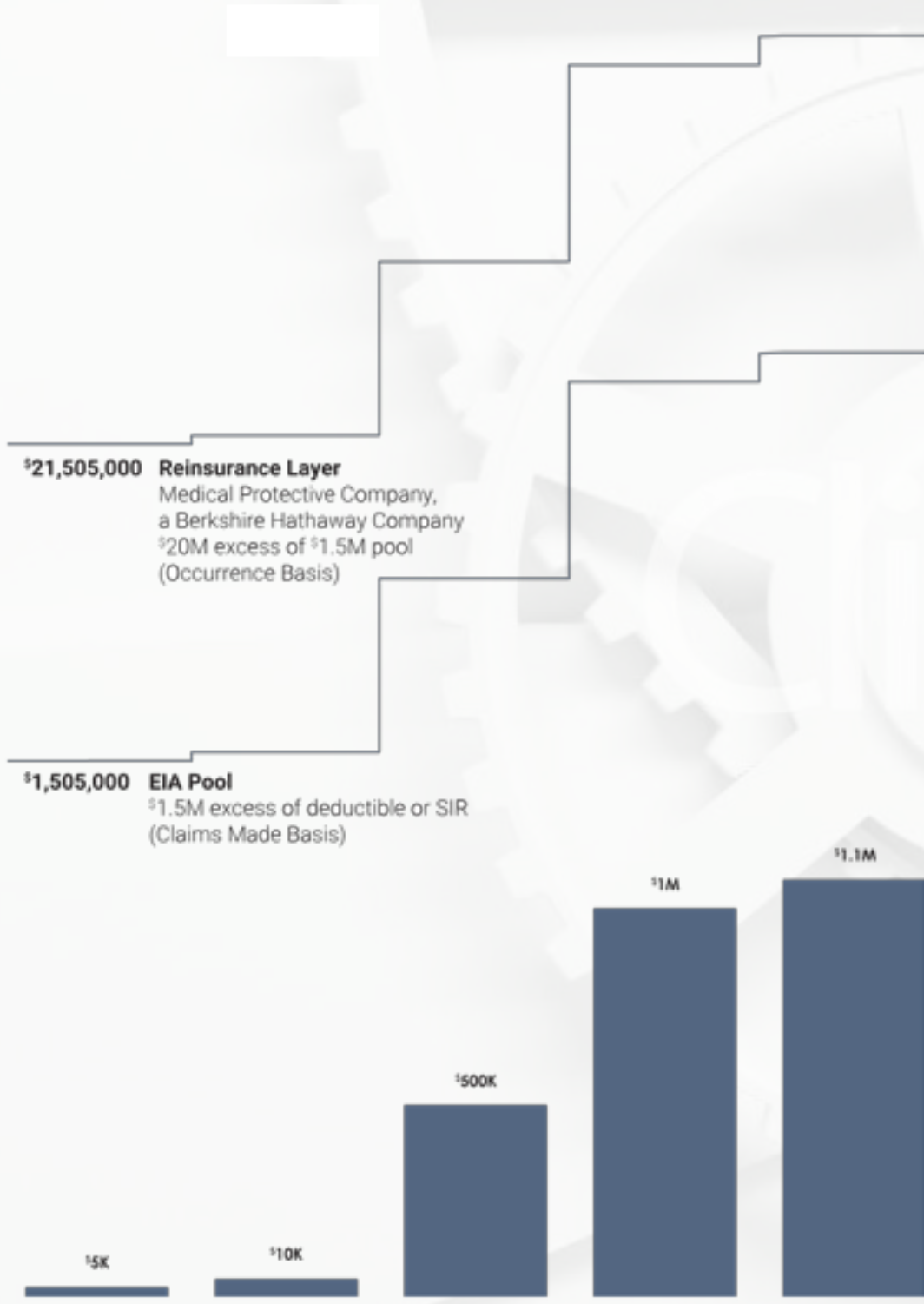


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# EIAHealth

The EIAHealth Program continues to provide a transparent and stable option to today's uncertain healthcare marketplace. Established in 2003, EIAHealth has grown steadily and is now part of the second largest public agency healthcare purchasing pool in California. The Program currently represents 30 members and provides coverage for over 24,000 employees/retirees.

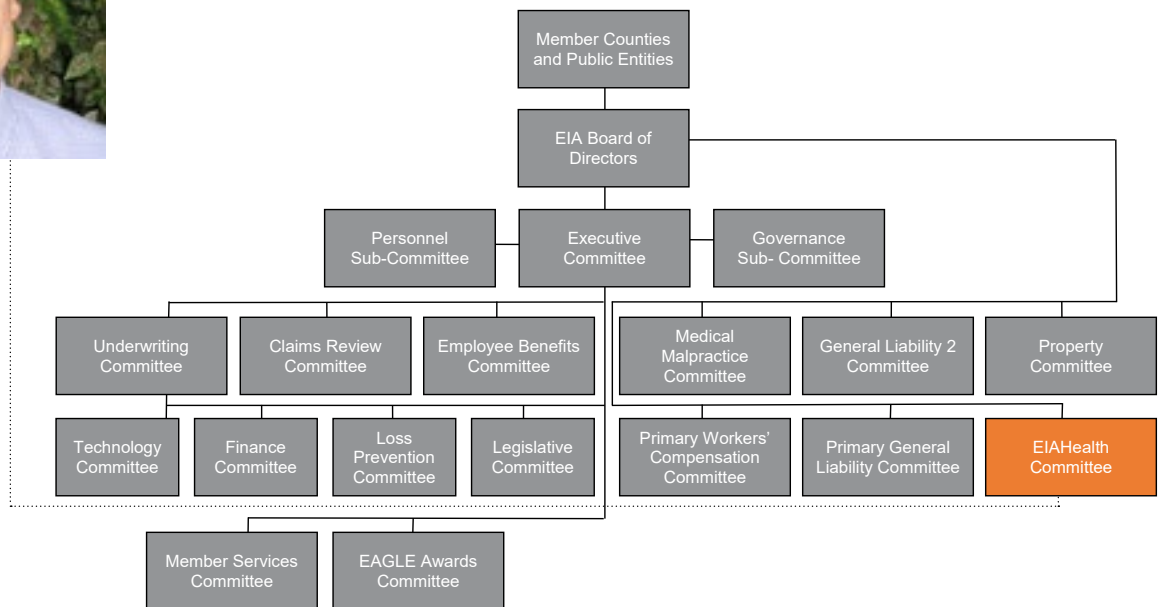
The Program is a cooperative effort between Anthem, Blue Shield, Kaiser, and Express Scripts, providing members an alternative to group health insurance using the concept of pooling to reduce insurance premiums through consolidating fixed costs over a larger population and risk sharing. Members of the large group segment are able to create and maintain their own plan designs within the context of the pooling arrangement, which provides much greater stability than a stand-alone program. In addition, a small group segment provides pre-defined benefit options and regional rates for public employers with less than 200 employees.

The EIAHealth Program partners with Self Insured Schools of California (SISC) for the pooling of PPO type indemnity plans. In addition, HMO options are available to members on an insured basis. This relationship gives the Program more stability and lower rates.

The EIAHealth Committee governs this Program. This Committee reviews all matters pertaining to the EIAHealth Program including program funding, new member applications, and program renewals.



**Scott De Moss**  
Merced County  
EIAHealth Committee Chair



# EIAHealth Membership

2017/2018

Amador County  
 Calaveras County  
 City of Chico  
 City of Clovis  
 City of Huntington Beach  
 City of Irvine  
 City of Merced  
 City of Redding  
 City of Santa Rosa  
 City of Visalia  
 City of Walnut Creek

City of Watsonville  
 City of Yuba City  
 Community Development  
 Commission of LA County  
 Del Norte County  
 El Dorado County  
 Golden State Risk  
 Management Authority (GSRMA)  
 Lake County  
 Mendocino Coast  
 District Hospital

Merced County  
 Orange County Sanitation  
 District  
 Orange County Transportation  
 Authority  
 San Benito County  
 Santa Barbara County  
 Special District Risk Management  
 Authority (SDRMA)  
 Superior Court of California,  
 County of Merced

Superior Court of California,  
 County of Santa Barbara  
 Sutter County  
 Tehama County  
 Turlock Irrigation District

# Dental Membership

2017/2018

Alpine County  
 Amador County  
 Bay Area Air Quality  
 Management District  
 Calaveras County  
 California State Legislature  
 Catalina Island Medical Center  
 Central Contra Costa Sanitary  
 District  
 Central Sierra Child Support  
 Agency  
 City of Alameda  
 City of American Canyon  
 City of Atascadero  
 City of Atwater  
 City of Belmont  
 City of Buena Park  
 City of Calabasas  
 City of Capitola  
 City of Chico  
 City of Claremont  
 City of Concord  
 City of Costa Mesa  
 City of Cypress  
 City of El Centro  
 City of Escalon  
 City of Folsom  
 City of Fremont  
 City of Galt  
 City of Goleta  
 City of Hayward  
 City of Huntington Beach  
 City of Ione  
 City of Live Oak  
 City of Livermore  
 City of Maywood  
 City of Menlo Park  
 City of Merced  
 City of Mill Valley  
 City of Mission Viejo  
 City of Murrieta  
 City of Needles  
 City of Novato  
 City of Oceanside  
 City of Oroville  
 City of Pacifica  
 City of Paso Robles

City of Perris  
 City of Pleasanton  
 City of Port Hueneme  
 City of Rancho Cordova  
 City of Rancho Santa Margarita  
 City of Redding  
 City of Richmond  
 City of Roseville  
 City of San Bernardino  
 City of San Jacinto  
 City of San Leandro  
 City of San Ramon  
 City of Santa Rosa  
 City of Solana Beach  
 City of South San Francisco  
 City of Stanton  
 City of Sunnyvale  
 City of Twentynine Palms  
 City of Vacaville  
 City of Visalia  
 City of Walnut Creek  
 City of Watsonville  
 City of West Covina  
 City of West Sacramento  
 Coachella Valley Association  
 of Governments (CVAG)  
 Colusa County  
 CSAC Excess Insurance Authority  
 Dublin San Ramon Services District  
 El Dorado County  
 Gold Coast Transit District  
 Great Basin Unified Air Pollution  
 Control District  
 Golden State Risk Management  
 Authority (GSRMA)  
 Humboldt County  
 Inland Empire Health Plan  
 Inland Empire Utilities Agency  
 Inyo County  
 Lake County  
 Lassen County  
 Mariposa County  
 Mendocino Coast District Hospital  
 Merced County  
 Modoc County  
 Mono County  
 Monterey Salinas Transit

Morongo Basin Transit Authority  
 Napa County  
 Napa Sanitation District  
 Nevada County  
 Office of Community Investment  
 and Infrastructure (OCII)  
 Orange County Sanitation District  
 Orange County Transportation  
 Authority  
 Otay Water District  
 Palo Verde Valley Health Care  
 District Hospital  
 Placer County  
 Placer County Water Agency  
 Pleasant Hill Recreation and  
 Park District  
 Plumas County  
 Port of Oakland  
 Public Agency Risk Sharing  
 Authority of California (PARSAC)  
 Public Entity Risk Management  
 Authority (PERMA)  
 Sacramento- Yolo Mosquito and  
 Vector Control District  
 San Bernardino Municipal Water  
 District  
 San Benito County  
 San Diego County Water  
 Authority  
 San Joaquin County  
 San Luis Obispo County  
 Santa Barbara County  
 Santa Clara Housing Authority  
 Santa Cruz County  
 Santa Cruz Metro Transit District  
 Shasta County  
 Sierra County  
 Solano County  
 Sonoma Marin Area Rail Transit  
 Special District Risk Management  
 Authority (SDRMA)  
 Stanislaus County  
 Superior Court of California:  
 County of Alpine  
 County of Amador  
 County of Butte  
 County of Calaveras

