csurma
California State University Risk Management Authority

California State University Risk Management Authority (CSURMA)

June 30, 2021

Annual Report

Presented by:

Alliant Insurance Service, Inc.

Alliant
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Alliant Insurance Services, Inc.

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California State University Risk Management Authority

EXECUTIVE SUMMARY

CSURMA Officers

Chair
Scott Apel
CSU Long Beach

Vice Chair
Lisa Kao
CSU Fresno

Treasurer
Robert Eaton
CSU Chancellor's Office

Secretary-Auditor
Zachary Gifford
CSU Chancellor's Office

CSURMA
c/o Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

CSURMA AND ALLIANT

Alliant Insurance Services (Alliant) is proud of its history and continuing partnership with the California State University and its Auxiliary Organizations, collectively the CSU. Key principals of the Alliant team have consistently provided creative solutions for CSU since 1995. We are proud of our accomplishments for the CSU, and in particular, the opportunity to develop and manage a number of effective and very efficient insurance and coverage plans through the entity we helped form, namely the California State University Risk Management Authority (CSURMA). Launched in 1997, CSURMA is a joint powers authority created under the Government Code of the State of California, and established specifically to address and manage the operational risks of CSU's colleges and universities, and its Auxiliary Organizations through the Auxiliary Organizations Risk Management Alliance (AORMA).

Alliant is a specialty insurance brokerage firm that also provides joint powers authority (JPA) program administration, risk management, and insurance brokerage services. As Program Administrators, Alliant oversees CSURMA's risk pool programs, excess and reinsurance placements, group purchase insurance, and provides risk management consultation and joint power authority administration for all members of the authority.

We provide direct consultative and program management services for the Office of the Chancellor, including Systemwide Risk Management, Public Safety, General Counsel, Capital Planning Design & Construction, and the Chief Administrative & Business Officials (CABO). On the campuses, Alliant provides risk management consultation and advice for Campus Risk Management, Environmental Health & Safety, Human Resources, Student Health Centers, Athletics, Student Life & Leadership, Facilities, and others; and of course, CSU's auxiliary organizations and its Auxiliary Organizations Association (AOA).

CSURMA AND ALLIANT

Alliant has responded to CSURMA's evolving needs and adapted its services to deliver high quality and stable risk management programs that support CSU's mission and CSURMA's vision.

Alliant prepared this Annual Report for the CSURMA Board of Directors and Members summarizing;

- Accomplishments
- Opportunities for Improvement
- Financial Performance
- Loss Control and Risk Management Resources and Programs
- Coverage Programs
- Historical Milestones

California State University Risk Management Authority

PROGRAM ADMINISTRATORS (ALLIANT STAFF)

Alliant is proud of its team of dedicated professionals who are assigned to serve you. The team is led by Daniel Howell as CSURMA Program Director, Amy Lightner and Mimi Long for Campus and AORMA coverage programs. Robert Frey provides expert consultation for Property and Liability claims. Stacey Weeks administers the Athletic Injury Medical Expense (AIME) program, Susan Leung oversees the Cyber Liability Coverage Program and Shadi Jalali handles the Builder's Risk Program. The team is supported by an experienced and quality administrative staff including Van Rin, Tevea Him, Yvonne Killian and La Shaunda Wallace.

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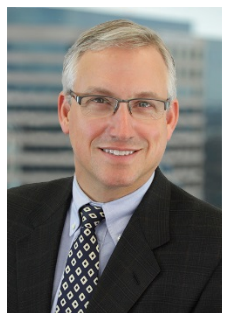

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ACCOMPLISHMENTS

Alliant is proud of its history of developing and implementing meaningful and cost effective coverage programs for CSU since the establishment of the Campus Risks Pool in 1995 and its successor joint powers authority, CSURMA, in 1997. Many of the coverage programs for the University and the Auxiliary Organizations, remain viable today and continue to provide highly-valued, cost-effective, state-of-the-art protection for all its member participants.