Superior Court of California (cont'd)  
 County of Colusa  
 County of Contra Costa  
 County of Del Norte  
 County of El Dorado  
 County of Lake  
 Orange County Sanitation District  
 County of Merced  
 County of Orange  
 County of Placer  
 County of San Benito  
 County of San Luis Obispo  
 County of Santa Barbara  
 County of Santa Cruz  
 County of Shasta  
 County of Sonoma  
 County of Stanislaus  
 County of Trinity  
 County of Tuolumne  
 County of Yolo  
 County of Yuba  
 Sutter County  
 Tehama County  
 Town of Yountville  
 Transportation Corridor Agencies  
 Trindel Insurance Fund  
 Trinity County  
 Tuolumne County  
 Turlock Irrigation District  
 Western Riverside Council of  
 Governments (WRCOG)  
 Yolo County  
 Yuba County

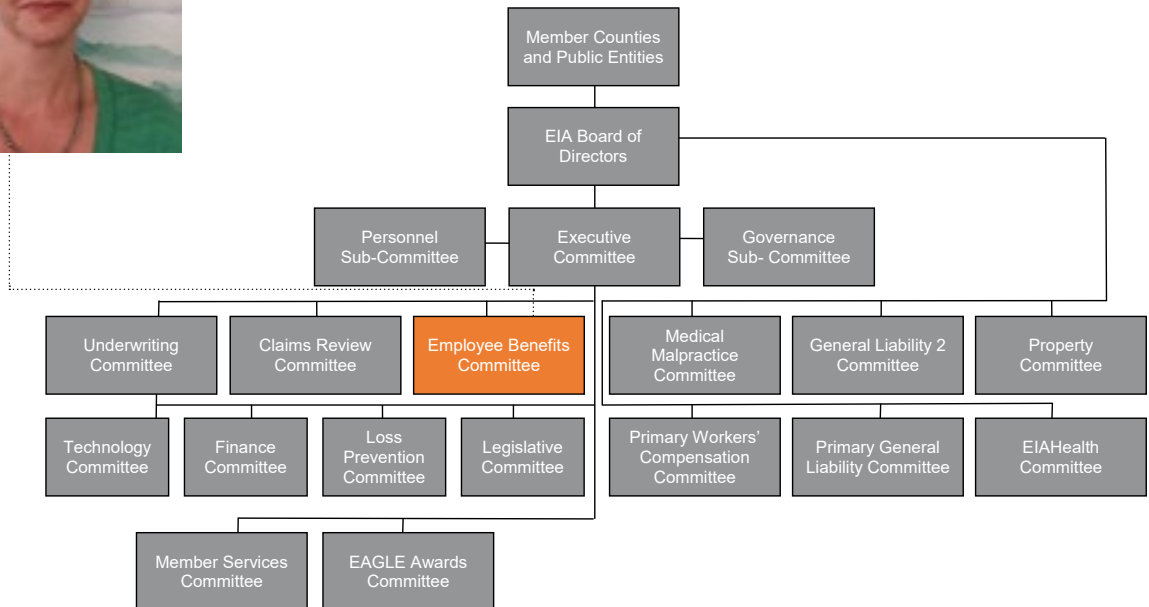
# Dental

The Dental Program, another gear in the employee benefits offerings, was launched in January 2010 and has since experienced significant growth. This Program utilizes pooling methodology to provide members with more predictable and stable dental rates year-over-year. The Program partners with Delta Dental to provide administrative services including claims administration and access to the Delta Dental network of providers. The administrative fees in the Program are also some of the lowest offered by Delta Dental of California.

The Employee Benefits Committee governs the Dental Program, as well as other miscellaneous employee benefit programs (i.e. Vision, Employee Assistance Program, Life, Short Term Disability, and Long Term Disability). This Committee reviews all matters pertaining to the Programs including program funding, new member applications, and program renewals.



**Donna Caldwell**  
Solano County  
Employee Benefits Committee Chair



# Master Rolling Owner Controlled Insurance Program

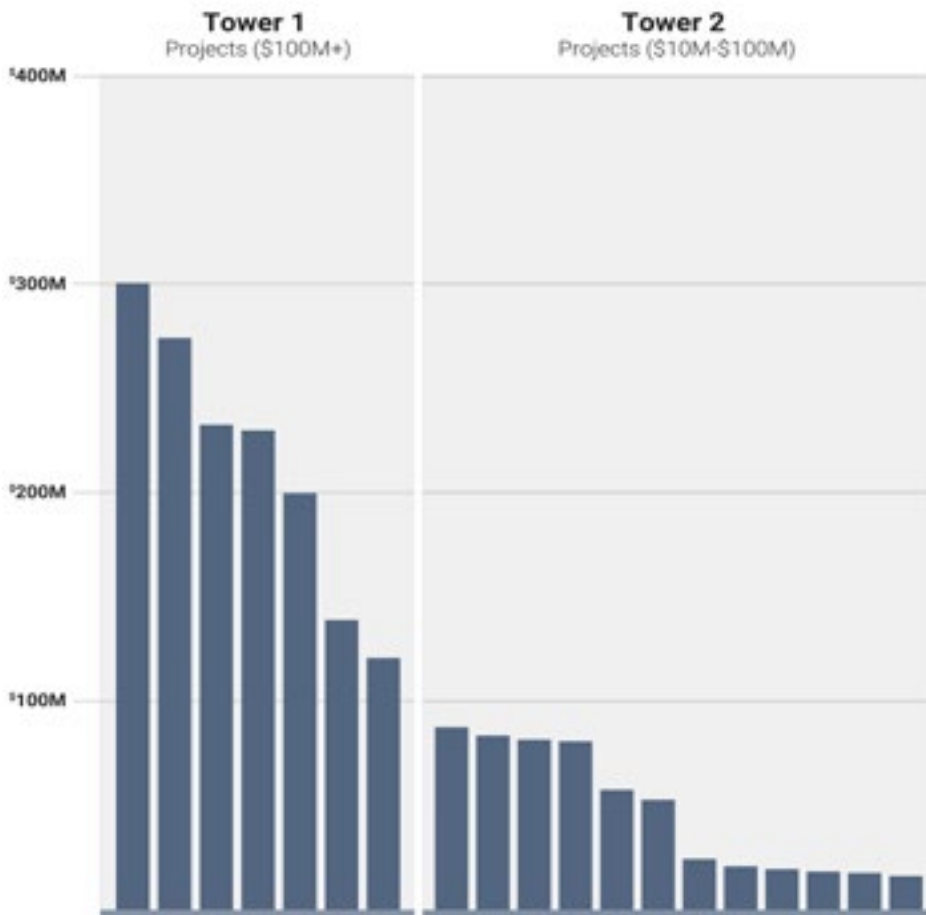
The Master Rolling Owner Controlled Insurance Program, or MR OCIP for short, enables members to purchase workers' compensation and general liability coverage for all eligible parties (owner, general contractor, and sub-contractors) working on their construction projects. These policies (also known as "wrap-ups") are widely used on public sector construction projects and capital improvement programs such as jail, school, hospital and various improvements or new construction. They offer cost savings, better coverage, more control, and higher limits of insurance than a traditional approach to construction insurance. A truly progressive alternative to traditional insurance.

Historically, OCIPs were only cost effective for construction projects of at least \$100M. The EIA, however, has leveraged its pooling power to combine smaller projects of the members into one Program. Now, construction projects valued at as little as \$10M can provide members the opportunity to receive the benefits of a "wrap-up" on projects that otherwise wouldn't qualify because of their size.

As the newest EIA major program, MR OCIP was launched on January 1, 2013. The Program continues to grow, and currently has 14 participating members and more than \$1B in construction values. This Program is positioned to experience significant growth, as the economy strengthens and members continue to evaluate the cost savings and enhanced coverage that is provided by the Program.

## MR OCIP

2017/2018



## Membership

### Tower 1

- City of Oakland
- Coast Community College District
- Port of Oakland
- Riverside County
- San Diego County

### Tower 2

- City of Oakland
- Kern County
- Kings County
- Merced County
- Placer County
- San Diego County
- Santa Barbara County
- San Mateo County Schools Insurance Group (SMCSIG)
- Solano County
- Tulare County
- Tuolumne County

# Financial Letter

November 1, 2017

Board of Directors  
CSAC Excess Insurance Authority

The gears of the EIA move together to meet the program needs of members. This report contains easy-to-read information on EIA's programs, an overview of the EIA's financial condition, and highlights of the financial activity for the fiscal year ended June 30, 2017. Included are comparative financial statements for the years ended June 30, 2017 and 2016, including the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, which conform to Generally Accepted Accounting Principles (GAAP). This information is derived from our Comprehensive Annual Financial Report (CAFR). The CAFR contains more detailed information and can be found on our website at [www.csac-eia.org](http://www.csac-eia.org). Our CAFR for fiscal year ending June 30, 2016, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and will be submitting our CAFR for the current year to the GFOA.

## Financial Highlights

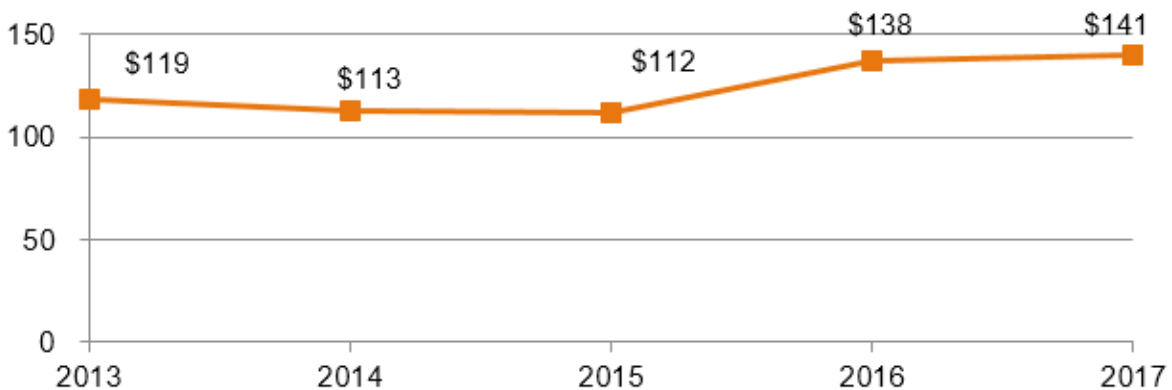
### Net Position

Net position is defined as the difference between Total Assets and Total Liabilities. The EIA started the year with a net position of \$137.7M. Net income before dividends was \$5.8M. We declared a \$2.5M dividend in our Primary Workers' Compensation Program, a \$266k dividend in the Primary General Liability program and \$205k of no claims bonuses in our other programs. Our ending balance in net position at June 30, 2017 is \$140.5M, up \$2.9M from fiscal 2016.

The increase in net position was largely driven by the funding of the new policy year at a higher than expected confidence level in many programs, as well as lower than budgeted administrative expenses. This was partially offset by development in claims liabilities in the older policy years.

### Net Position Trend

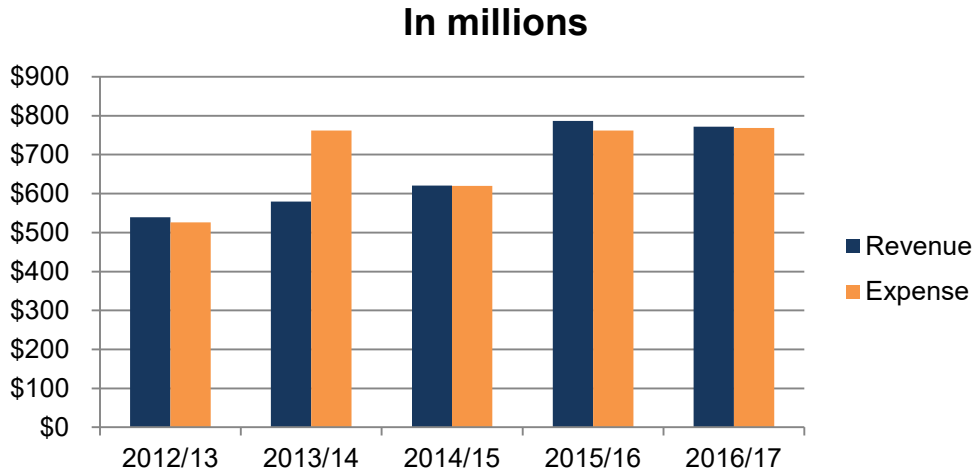
(in millions)



# Financial Letter

continued

The following chart shows how Revenues and Expenses have changed over time.