These accomplishments for CSU campuses and auxiliary organizations can be considered "Milestones" for CSURMA. Everything from the establishment of the risk pools, formation of the joint powers authority, consideration of additional exposures and coverages, development of loss-sensitive yet equitable rating plans, commissioning of independent professional actuarial reviews, setting of budget goals to ensure adequate funding, gauging rating adequacy, and ultimately recommending dividends to members; to the more recent challenges of addressing sound program management that is expected of a public joint powers insurance authority and the administrative expectations of CSU's Internal Auditors to ensure fiscal responsibility. Alliant has welcomed and embraced these essential tasks and responsibilities for the betterment of all CSURMA members.

The accomplishments described below highlight Alliant's role in supporting CSURMA's achievements throughout the year. These would not have been possible without the commitment of CSU's Systemwide Office of Risk Management with the Campuses' and Auxiliary Organizations' leadership working with the Alliant team members.

2020/21 – ACCOMPLISHMENTS

There have been many challenges during the past fiscal period, and the dedicated members of Alliant CSURMA team provided the necessary support, determination and fortitude which allowed the CSURMA to put into place the major program enhancements as listed below.

- CSURMA Support for Campus Response to Workplace Safety Compliance. This program is intended to cover the increased costs of a "repeat" CalOSHA violation when the original violation emanates from a different Campus.
- A Risk Management Innovation Grant was approved to provide seed funding for Systemwide Student Training Management Platform.
- Due to the COVID-19 and the shelter-in-place mandate (1) CSURMA was able to negotiate service fee reductions from all key partners, and (2) all campuses and auxiliary organizations were visited via Zoom.
- The cost to appraise all state owned buildings (regardless of value) and all auxiliary owned buildings (with a value of over $1,000,000) has been approved. The appraisals will begin in 2021.
- The Managing Risk in Youth Programs resource guide was issued and distributed to all CSURMA members.
- The agreement with Agility Recovery was renewed for an additional three years.
- A systemwide agreement with Black Swan Solutions for Crisis Management Services was approved.

OPPORTUNITIES FOR IMPROVEMENT

In serving such a vibrant and growing program, there are always opportunities for improvement. As a result of the internal review and planning process, several priority opportunities for improvement have been identified.

CAMPUS PROGRAMS LONG RANGE GOALS

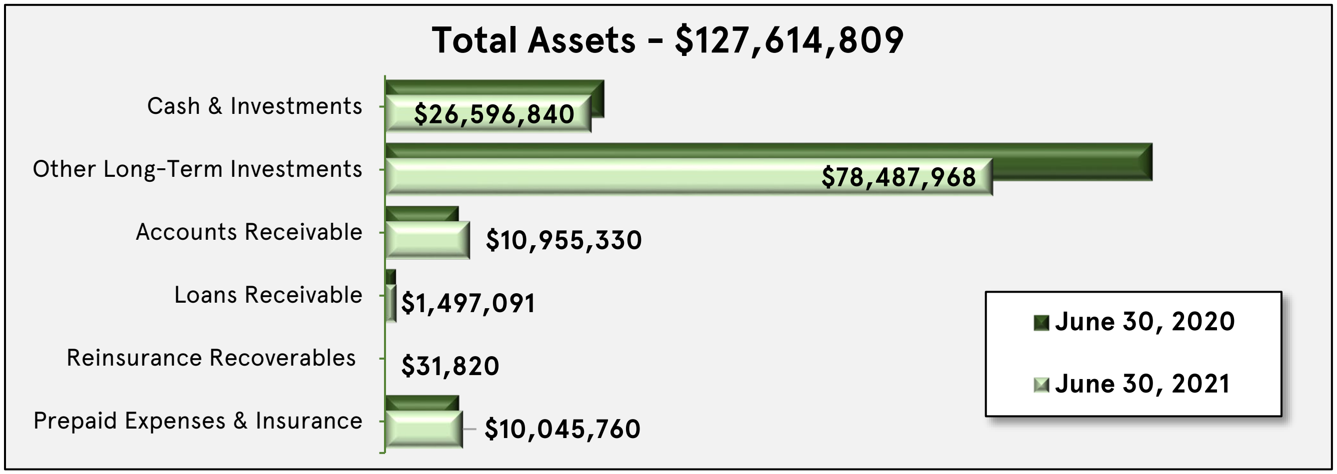
- Systemwide Roof Assessment and Fall Protection / Prevention
- Enhancement of Youth Protection Policies
- Implementation and Education of the Foreign Travel Insurance Program Enhancements
- In-Depth Examination and Assessment of Members' Property Schedules and Values
- Clarification and Education as to When Students are Required to Sign the CSU Liability Waiver When Engaged in Experiential Learning
- Enhancement to Systemwide Safety Training through the CSU LMS
- Assist / partner with CPDC to Create Construction Site Safety Standards and Training for Non-OCIP Projects.

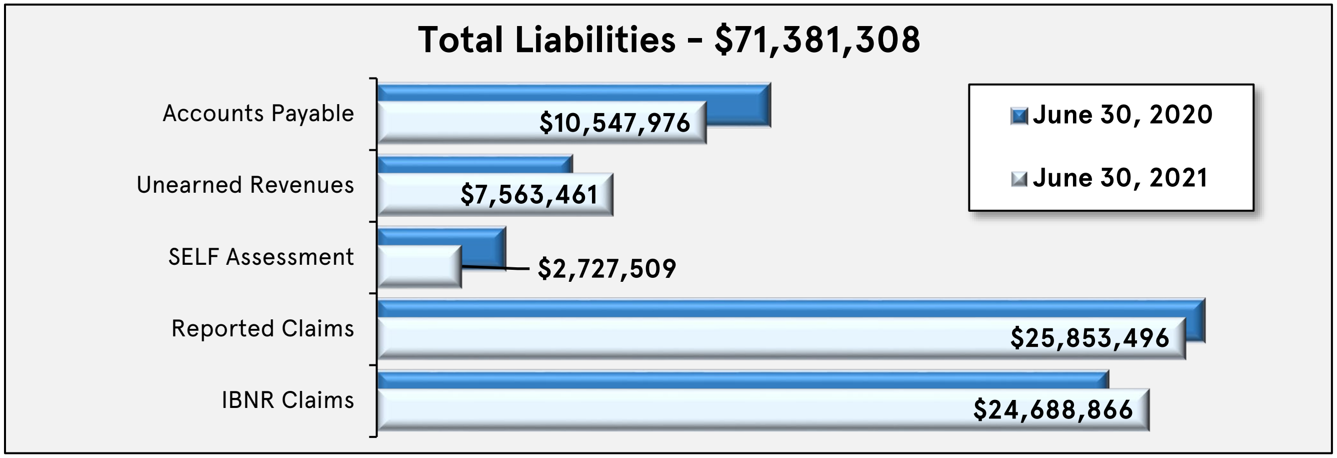
AORMA PROGRAMS LONG RANGE GOALS

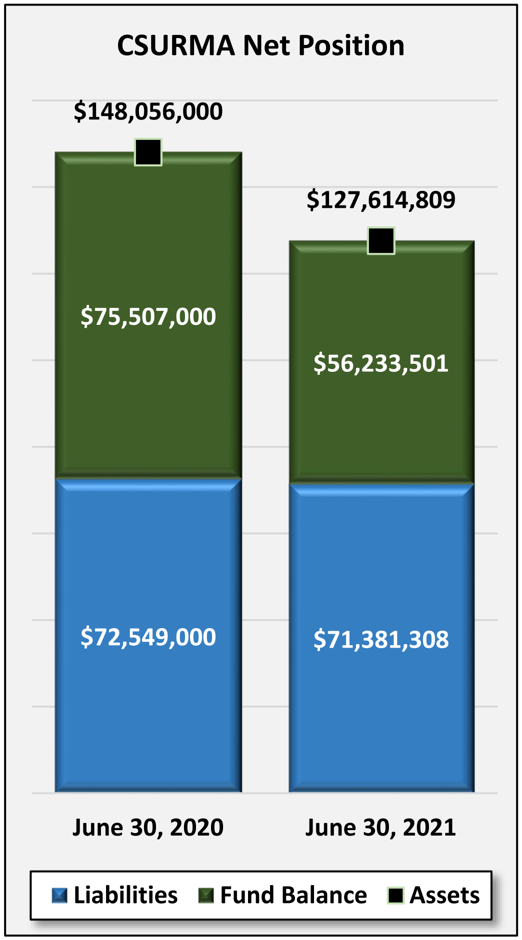
- Risk Management Considerations for Accepting Gifts
- Acceptance, Evaluation and Storage of Waivers
- Indemnification Language and Insurance Requirements for Subcontractors (including a review checklist)
- How to Analyze Certificates of Insurance and Endorsements
- Good Practices While Working from Home
- Risk Management Aspects Surrounding PRA Requests
- Separate but Related – How the CSU and the Auxiliary Organization Work in Partnership with the AOA
- Intellectual Property Coverage for the CSU’s Tech Transfer Programs