## Claim Liabilities

After net position, claim liabilities are the most significant line item on our statements. Claim liabilities are shown discounted, which is at their net present value, taking into account investment earnings over time. Claim liabilities increased from \$562.5M to \$610.7M partly because of a claims commutation in the PWC Program, where the reinsurer paid the EIA to assume \$9.8M in undiscounted claim liabilities in its layer for the 1997 – 2004 claim years. This liability was further transferred to the EIA's captive insurance company, the Excess insurance Organization (EIO). There was growth in the programs and increases in the self-funded aggregate layers due to establishment of the EIO.

The target equity range is what the EIA considers desirable equity that should be on hand as reserve for loss development. The governing committees for each program use this information to determine how much premium to collect at renewal, and whether to declare a dividend. The chart below shows the target equity range for each program, and the Net Position of those programs at June 30, 2017.

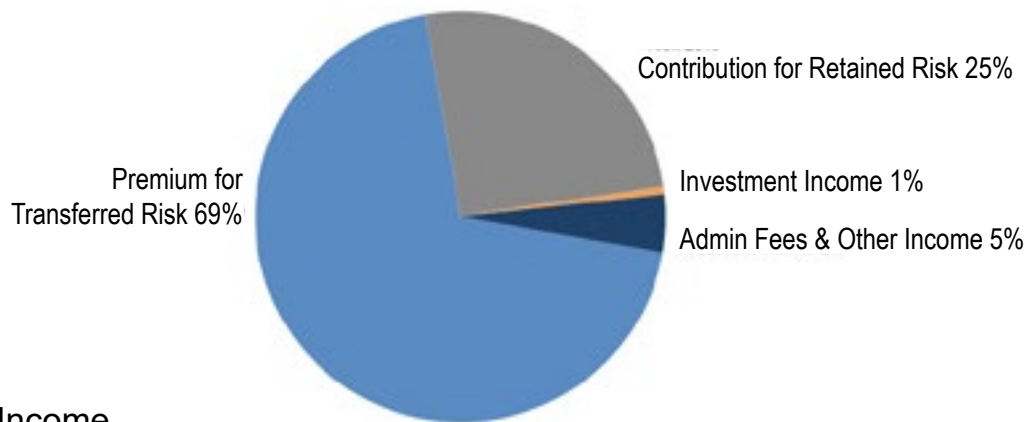
Program	Target Equity Range (in millions)		Program Net Position (in millions) as of June 30, 2017
	Low	High	
Primary Workers' Compensation	\$14.3	\$40.5	\$25.5
Excess Workers' Compensation	\$30.0	\$91.6	\$22.4
Primary General Liability	\$0.01	\$1.2	\$1.3
General Liability 1	\$20.1	\$34.7	\$33.1
Medical Malpractice	\$3.6	\$12.3	\$6.7

# Financial Letter

continued

## Revenues

Total revenues were \$771M during 2017, a 2% decrease from the \$787M in 2016. Most of the decrease is due to the fact that Fiscal 2016 revenue was inflated due to the claims commutation in the EWC Program. Reduced investment income also contributed to the decrease in revenues. Net of these two factors, both premium and pool revenue is up partly due to rising payrolls which is the exposure base for many programs. Insurance rates increased for the Excess Workers' Compensation, General Liability 1 and 2, Medical Malpractice, and EIAHealth Programs. There were flat rate renewals or rate decreases in the Primary Workers' Compensation, Primary General Liability, Property, Dental, and Vision Programs.



## Investment Income

Investment income was \$4.6M for fiscal 2017; only a third of fiscal 2016. Even though we have more treasury assets to invest, we experienced some unrealized losses as compared to unrealized gains in fiscal 2016 that were included in the investment income. We expect earnings to rise gradually as interest rates recover.

## Expenses

The EIA continued to purchase insurance to cover risks when that option was more cost effective than pooling the risk. In 2017, insurance related expense was \$537M, up from \$496M in 2016, matching the growth in revenues. Purchased insurance was 70% of all expenses, while claim costs accounted for 25%. Dividends, Program Services, and Administrative Costs made up the remaining 5% of expenses.

The Member Services Department was created in fiscal 2016 and continues to implement new services, which incorporate Loss Prevention, Claims, and Risk Management services. The EIA offers a wide range of services to our members including:

- On-site and telephonic consultation
- Video, electronic and printed resource material
- Regional, on-site and web based training programs
- Facility inspections
- Hazard and exposure assessments with realistic solutions
- Crisis Incident Management and Consultation
- Drug and Alcohol Monitoring Consortium
- Policy/program evaluation and development
- Subsidy program to fund risk management services
- A Risk Management Practitioners Program
- Background Check Services
- An online Risk Assessment Tool

# Financial Letter

continued

We are always in the process of re-evaluating and expanding services to members, including creating an Enterprise Risk Consultants program.

## New and On-going Initiatives

The conversions for two of the three remaining Primary Workers' Compensation Third Party Administrators (PWC TPAs) into our Claims Management Information System (CMIS) were completed. The final PWC TPA will be implemented in the 2017/18 fiscal year, so discussions regarding feasibility for Primary General Liability TPAs to convert have begun. The IT Department continues to provide a CMIS service to our members.

We continue development on a benchmarking service that will enhance our understanding of claims trends and enable us to craft more focused loss prevention programs, as well as more effectively price member premiums. The automated Risk Assessment Tool enabling members to identify areas of risk and make changes as needed to mitigate losses, was made available.

Development continues on the website and pool management system functionality. Applications to manage subsidy balances and reimbursement requests as well as governance participation were released.

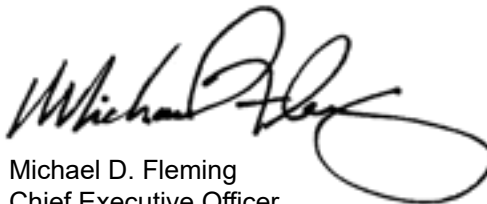
The EIAHealth Program continues to provide transparent and stable healthcare renewals to California public agencies. In fiscal 2016/2017 the Program grew 25% which represents 28 agencies and covers 24,000 employee/retiree lives.

Our financial statements follow. With the help of its people, members, staff, business and insurance partners, the EIA continues to accomplish its mission of providing risk coverage programs and risk management services to its members which drive member stability, efficiency and best practices.

Respectfully submitted,



Puneet Behl  
Chief Financial Officer



Michael D. Fleming  
Chief Executive Officer



**Darrel Pyle**  
City of Hanford  
Finance Committee Chair

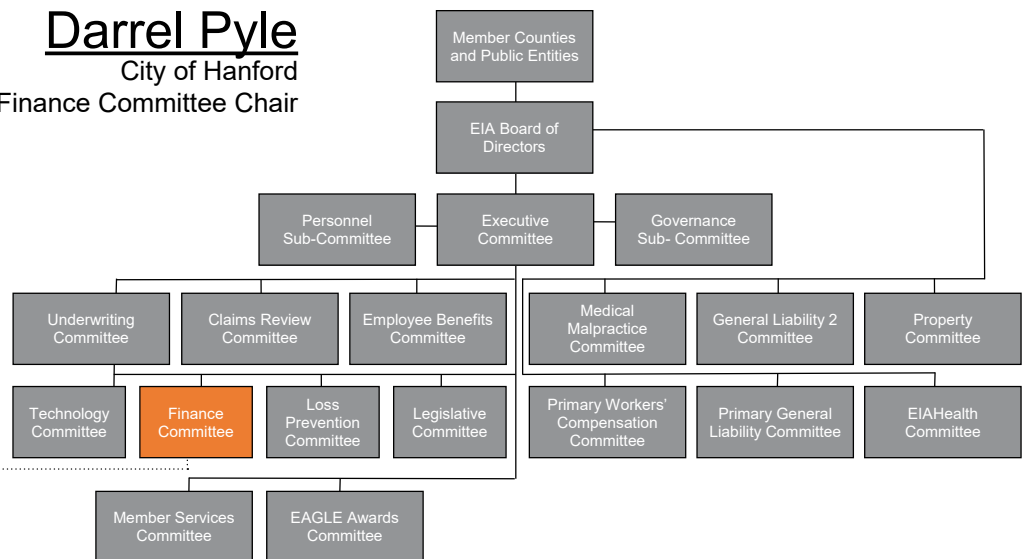
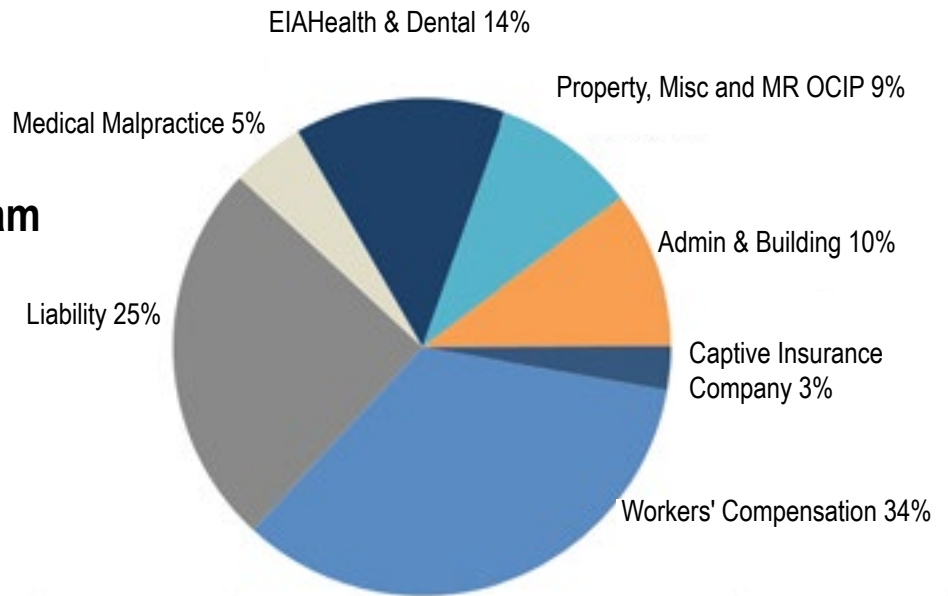


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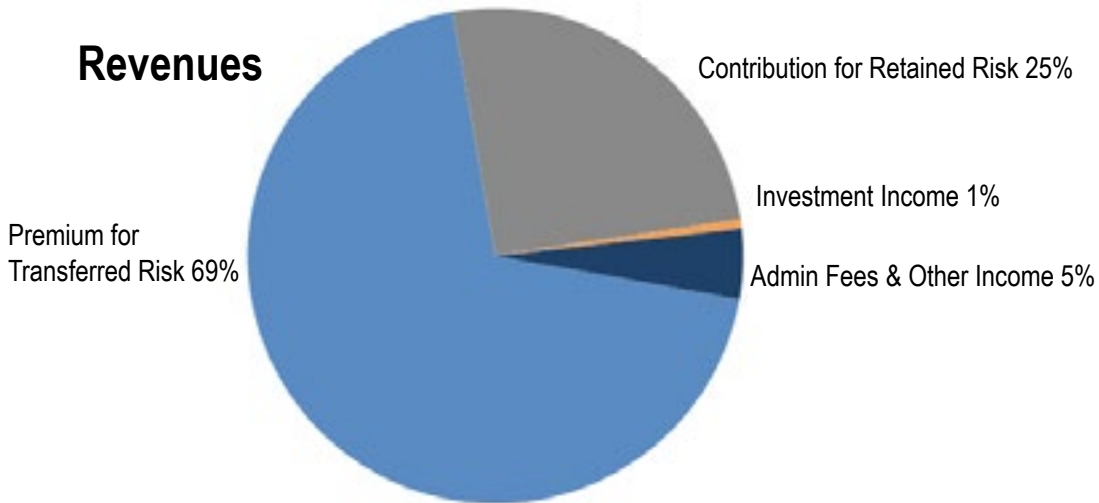
# Financial Profile