CSURMA keeps its financial records in accordance with Government Accounting Standards Board (GASB) recommendations and produces a comprehensive annual financial report each year. Funds are invested by the CSURMA Treasurer, per the CSURMA Master Investment Policy, to pay expected claims in the pooled programs.

SUMMARY OF FINANCIAL AUDIT @ JUNE 30, 2021

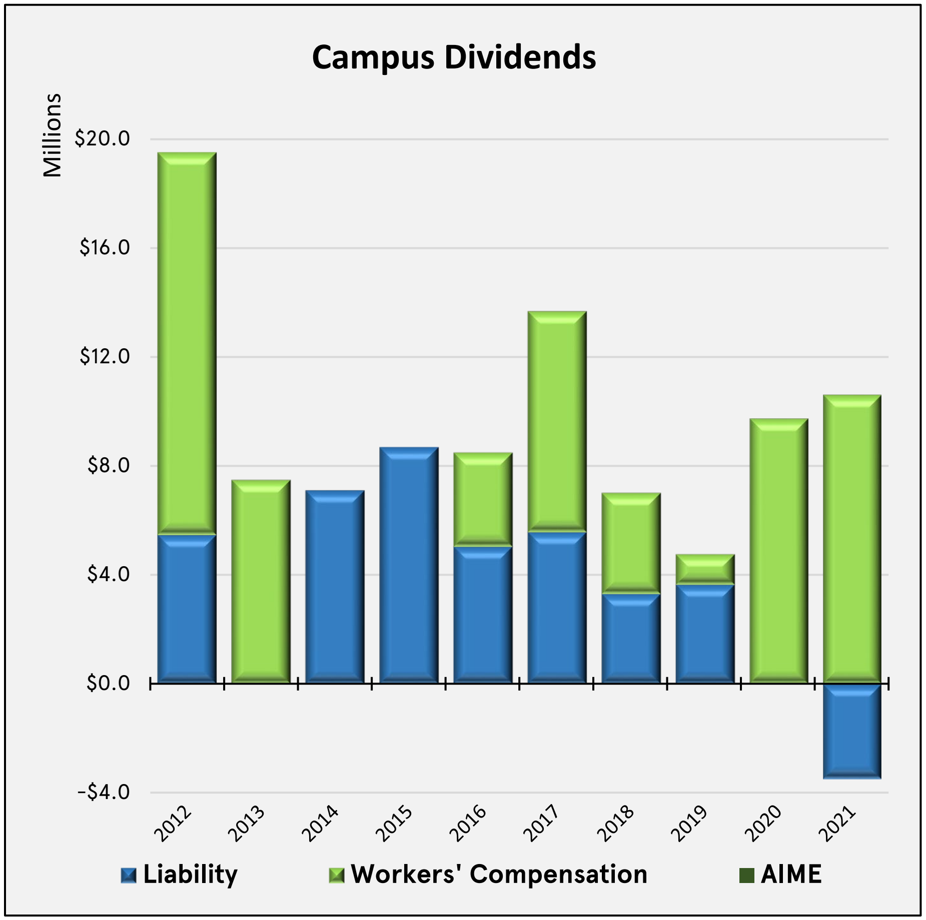