Financial results in brief 2016/2017

## Net Position by Program



## Revenues



## Expenses

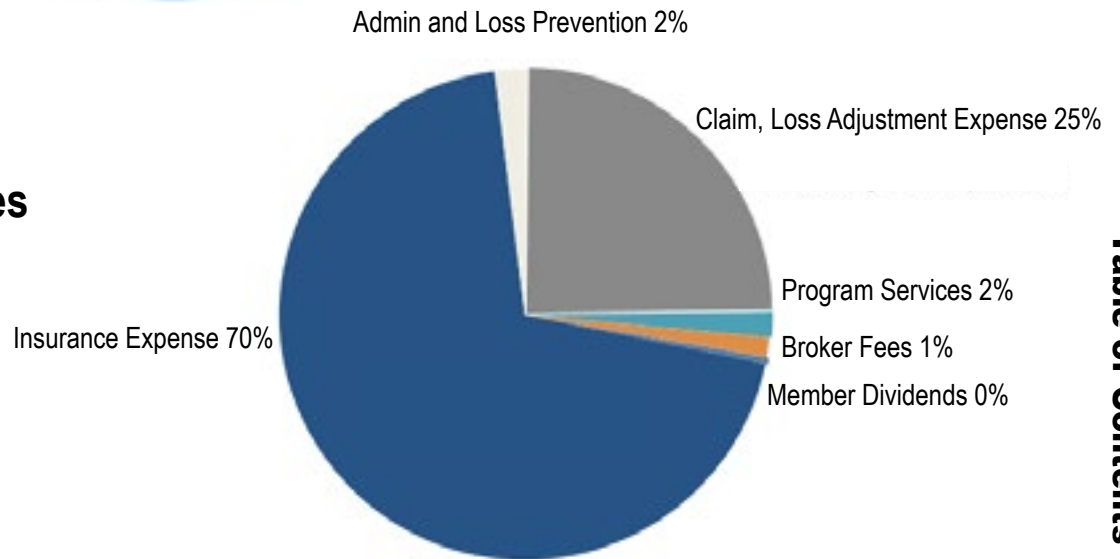


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# Financial Profile

continued

## Statement of Net Position, June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets:		
Cash and Cash Equivalents	\$ 36,891,450	\$ 39,521,430
Investments	616,992,552	571,598,427
Receivables	29,796,756	26,517,743
Prepaid Expenses and Deferred Outflows of Resources	99,381,588	94,770,870
Land, Buildings and Equipment (Net)	<u>9,838,240</u>	<u>9,578,879</u>
Total Assets and Deferred Outflows of Resources	<u>792,900,586</u>	<u>741,987,349</u>
Liabilities:		
Accounts Payable, Due to Members and Deposits from Carriers	19,247,003	28,503,002
Unearned Income and Other Liabilities	19,872,723	9,821,051
Pension Liabilities	2,558,380	3,469,004
Claim Liabilities	<u>610,701,218</u>	<u>562,521,675</u>
Total Liabilities and Deferred Inflows of Resources	<u>652,379,324</u>	<u>604,314,732</u>
Net Position:		
Invested in Capital Assets	9,838,240	9,578,879
Unrestricted	<u>130,683,022</u>	<u>128,093,738</u>
Total Net Position	<u>\$ 140,521,262</u>	<u>\$ 137,672,617</u>

# Financial Profile

continued

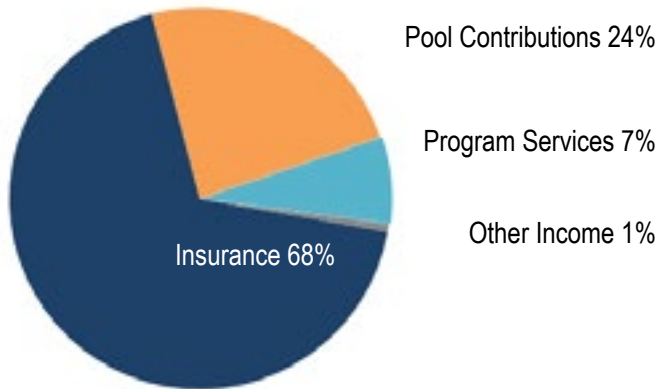
## Statement of Revenues, Expenses & Changes in Net Position For the Fiscal Years Ended June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Revenues:		
Premiums for Transferred Risk	\$ 535,583,984	\$ 493,749,250
Broker Fees	9,996,927	9,385,697
Contributions for Retained Risk	196,118,073	163,031,197
Dividend Income	192,828	232,389
Investment Income, net	4,602,220	13,786,527
Member Services	935,244	747,513
Administration Fees	21,294,667	18,830,010
Public Entity Fees	738,862	655,463
Development Fees	2,400	-
Other Income	2,172,511	86,854,558
	<u>771,637,716</u>	<u>787,272,604</u>
Expenses:		
Member Dividends	\$ 2,970,796	\$ 5,554,624
Stabilization Funds Distributed	64,106	477,716
Insurance and Provision for Losses:		
Insurance Expense	537,135,168	496,527,761
Broker Fees	10,056,293	9,125,742
Provision for Insured Events	185,159,424	213,524,014
Unallocated Loss Adjustment Expenses	4,035,629	9,400,117
Program Services	13,006,216	13,744,756
Member Services and Subsidies	2,753,144	2,963,429
General Administrative Services	12,500,483	9,574,758
Depreciation and Building Maintenance	1,107,812	1,113,715
	<u>768,789,071</u>	<u>762,006,632</u>
Changes in Net Position	<u>2,848,645</u>	<u>25,265,972</u>
Net Position:		
Net Position, Beginning of Year	<u>137,672,617</u>	<u>112,406,645</u>
Cumulative Effect of Change in Accounting Principle		
Pension	<u>-</u>	<u>-</u>
Net Position, End of Year	<u>\$ 140,521,262</u>	<u>\$ 137,672,617</u>

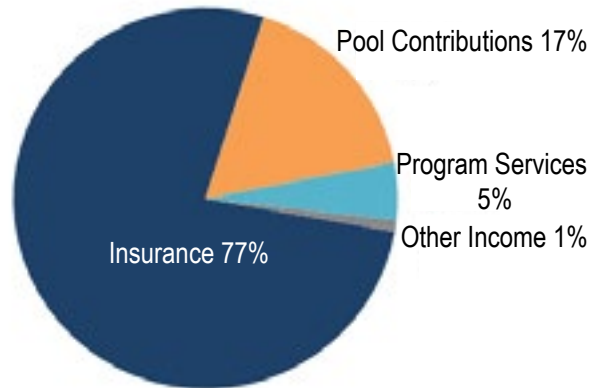
# Financial Profile

Operating Results by Program

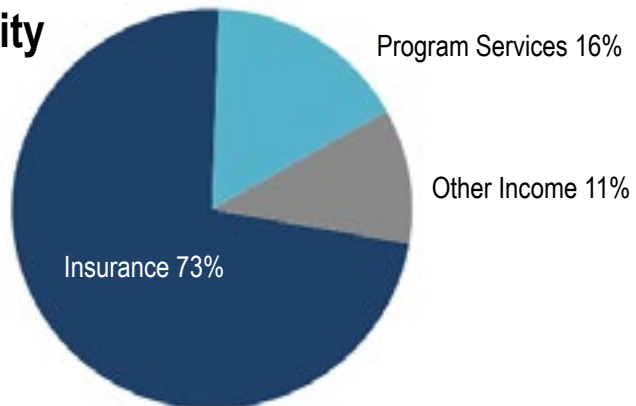
## Primary Workers' Compensation



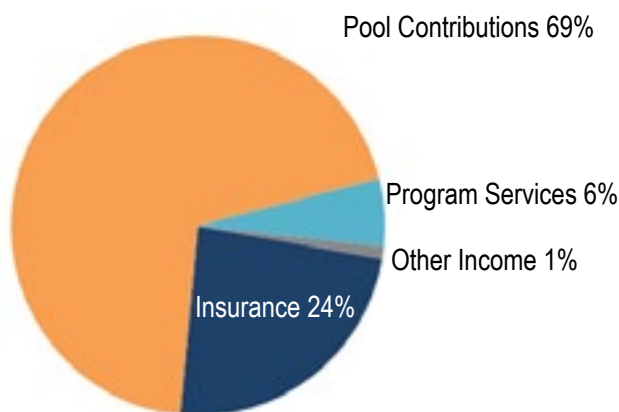
## Excess Workers' Compensation



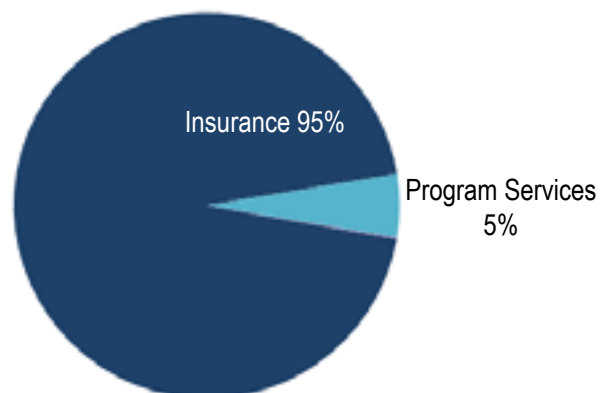
## Primary General Liability



## General Liability 1



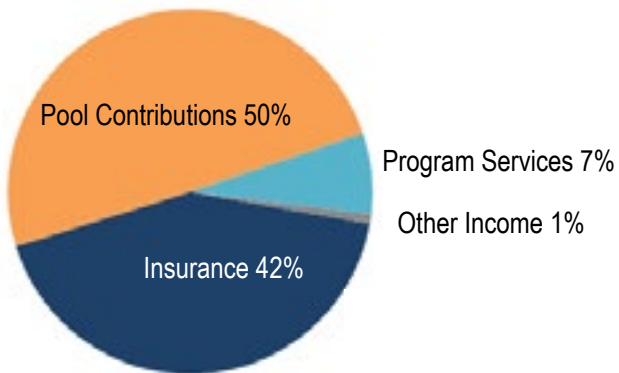
## General Liability 2



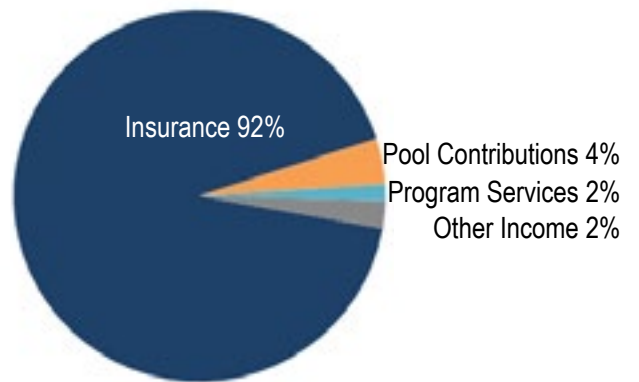
# Financial Profile

Operating Results by Program

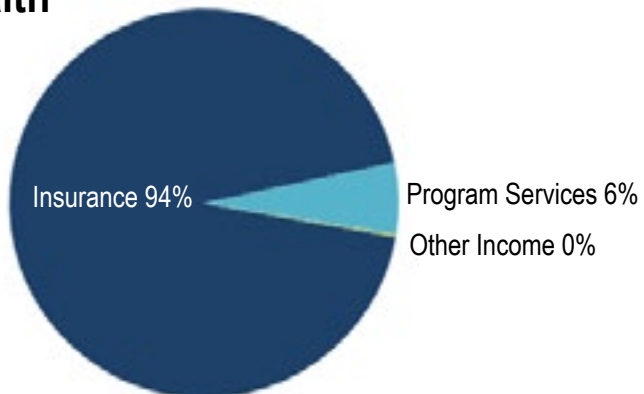
## Medical Malpractice



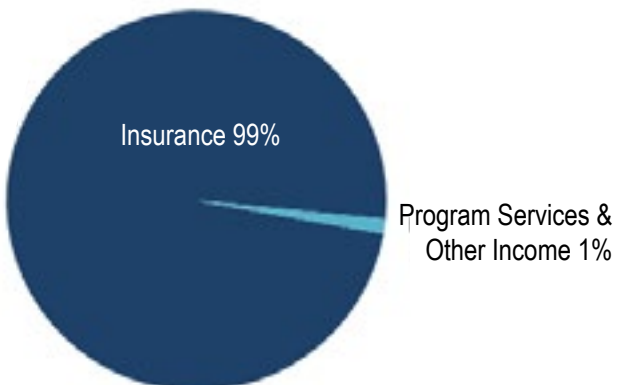
## Property



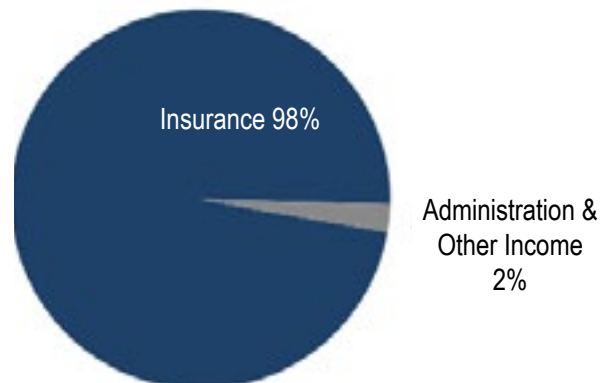
## EIAHealth



## Dental



## MR OCIP



## About the EIA

The CSAC Excess Insurance Authority was formed as a Joint Powers Authority (JPA) in 1979, pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.). The EIA is a recognized leader and pioneer in the pooling and risk management community in California and nationwide.

Over the past 38 years, the organization has grown substantially in terms of membership, programs, and services. During that entire time, the EIA has helped public entities and local communities preserve their resources by reducing their cost of risk and insurance. The EIA has continued to thrive by providing members with exceptional value and service, as well as the opportunity to actively participate in an organization dedicated to the control of losses and cost effective risk management solutions.

A high priority for the Board of Directors and the committees is to ensure the EIA is providing high-quality, cost-effective, and efficient services to the members. Through the efforts of the members, the EIA has created programs and services that are stable, secure, and have the flexibility to meet the challenges of the dynamic insurance marketplace and ever changing economy. The formation of the Excess Insurance Organization (EIO) captive, which began operations on July 1, 2016, is an example of the gears in motion at the EIA.

While the membership has enjoyed the rewards of their success over the past 38 years, they have continued to refine, restructure, and improve the programs and services to ensure that the members' current and future needs will be met. At the same time, efforts are continually made to keep costs as low as possible for members.

In order to measure the effectiveness of its services and programs, the EIA participates in the California Association of Joint Powers Authorities (CAJPA) Accreditation Program. Since 1989, the EIA has been awarded their highest designation, "Accreditation with Excellence," which was again awarded this year. Since 2007, the EIA has also been recognized by the Association of Governmental Risk Pools (AGRiP), a national pooling association, which was also again awarded this year. Both the CAJPA accreditation and AGRiP recognition are indications of exceptional compliance with best management and financial practices. Additionally, the EIA was the first JPA in the state to receive the Government Finance Officers Association's Certificate of Excellence in Financial Reporting (FYE 6/30/94 – 6/30/16) and was again awarded the Certificate this year. These recognitions and achievements reinforce the valuable, effective, efficient, collaborative, and stable organization that the members have built for California's counties and public entities.

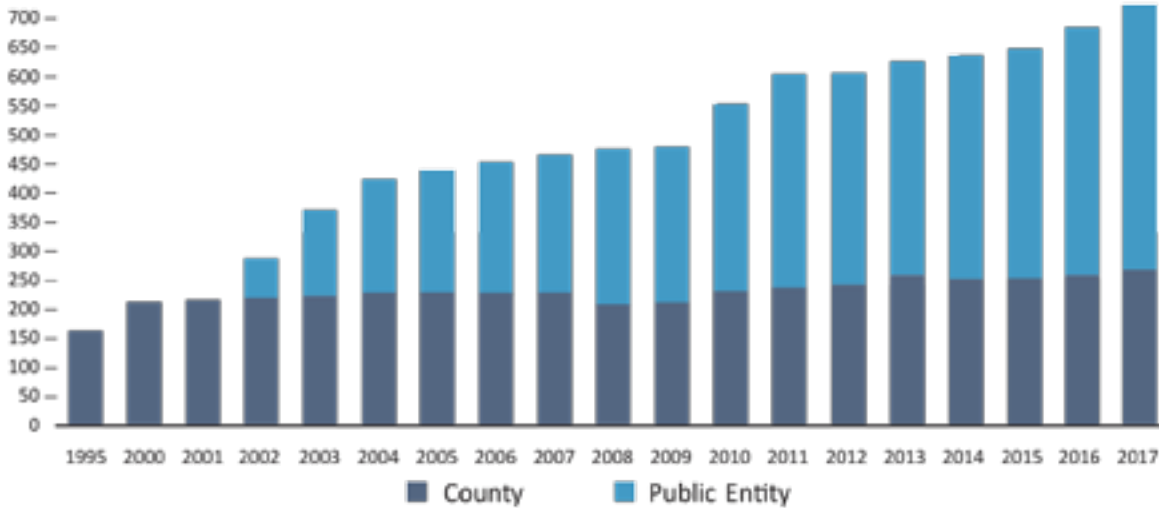
## Membership

Since the early 2000s, when non-county public entities throughout the state were given the opportunity to access the EIA's programs and services, the EIA has seen significant membership growth. Most of the growth occurred during 2001 to 2004 as a result of conditions in the insurance market.



As depicted in the graph on the next page, growth over the past five years has continued, but at a more steady and controlled pace. Growth over the last five years is due, in large part, to the formation of the Dental Program. This Program launched on January 1, 2010 and currently has 146 members spanning 74,000 public entity employees enrolled. In the following graph, membership is shown in terms of "member units", where each member in each of the programs is counted as one member unit.

## Membership (continued)



The EIA's 55 member counties represent a 95% market share of the 58 counties in the state. While the public entity membership currently consists of 273 organizations, including cities, school districts, special districts, and other JPAs, the actual number of public entities accessing the coverage and services of the EIA is more than 1,900. In fact, coverage is being provided, either directly or through a member JPA, to 67% of the cities in California. While future growth within California is likely to continue at a slower pace, the need for high-quality, low-cost insurance programs remain strong by county-affiliated agencies and local governmental entities.

## Development of a Captive Insurance Company

The idea of the EIA forming a captive insurance company was contemplated and investigated for several years, and at the strategic planning retreat in April of 2016, a plan was set in motion, which was approved by the Executive Committee in May, by the Board in June, and the captive began operations as the Excess Insurance Organization (EIO) on July 1, 2016. The EIO is a Utah domiciled captive insurance company wholly owned by the EIA. It took in \$81.8M in revenue including \$5M in initial capitalization in its first year of operations. Six programs elected to transfer their corridor layers of risk to the EIO, resulting in an aggregate premium savings of approximately \$7.5M for the EIA members. Through the EIO's investment program, we increased our total investment income by over \$2.8M. To compare, the EIA earned .22% on its investment portfolio, while the EIO earned 3.45%, resulting in a collectively earned total investment return of .63% on a blended basis.



Benefits of the EIO include:

- 1. There is a short-term immediate benefit to each program that transfers risk into the captive.** The cost to fund each corridor is discounted by 5 - 8%, depending on the duration of the payout period of the program, which represents an upfront savings to the program members.
- 2. There is a long-term benefit to the entire EIA membership across all programs.** This is derived from an enhanced investment program that will return millions of dollars in additional investment income to the EIA Treasury (all programs) over the long-term.
- 3. A superior risk transfer mechanism is created in the captive by comingling the risks of different programs.** When the risks are comingled, the nature of the risk changes creating a diversified blended risk that is inherently more stable.



# Membership Involvement

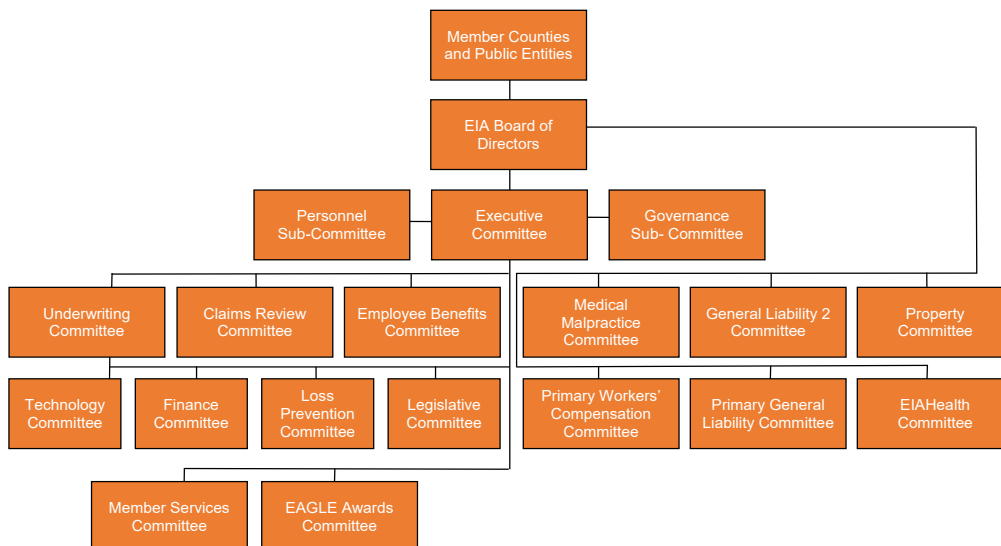
Our mission statement starts by prefacing that the EIA “is a member-directed risk sharing pool...”. Membership involvement has always been the hallmark of the EIA and the key to the success of the organization. The EIA members generously provide their time, expertise, and leadership by serving on the Board of Directors and through their involvement on one or more of the EIA’s 18 committees. As such, more than 120 individuals are currently participating in the governance of the organization. The EIA is fortunate to have such a substantial number of people driving the decisions that keep the organizations gears in motion.

Not only does the EIA have a high number of members contributing to the success of the organization, the expertise and knowledge that they bring is amongst the best in the business. We have participation by members of Boards of Supervisors, County Administrative Officers, Risk Managers, Auditors, and many other professionals offering their expertise. The EIA is truly appreciative of all the time and effort the members contribute to the organization. The organization would not be as great without them.

Because member involvement is a critical component of success, the EIA has made this subject one of its highest priorities. Strategies have been implemented such as succession planning and mentor programs to ensure that active participation – which leads to member loyalty – continues at a high level.

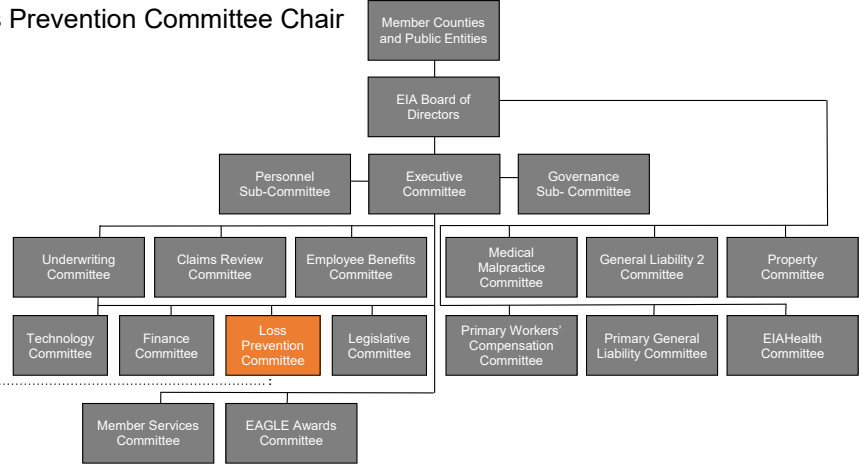
Below is an organizational chart depicting the governance structure of the EIA. The Board of Directors is comprised of 62 members; 1 representative from each member county and 7 members elected by the public entity membership. The Executive Committee consists of 11 members elected by the Board of Directors. Each year, the EIA solicits interest from the members to serve on the various committees. Appointments are then made by the Executive Committee from members’ participation in the specific coverage program, or based upon an individual’s background or expertise.