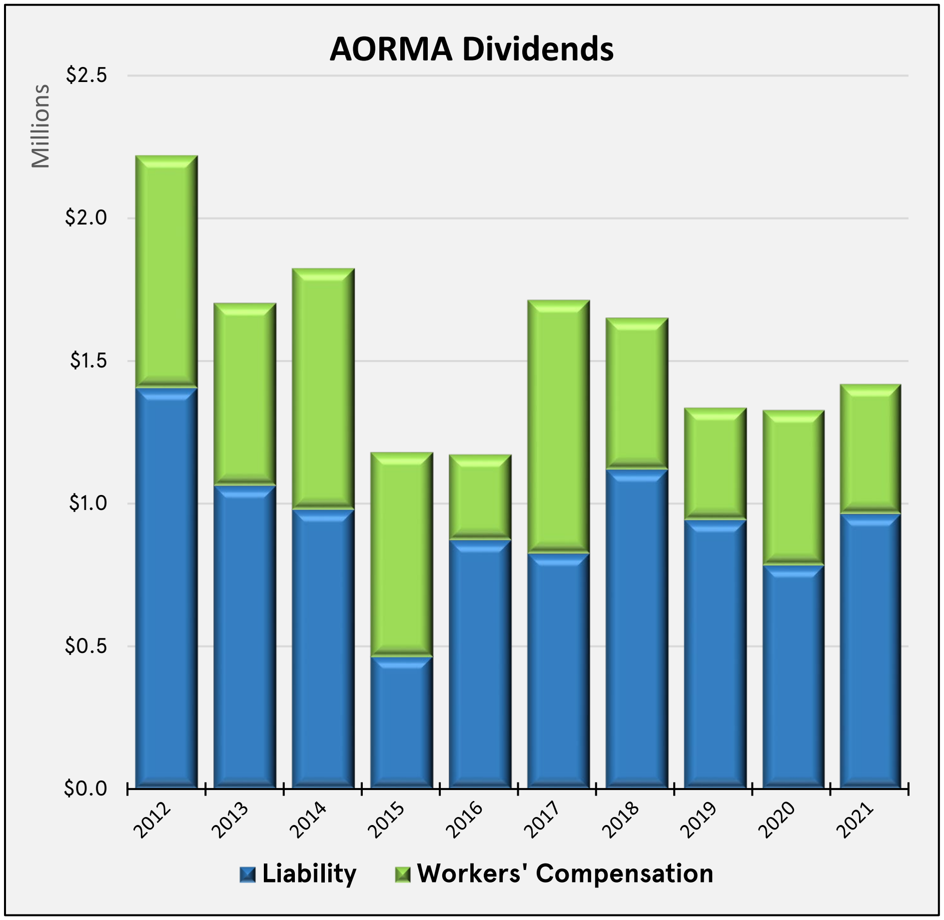




DIVIDENDS

A history of the dividends paid to members is summarized in the charts below. **Through June 30, 2021, CSURMA returned dividends totaling $168,047,873 to members,** which if commercially insured, the carriers would have reaped as underwriting profits rather than being restored to members as dividends.