Several of the governing committees are depicted on the preceding pages of this report. In addition, the EIA also has a Loss Prevention Committee, Legislative Committee, Technology Committee, Member Services Committee, and EAGLE Awards Committee (pages 37 & 38). The Loss Prevention Committee is responsible for determining the loss prevention services and resources that are offered to EIA members, generally based on past loss trends, emerging trends, and demands of the membership. The Member Services Committee works in tandem with the Loss Prevention Committee to provide members the services they need that are aligned with general risk management services. The Legislative Committee follows state, and sometimes federal, legislation and regulations that could affect the EIA programs and the members. They primarily focus on legislation and regulations that affect public entities in the areas of workers’ compensation, tort liability, health benefits, and workplace safety. Finally, the Technology Committee oversees the EIA’s technology resources such as the website and claims management system. The Committee is also responsible for determining technology related services that are offered to the members. The EAGLE Awards Committee is the newest, working to showcase best practices of members so they can be shared amongst us to move us all forward.

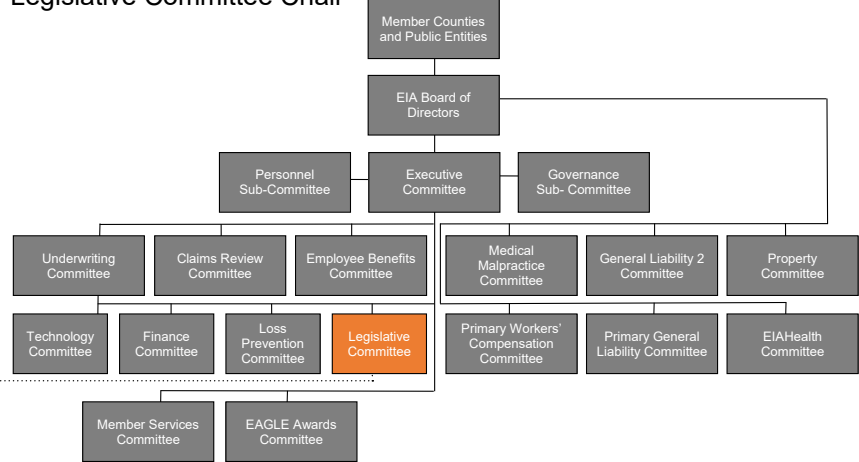




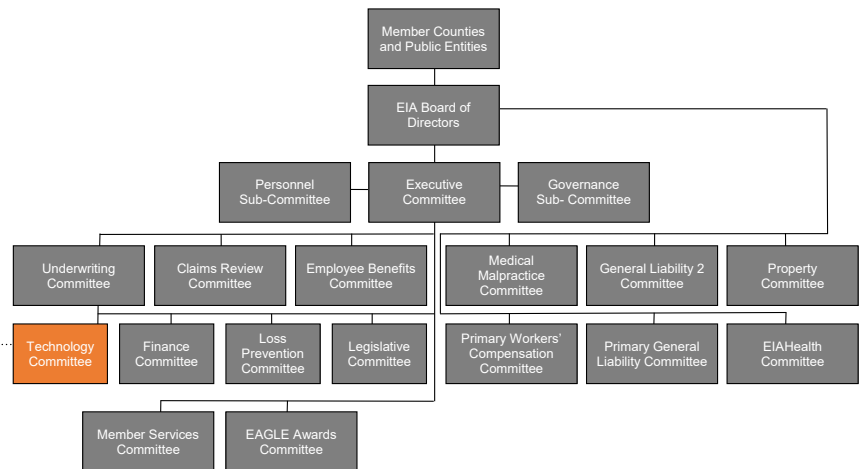
**Eric Dahlen**  
 CSRM  
 Loss Prevention Committee Chair



**Andreas Pyper**  
 Santa Barbara County  
 Legislative Committee Chair



**Heather Correll**  
 Mendocino County  
 Technology Committee Chair

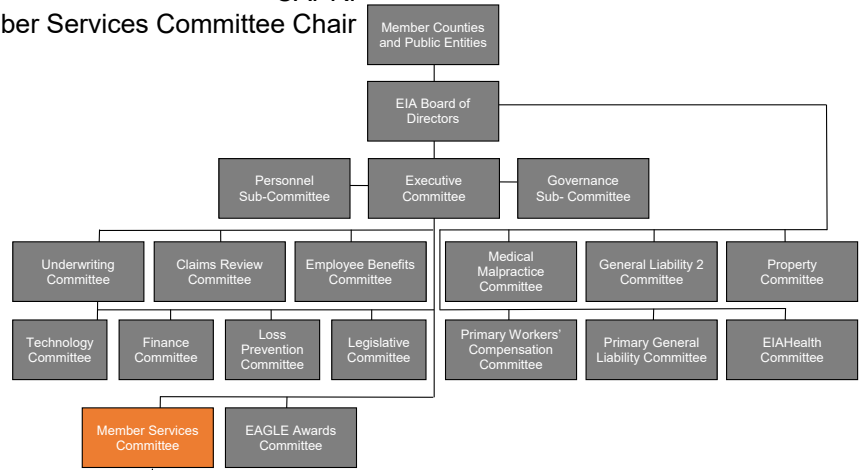




## Pat Cabulagan

CAPRI

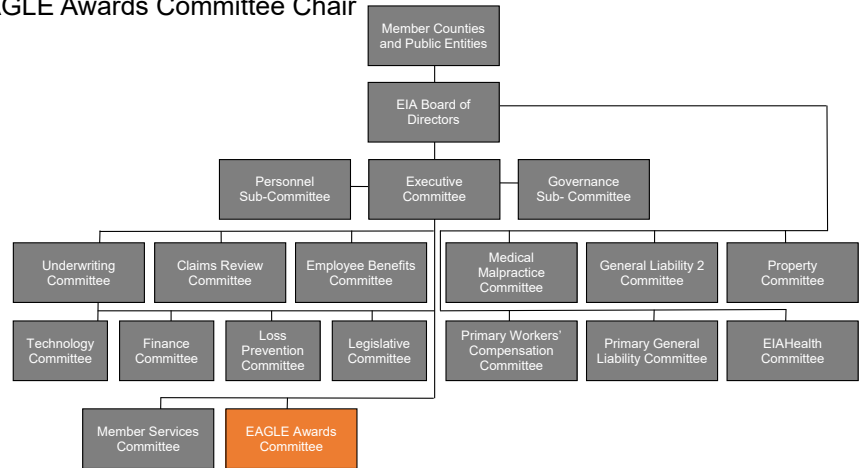
Member Services Committee Chair



## James Brown

Merced County

EAGLE Awards Committee Chair



# EIA Leadership

## 2017 Executive Committee

### President

James Brown, Merced County

### Vice President

Kerry John Whitney, Napa County

### Members

Ann Richey, ACCEL/City of Ontario  
John Viegas, Glenn County  
Scott Schimke, Glenn County  
Matt Gutierrez, Kern County  
Richard Egan, Lassen County  
Roberta Allen, Plumas County  
Kimberly Greer, City of Richmond  
Ken Hernandez, San Bernardino County  
Lance Sposito, Santa Clara County

### Presidents

Supervisor Barbara Crowley, Tehama Co. 1980-1982  
Charles Mitchell, Santa Barbara Co. 1985-1986  
James L. Gale, Kings County, 1987  
John Crane, Calaveras County, 1988  
Gail Braun, Sonoma County, 1988-1989  
Ronald Whipp, Santa Cruz County, 1990  
Norman Phelps, Shasta County, 1991  
Charles Graham, Sutter County, 1992  
John Larkin, Trinity County, 1993  
Arthur Giumini, San Luis Obispo County, 1994  
Don Blackhurst, Santa Clara County, 1995  
Marcia Chadbourne, Solano County, 1996  
J. Terry Roberts, Fresno County, 1983-84 & 1998  
Robert Kessinger, Colusa County, 1999  
Brent Harrington, Calaveras County, 2000  
Kimberly Kerr, Humboldt County, 2001-2002  
Richard Robinson, Tehama County, 1997 & 2003  
Charles Nares, San Diego County, 2004  
David L. Dolenar, Stanislaus County, 2005  
Peggy Scroggins, Colusa County, 2006  
Marcia Chadbourne, Sonoma County, 2007  
Ron Harvey, Contra Costa County, 2008  
Supervisor Peter W. Huebner, Sierra County, 2009  
Lance Sposito, Santa Clara County, 2010  
Barbara Lubben, Alameda County, 2013  
Larry Moss, EBRPD, 2014  
Jim Sessions, Riverside County, 2011 & 2015  
Scott Schimke, GSRMA, 2012 & 2016  
James Brown, Merced County, 2017 & 2018

## 2018 Executive Committee

### President

James Brown, Merced County

### Vice President

Kerry John Whitney, Napa County

### Members

John Viegas, Glenn County  
Scott Schimke, Golden State Risk Mgmt. Authority  
Matt Gutierrez, Kern County  
Richard Egan, Lassen County  
Roberta Allen, Plumas County  
Kimberly Greer, City of Richmond  
Lance Sposito, Santa Clara County  
Sherri Adams, Solano County  
Janell Crane, Sonoma County

### Chief Executive Officers

Gregory L. Trout, 1980-1985  
Vincent W. Pisani, 1985-1992  
Michael Fleming, 1992-Present

### Director Emeritus

Supervisor Dick Mudd, 2000-Present

### Legal Counsel

Stephen Underwood



### Senior Management (left to right)

John Alltop, Chief Actuary  
Gina Dean, Chief Operating Officer  
Michael Pott, Chief Claims Officer  
Michael Fleming, Chief Executive Officer  
Rick Brush, Chief Member Services Officer  
Puneet Behl, Chief Financial Officer  
George Reynolds, Chief Information Officer

*The Board of Directors of the  
Association of Governmental Risk Pools  
is pleased to grant Recognition to*

**CSAC - EIA**

*Such Recognition is granted  
only after a rigorous review of  
documentation submitted to  
show compliance with the*

**AGRiP Advisory Standards  
2016-2019**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**CSAC Excess Insurance Authority  
California**

For its Outstanding Financial  
Reporting for the  
Fiscal Year Ended

**June 30, 2016**

*Jeffrey R. Green*  
Executive Director









CSAC Excess Insurance Authority  
75 Iron Point Circle, Suite 200  
Folsom, CA 95630  
916.850.7300  
[www.csac-eia.org](http://www.csac-eia.org)

## **2018 CSURMA MEETING CALENDAR**

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

**RECOMMENDATION:** No action is requested on this item.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA – 2018 Meeting Calendar

## 2018 CSURMA MEETING CALENDAR

JANUARY				FEBRUARY				MARCH			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
7	3:30 PM	EC (AOA Conference)	Sacramento	22	9:00 AM	PC	Teleconference	8	10:00 AM	AORMA	Long Beach
9	7:30 AM	PC (AOA Conference)	Sacramento					8	2:30 PM	EC	Long Beach
7 - 10		AOA Annual Conference	Sacramento					9	8:30 AM	EC LRP	Long Beach
15	10:30 AM	AIME									
APRIL				MAY				JUNE			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
23 - 24		Fitting the Pieces Conference	San Diego	7	10:30 AM	AIME	San Francisco	TBD		AOA EC	TBD
25	TBD	AORMA	San Diego		2:00 PM	BOD Orientation	Teleconference	21	1:00 PM	PC	Teleconference
25	8:30 AM	EC	San Diego								
25	10:30 AM	BOD	San Diego								
JULY				AUGUST				SEPTEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
	11:00 AM	AORMA Officers Retreat	TBD	TBD		AOA EC	TBD	5	9:00 AM	AORMA New Member	TBD
								5	10:00 AM	AORMA LRP	TBD
								6	9:00 AM	AORMA	TBD
								6	4:00 PM	EC Orientation	TBD
								7	8:30 AM	EC	TBD
								27	1:00 PM	PC	Teleconference
OCTOBER				NOVEMBER				DECEMBER			
Date	Time	Committee	Location	Date	Time	Committee	Location	Date	Time	Committee	Location
15	10:30 AM	AIME	Fullerton	TBD		AOA EC	TBD	6	10:00 AM	AORMA	TBD
	2:00 PM	BOD Orientation	Teleconference	29	8:00 AM	PC	San Francisco	7	8:30 AM	EC	TBD
25	10:00 AM	AORMA	Long Beach								
26	8:30 AM	EC	Long Beach								
26	10:30 AM	BOD	Long Beach								

AORMA = Auxiliary Organizations Risk Management Alliance Committee  
 AIME = Athletic Injury Medical Expense Committee  
 AORMA LRP = AORMA Long Range Planning Meeting

PC = AORMA Programs Committee  
 AOA = CSU Auxiliary Organizations Association  
 BOD = CSURMA Board of Directors

EC = CSURMA Executive Committee  
 EC LRP = EC Long Range Planning Meeting

## **CSURMA ADMINISTRATIVE SERVICE CALENDAR**

**ISSUE:** This item is provided as information to advise the Executive 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 Executive Committee and Board of Directors. It is to be provided for information with each agenda packet.

**RECOMMENDATION:** It is recommended that the Executive 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	CSURMA SC	AORMA SC	CSURMA LRP	AORMA LRP
<b>JANUARY 2018</b>								
01/01/18	CSURMA Policies and Procedures (odd in odd years / even in even years)	Alliant Staff	Robert Leong	Completed				
01/01/18	FTIP: Order FTIP loss run and IP loss run valued at 12/31	Alliant Staff	Stacey Weeks		x			
01/02/18	FORM 700 - JPA ADMIN finalizes current year member listing	Alliant Staff	Tevea Him	Completed			x	
01/06/18	State Filing - Statement of Facts – Roster of Public Agencies - file with Secretary of State	Alliant Staff	Tevea Him	Completed	x			
01/06/18	State Filing - Joint Powers Authority - file with Secretary of State - As Needed	Alliant Staff	Tevea Him	In Process	x			
01/06/18	State Filing - Financial Statement to the County Auditor and State Controller	Alliant Staff	Tevea Him	Completed	x			
01/06/18	State Filing - Treasurers' Bond	Alliant Staff	Tevea Him		x			
01/07/18	Announce the new AORMA Committee Vice Chair as well as open seats on the AORMA Committee	Nominations Committee	Mimi Long	Completed				x
<b>1/7-10/2018</b>	<b>CSURMA AOA CONFERENCE</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>	<b>x</b>			
<b>01/07/18</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>	<b>x</b>			
<b>01/09/18</b>	<b>AORMA PC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>	<b>x</b>			
<b>01/15/18</b>	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>	<b>Completed</b>	<b>x</b>			
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				x
01/31/18	Final premium / rate letter to all AORMA members	Alliant Staff	Mimi Long	Completed				x
01/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him	Completed				
<b>FEBRUARY 2018</b>								
02/01/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed				x
02/01/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 12/31	Alliant Staff	Tevea Him	Completed				x
02/01/18	UIP - Send EDD Claims Information to Individual Members	Alliant Staff	Tevea Him	Completed				x
02/01/18	Campus Liability Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long		x			
02/01/18	Campus Workers' Compensation Risk Pool claims audit (every odd year)	Alliant Staff	Jacki Graf		x			
02/01/18	AORMA Workers' Compensation program claims administration audit (every even year)	Alliant Staff	Jacki Graf					
02/01/18	AIME Risk Pool claims audit (every odd year)	Alliant Staff	Mimi Long		x			
02/01/18	AORMA Liability Program claims audit (every odd year)	Alliant Staff	Mimi Long					x
02/01/18	FTIP: Prepare loss summaries, review with SRM to determine renewal strategy (market or not, etc)	Alliant Staff	Stacey Weeks		x			
02/15/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him	Completed	x			x
<b>02/22/18</b>	<b>AORMA Program Committee Meeting (Teleconference) - Canceled</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>	<b>Completed</b>				<b>x</b>
<b>MARCH 2018</b>								
03/01/18	Annual Review of (1) Data Security Policies and (2) the Integrated CSU Administration Manual	Alliant Staff	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	Pending				
03/01/18	CSURMA Budget (EC and AORMA Approval)	Alliant Staff	Robert Leong	Pending				x
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	Pending				
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	Pending				
03/01/18	Appointment of the Campus Programs RPTG - Spring 2018 (FY 2019/2020)	Alliant Staff	Robert Leong	In Process				
03/01/18	FTIP: Obtain initial feedback from underwriters on renewal pricing, prepare item for EC and obtain renewal for overall renewal pricing	Alliant Staff	Stacey Weeks		x			
<b>03/08/18</b>	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					<b>x</b>
<b>03/08/18</b>	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		<b>x</b>			
<b>03/09/18</b>	<b>CSURMA EC LRP Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		<b>x</b>			
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				x
03/15/18	Quarterly Risk Management Report	Alliant Staff	Mimi Long		x			
03/20/18	Forward slate of nominees to fill the open seats on the AORMA Committee	Alliant Staff	Mimi Long					x
03/31/18	Completion of the Form 700 – Statement of Economic Interest	BOD and Alliant Staff	Tevea Him					x
03/31/18	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin		x			x

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS	CSURMA SC	AORMA SC	CSURMA LRP	AORMA LRP
<b>APRIL 2018</b>								
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					x
04/01/18	FORM 700 - JPA ADMIN sends all forms received to FPPC for processing	Alliant Staff	Tevea Him					x
04/01/18	Send out ballot for AORMA Committee term beginning on July 1, 2018	Alliant Staff	Tevea Him					x
04/01/18	FTIP: Announce upcoming FY rates to campuses, continue renewal marketing/negotiations	Alliant Staff	Stacey Weeks		x			
<b>4/23-24/2018</b>	<b><i>Fitting the Pieces Together Conference, San Diego</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>		<b><i>x</i></b>			
<b>04/25/18</b>	<b><i>CSURMA BOD NMO Meeting via Teleconference</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>		<b><i>x</i></b>			
<b>04/25/18</b>	<b><i>CSURMA EC Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>		<b><i>x</i></b>			
<b>04/25/18</b>	<b><i>CSURMA BOD Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>		<b><i>x</i></b>			
04/30/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him					
<b>MAY 2018</b>								
05/01/18	FTIP: Include renewal rates/coverage summary to board of directors, finish underwriter negotiations, bind program with underwriters	Alliant Staff	Stacey Weeks		x			
<b>05/07/18</b>	<b><i>AIME Committee Meeting</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Stacey Weeks</i></b>		<b><i>x</i></b>			
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					
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					
05/04/18	Receive back all AORMA Committee ballots for the term beginning on July 1, 2018	Alliant Staff	Tevea Him					x
05/11/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him		x			
05/15/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him					x
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					x
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					x
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					x
05/30/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 3/31/18	Alliant Staff	Tevea Him					x
05/30/18	Update the AORMA Committee and Standing Committee Org Chart for the term beginning July 1, 2018	Alliant Staff	Tevea Him					x
05/30/18	Update the AORMA Committee and Standing Committee Roster for the term beginning July 1, 2018	Alliant Staff	Mimi Long					x
<b>JUNE</b>								
06/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Yumi)	Carl Warren	Mimi Long					
06/01/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him					x
<b>06/23/18</b>	<b><i>AORMA Program Committee Meeting (Teleconference)</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>					<b><i>x</i></b>
06/30/18	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin		x			
<b>06/30/18</b>	<b><i>Expiring Contract: CO Enterprise Accounting / Financial Services - July 1, 2017 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>					
<b>06/30/18</b>	<b><i>Expiring Contract: UC Office of Risk Services Performing Arts Center of Excellence - November 1, 2013 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>					
<b>06/30/18</b>	<b><i>Expiring Contract: A-G Administrator (AIME) - July 1, 2009 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Alliant Loss Control Services - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: CO OGC / Legal - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: CO Risk Management - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Employers Risk - July 1, 2013 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Agility - July 1, 2017 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Sedgwick - July 1, 2013 to June 30, 2019</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Employers Group Service Corp - July 1, 2013 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Sedgwick CMS - July 1, 2013 to June 30, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		
<b>06/30/18</b>	<b><i>Expiring Contract: Witt O'Brien's, LLC (formally Witt Group Holdings, LLC) - July 1, 2014 to July 1, 2018</i></b>	<b><i>Alliant Staff</i></b>	<b><i>Mimi Long</i></b>			<b><i>x</i></b>		

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS	CSURMA SC	AORMA SC	CSURMA LRP	AORMA LRP
06/30/18	Request COI from all vendor's contract	Alliant Staff	Andrew Gaspari		x			
<b>JULY</b>								
07/01/18	OCIP Renewal (5 year program)	Alliant Staff	Daniel Howell/ Mimi Long					
07/01/18	Financial audit prep with KPMG	Alliant Staff / RM	Van Rin		x			
07/01/18	Send to CSU Accounting the approved dividends and allocation of program costs for invoicing	Alliant Staff	Van Rin				x	
07/04/18	Send out AORMA binder, insurance summary and invoice to all members	Alliant Staff	Van Rin				x	
07/05/18	Request a review of the claims activity within the UIP – claims activity variations of more than 10% above or below pricing levels used will resulting in a pricing adjustment	Alliant Staff	Mimi Long				x	
07/05/18	Request Workers' Compensation and Liability loss runs @ 6/30 – Forward to Actuary	Alliant Staff	Mimi Long				x	
07/07/18	Request Liability (EPL check register) for minimum EPL deductible calculation for upcoming fiscal year	Alliant Staff	Tevea Him				x	
07/14/18	FORM 700 - Follow up No. 1 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him				x	
07/15/18	Final FY Payroll - request from Chancellor's Office	Alliant Staff	Robert Leong		x			
07/15/18	Process the Liability and Workers' Compensation dividend checks and forward to Alliant for distribution	CSU Accounting	Van Rin				x	
<b>07/TBD/2018</b>	<b>AORMA Officers Retreat – TBD</b>	<b>AORMA Officers</b>	<b>Mimi Long</b>				<b>x</b>	
07/21/18	FORM 700 - Follow up No. 2 - JPA ADMIN follows up with FILER	Alliant Staff	Tevea Him				x	
07/28/18	FORM 700 - FORMS DUE TO FPCC ON THIS DATE [ASSUMING/LEAVING]	Alliant Staff	Tevea Him				x	
07/31/18	Actuarial Study - receive draft and forward to RM	Alliant Staff	Robert Leong		x			
07/31/18	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report - Present to EC in Sept	Alliant Staff	Robert Leong					
07/31/18	Distribute the Liability and Workers' Compensation dividend checks	Alliant Staff	Van Rin				x	
07/31/18	Request final audited payroll from all Workers' Compensation program members for expired year	Alliant Staff	Tevea Him				x	
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				x	
07/31/18	Workers' Compensation Scorecard - Receive report from Sedgwick and distribute	Alliant Staff / Sedgwick	Tevea Him				x	
07/31/18	Appointment of the Campus Programs RPTG - 2019 (FY 2021/2022)	Alliant Staff	Robert Leong					
07/31/18	Campus Workers' Compensation Program Safety National Aggregate Stop Loss Report	Alliant Staff	Robert Leong					
<b>AUGUST</b>								
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				x	
08/01/18	Send out letter regarding Campus Appointment of CSURMA Board of Directors Members and Alternate	Alliant Staff	Tevea Him		x			
08/01/18	Send out letter to regarding Claims Settlement Authority Annual Confirmation	Alliant Staff	Tevea Him		x			
08/01/18	Send out letter to regarding Foreign Travel Authority Confirmation	Alliant Staff	Tevea Him/ Stacey Weeks		x			
08/01/18	Completion of draft actuarial studies for Workers' Compensation and Liability programs	Actuary	Mimi Long				x	
08/01/18	AOA EC Meeting: Send out AORMA Summary	Alliant Staff	Mimi Long				x	
08/11/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him		x			
08/15/18	AOA EC Meeting - San Diego	Alliant Staff	Mimi Long				x	
08/31/18	Calculate additional premium or return premium for each Workers' Compensation program member based on the audited payroll	Alliant Staff	Mimi Long				x	
08/31/18	Calculate each member's minimum EPL deductible for the upcoming program term	Alliant Staff	Mimi Long				x	
08/31/18	Complete Target Surplus Funding Report	Alliant Staff	Mimi Long				x	
08/31/18	Completion of Financial Audit	CSU Accounting	Mimi Long				x	
08/31/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 6/30	Alliant Staff	Tevea Him				x	
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				x	
Begin Task	AORMA Workers' Compensation Desk Audit	Alliant Staff	Mimi Long				x	
<b>SEPTEMBER</b>								
09/01/18	AORMA Liability Program - Reinsurance Recovery (verify w/ Carl Warren)	Carl Warren	Mimi Long					