FINANCIAL PERFORMANCE

PROGRAM EXPENSES

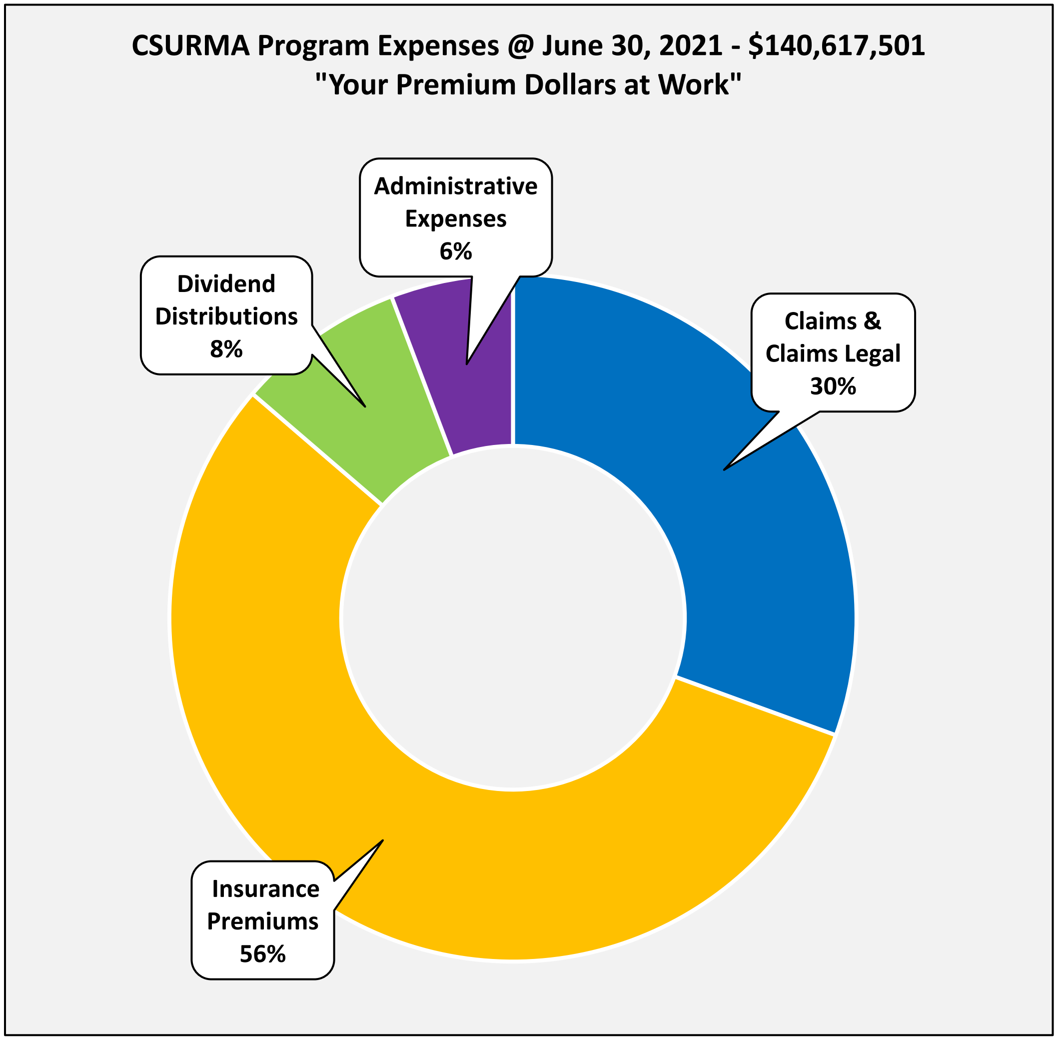
The pie chart below shows a breakdown of expenses for the fiscal year ending June 30, 2021.

- Claims & Defense Costs: Forty-two percent (30%) of your premium deposits are used to pay for current or future claims.

- Insurance Premiums: Forty-five percent (56%) of your premium deposits are used to purchase excess insurance or reinsurance to cover catastrophic claims. **Combining the Claims & Defense Costs with the Insurance Premiums, eight-six percent (86%) of your dollars are used to finance your claims.**

- Dividends: CSURMA returned seven percent (8%) as cash dividends to members.

- Program Administration: Program Administration expense amounted to only six percent (6%) while continuing at a high level of service performance.



LOSS CONTROL AND RISK MANAGEMENT RESOURCES AND PROGRAMS

The following resources and programs are available to the members. For additional information, please contact one of the Alliant CSURMA team members:

AGILITY RECOVERY SOLUTIONS, INC. - Provides temporary office space, power, communication (telephone and internet access), computers, servers and printers – following a major disaster or planned shutdown.

ALLIANT RISK CONTROL SERVICES – In person safety inspections, consulting and training. (AORMA members only.)

BELFOR / HAR-BRO - Provides property recovery and restoration services to restore structures damaged resulting from fire, flood, nature disasters, etc.

BLACK SWAN SOLUTIONS – Provides crises management services.

EMPLOYERS GROUP, INC. - Provides HR consulting, on-line access to BNA's HR essentials, access to a staffed HR reference center, monthly HR newsletters, weekly legal updates, access to compensation & benefits surveys. (AORMA members only.)

INNOVATION GRANT PROGRAM – Provides funds for risk management and safety projects at the Systemwide level. Grant applications are submitted through the CSU's affinity groups.

INSURANCE REQUIREMENTS IN CONTRACTS MANUAL – The CSURMA custom IRIC manual serves as a guide in developing proper insurance requirement in contracts and verifying compliance with those requirements.

LOSS CONTROL AND RISK MANAGEMENT RESOURCES AND PROGRAMS

PRAESIDIUM – Unlimited online youth protection training as well as additional youth protection services.

SUM TOTAL / UNITED EDUCATORS ONLINE TRAINING – Online safety and compliance training.

SPECIAL EVENTS RESOURCE GUIDE – The purpose of this resource guide is to support the CSU mission to enrich its students and communities through hosting special events.

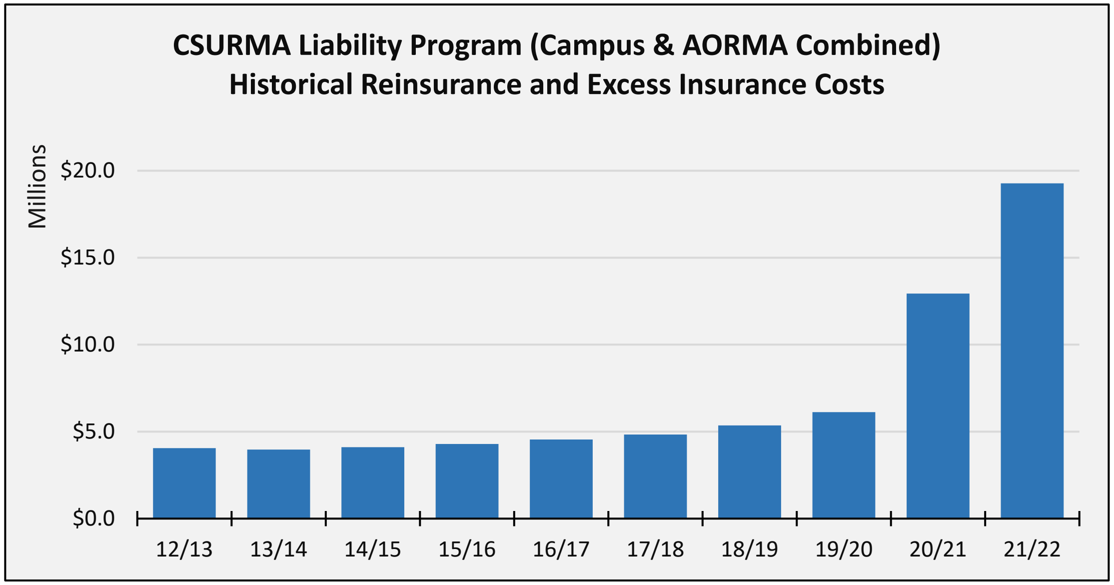
UC RISK & SAFETY SOLUTIONS – Provides access to inspection checklists, lab safety assessment, lab roster module, chemical management system (two modules – chemical inventory and chemical administration), and service desk support.

VEOCI – Collaboration, continuity and response software to help ensure organizational resilience and successful crisis management.

WITT O'BRIEN'S - Emergency management support.

REINSURANCE AND EXCESS LIABILITY

Rising Costs for both Campus and AORMA Liability Programs. Over the last few years, the liability insurance marketplace has seen a mass exodus of insurance carriers, especially in the western states. The insurance industry continues to see significant increases in plaintiff demands, jury verdicts and high dollar claims. Claims that used to resolve for $5M to $10M are now costing public entities and their insurers $20M to $30M. The "social inflation" that has had a huge impact on these costs continue to deplete the insurance market's surplus, limiting the capacity and availability of insurers willing to write California public entity business.