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS	CSURMA SC	AORMA SC	CSURMA LRP	AORMA LRP
09/01/18	Stewardship Report	Alliant Staff	Mimi Long		x			
09/01/18	10/01 - EQ Renewal Anniversary	Alliant Staff	Daniel Howell		x			
09/05/18	<b>AORMA Long Range Plan meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
09/05/18	<b>AORMA New Committee Member Orientation meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
09/06/18	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
09/06/18	<b>CSURMA EC Orientation Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
09/07/18	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
09/12/18	<b>CAJPA Fall Conference and Training Seminar -South Lake Tahoe</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
09/14/18	CAJPA Standards review (2017 and every 3 years thereafter)	Alliant Staff	Mimi Long		x			
09/15/18	Prepare invoices or checks for the Workers' Compensation payroll audit	CSU Accounting	Van Rin		x			
09/15/18	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell		x			
09/27/18	<b>AORMA Program Committee Meeting (Teleconference)</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
09/30/18	CSURMA Quarterly EPL Deductible Recoverys ending September 30 (Begin Task)	Alliant Staff	Van Rin		x		x	
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					x
<b>OCTOBER</b>								
10/01/18	Request completion of the Liability application	Alliant Staff	Mimi Long					x
10/01/18	Request estimated Workers' Compensation payroll	Alliant Staff	Mimi Long					x
10/15/18	CSURMA Quarterly Investment Reschedule for EC Meeting	Alliant Staff	Tevea Him		x			
10/15/18	<b>AIME Committee Meeting</b>	<b>Alliant Staff</b>	<b>Stacey Weeks</b>					x
10/25/18	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
10/25/18	<b>CSURMA BOD NMO Meeting via Teleconference</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
10/26/18	<b>CSURMA BOD Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
10/26/18	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
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		x			
<b>NOVEMBER</b>								
11/01/18	Review CAJPA Accrediation Standard for new or reoccurring item	Alliant Staff	Tevea Him		x			
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					x
11/28/18	Send campus risk pool renewal budget (Budget)	Alliant Staff	Robert Leong		x			
11/28/18	Send campus risk pool renewal budget (Early Bird Renewal Letter)	Alliant Staff	Robert Leong		x			
11/28/18	Campus Risk Pool Deductible - Confirm (every 3 years - 2017, 2020)	Alliant Staff	Robert Leong	N/A	x			
11/30/18	Review volunteer losses within the Workers' Compensation program	Alliant Staff	Mimi Long					x
11/30/18	UIP - Process EDD Statement of Reimbursable Benefit Charges for the period ending 9/30	Alliant Staff	Tevea Him					x
11/29/18	<b>AORMA Program Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
<b>DECEMBER</b>								
12/01/18	2018 Vendor Survey - Review List of Vendors and Work on Recipients	Risk Management	Risk Management		x			
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	<b>AORMA Committee Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>					x
12/07/18	<b>CSURMA EC Meeting</b>	<b>Alliant Staff</b>	<b>Mimi Long</b>		x			
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					x
12/15/18	Quarterly Risk Management Report for Systemwide Risk Management	Alliant Staff	Dan Howell		x			
12/30/18	Financial Audit - mail to Secretary of State and County Auditor	Alliant Staff/Accounting	Tevea Him		x			
12/31/18	CSURMA Quarterly EPL Deductible Recoverys	Alliant Staff	Van Rin		x			x

## CSURMA AORMA SERVICE CALENDAR

DATE	ACTION / RESPONSIBILITY	RESPONSIBLE ENTITY	LEAD	STATUS	CSURMA SC	AORMA SC	CSURMA LRP	AORMA LRP
12/31/18	<i>Expiring Contract: Enterprises Rent A Car - January 1, 2018 - December 31, 2018</i>	<i>Alliant Staff</i>	<i>Mimi Long</i>					

## **CSURMA EXECUTIVE COMMITTEE AND STAFF CONTACT LIST**

**ISSUE:** Attached is a list of CSURMA Executive Committee members and the Program Administrators.

**RECOMMENDATION:** It is recommended that members review the list at each meeting for accuracy, making revisions as appropriate. If there are any changes, please contact Tevea Him at [thim@alliant.com](mailto:thim@alliant.com).

**FISCAL IMPACT:** None.

**BACKGROUND:** An accurate and current contact list facilitates better communication among Committee Members and Staff.

**PUBLICATION:** None.

**ATTACHMENT(S):**

- a. CSURMA Executive Committee and Staff Contact List

## CSURMA EXECUTIVE COMMITTEE MEMBERS

**Effective at July 1, 2017**

Seat	Member	Position	Campus	Organization	E-Mail	Telephone Number
Chair	Ming Tung (Mike) Lee	Vice President, Administration and Chief Financial Officer	Sacramento	California State University Sacramento	mikelee@csus.edu	916-278-6312
Vice Chair	Lisa Chavez	Vice-President, Administration and Chief Financial Officer	Los Angeles	California State University Los Angeles	lisa.chavez@calstatela.edu	323-343-3500
CSU Seat #1	Thom Davis	Vice President for Business and Administrative Services	Bakersfield	California State University, Bakersfield	tdavis31@csub.edu	661-654-2287
CSU Seat #2	Jody Van Leuven	Executive Director	San Bernardino	California State University San Bernardino	jody.vanleuven@csusb.edu	909-537-3939
CSU Seat #3	Scott Apel	Associate Vice President	Long Beach	California State University Long Beach	scott.apel@csulb.edu	562-985-8716
CSU Seat #4	Kevin Saunders	VP Administration & Finance	Monterey Bay	California State University Monterey Bay	kesaunders@csumb.edu	831-582-3397
AORMA Seat #5 - Chair	Dwayne Brummett	Director of Business Services	San Luis Obispo	Polytechnic State University at San Luis Obispo	dbrummet@calpoly.edu	805-756-5768
AORMA Seat #6 - V Chair	Dave Nakamura	Executive Director	Humboldt	Humboldt State University Center	dave.nakamura@humboldt.edu	707-826-4878
Treasurer	Robert Eaton	Assistant Vice Chancellor, Financing, Treasury, and Risk Management	Chancellor's Office	California State University, Office of the Chancellor	reaton@calstate.edu	562-951-4572
Secretary Auditor	Zachary Gifford	Director of Systemwide Risk Management and Public Safety	Chancellor's Office	California State University, Office of the Chancellor	zgifford@calstate.edu	562-951-4580



California State University Risk Management Authority

## CONTACT LIST

Coverage	Contact	E-Mail Address	Office	Fax
<b>JPA Program Administrator – Alliant Insurance Services, Inc.</b>				
<b>Certificate of Insurance Requests</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>General CSURMA Coverage Questions</b>	<b>Robert Leong Van Rin Amy Lightner Daniel Howell</b>	rleong@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
<b>General AORMA Coverage Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	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
<b>AIME</b>	<b>Stacey Weeks Robert Leong</b>	sweeks@alliant.com rleong@alliant.com	415-403-1448 415-403-1441	415-874-4810 415-874-4810
<b>Inland Marine</b>	<b>Van Rin Mimi Long</b>	vrin@alliant.com mlong@alliant.com	415-403-1408 415-403-1423	415-874-4810 415-874-4810
<b>Participant Accident Insurance (PAI)</b>	<b>Van Rin Tevea Him</b>	vrin@alliant.com thim@alliant.com	415-403-1408 415-403-1416	415-874-4810 415-874-4810
<b>Special Events Insurance</b>	<b>Van Rin</b>	vrin@alliant.com	415-403-1408	415-874-4810
<b>Foreign Travel Program</b>	<b>Stacey Weeks Van Rin</b>	sweeks@alliant.com vrin@alliant.com	415-403-1448 415-403-1408	415-874-4810 415-874-4810
<b>General Risk Management Questions</b>	<b>Mimi Long Van Rin Amy Lightner Daniel Howell</b>	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
<b>Workers' Compensation Claims Consultant</b>	<b>Jacki Graf</b>	jgraf@alliant.com	415-403-1438	415-874-4810
<b>Alliant Claims Consulting</b>	<b>Robert Frey Diana Walizada Elaine (Kim) Tizon Sheila McClenaghan</b>	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
<b>Form 700</b>	<b>Tevea Him</b>	thim@alliant.com	415-403-1416	415-402-0773
<b>Website and Technology Questions</b>	<b>Yung Lam Tevea Him Myron Leavell</b>	ylam@alliant.com thim@alliant.com mleavell@alliant.com	415-403-1461 415-403-1416 415-403-1404	415-874-4810 415-874-4810 415-874-4810

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<b>CONTACT LIST</b>				
<b>Coverage</b>	<b>Contact</b>	<b>E-Mail Address</b>	<b>Office</b>	<b>Fax</b>
<b>CSU Chancellor's Office</b>				
<b>CSU Chancellor's Office</b>	<b>Leona Ching</b>	lching@calstate.edu	562-951-4580	562-951-4859
	<b>Robert Eaton</b>	reaton@calstate.edu	562-951-4572	562-951-4971
	<b>Zachary Gifford</b>	zgifford@calstate.edu	562-951-4568	562-951-4859
	<b>Martha Guiditta</b>	mguiditta@calstate.edu	562-951-4557	562-951-4859
	<b>Audra Reed</b>	areed@calstate.edu	562-951-4564	562-951-4971
	<b>Steve Relyea</b>	srelyea@calstate.edu	562-951-4600	562-951-4971
<b>CSU Chancellor's Office</b> Office of General Counsel	<b>William Hsu</b> <b>Nada Moeiny</b>	whsu@calstate.edu nmoeiny@calstate.edu	562-951-4500 562-951-4500	562-951-4956 562-951-4956
<b>CSU Chancellor's Office</b> Financial Services Division Systemwide Accounting & Reporting	<b>Sedong John</b> <b>Alice Kim</b> <b>Cindi Le</b> <b>Jessica Liu Tanaka</b>	sjohn@calstate.edu akim@calstate.edu cle@calstate.edu jliu@calstate.edu	562-951-4577 562-951-4627 562-951-4651 562-951-4621	562-951-4865 562-951-4865
<b>Chancellor's Office</b> Systemwide Professional Development	<b>David Kervella</b> <b>Chris Fondacaro</b>	dkervella@calstate.edu cfondacaro@calstate.edu	562-951-4403 562-951-4403	

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