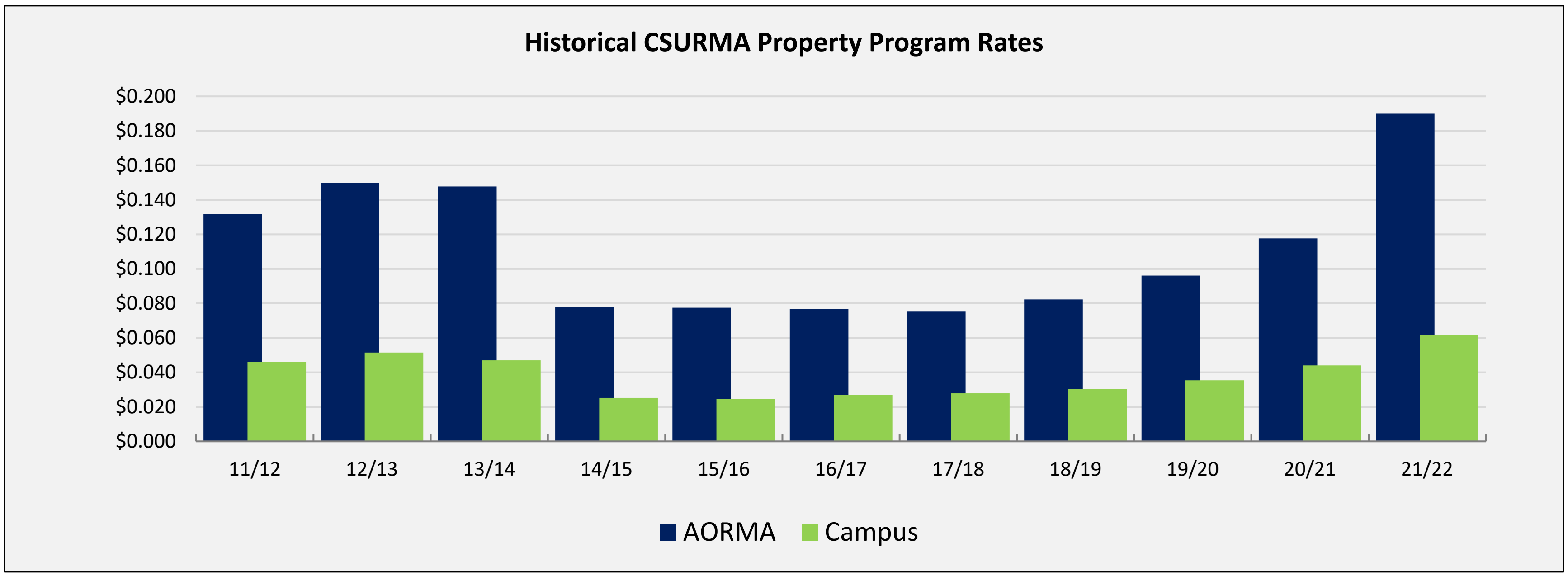
CSURMA's excess liability program has seen loss development in the excess layers for both the AORMA and Campus liability programs. The entire tower was rebuilt last year due to underwriters withdrawing, and reducing limits and coverage offered. Argonaut, insurer of the $5M excess $5M layer has withdrawn from the California public sector market and no replacement could be found for the Campus Risk Pool. This year's renewal saw some improved coverage terms excess of $10 million, but pricing has continued to harden for all California public entities. Broad form public entity liability including general, auto, professional, law enforcement and public officials' liability now tops out at $60 million, up from $50 million. Sexual abuse and molestation coverage, and concussive injury coverage for athletic participants, is maintained to $60 million. Annual aggregate limits now apply excess of $15 million. The total program limits are up from $200 million for FY 20/21 to $225 million for FY 21/22.

As you can see in the chart above, the reinsurance and excess liability insurance costs continue to rise and they are expected to remain firm for California public entities and higher education as the effects of catastrophic jury verdicts and settlements, police misconduct, and sexual abuse claims are absorbed by insurers.

PROPERTY

Rising Costs for both Campus and AORMA Property Programs. Extreme weather events (drought, extreme heat, extreme precipitation, hurricanes, tornadoes) and wildfires are causing billions of dollars of property damage across the country with a greater frequency than even a few years ago. These types of losses have led to rate increases across the country even for insured's without major losses. The CSURMA properties programs (Campus and AORMA) have experience major property losses (in excess of $1M) which is accelerating the program's rate increases.

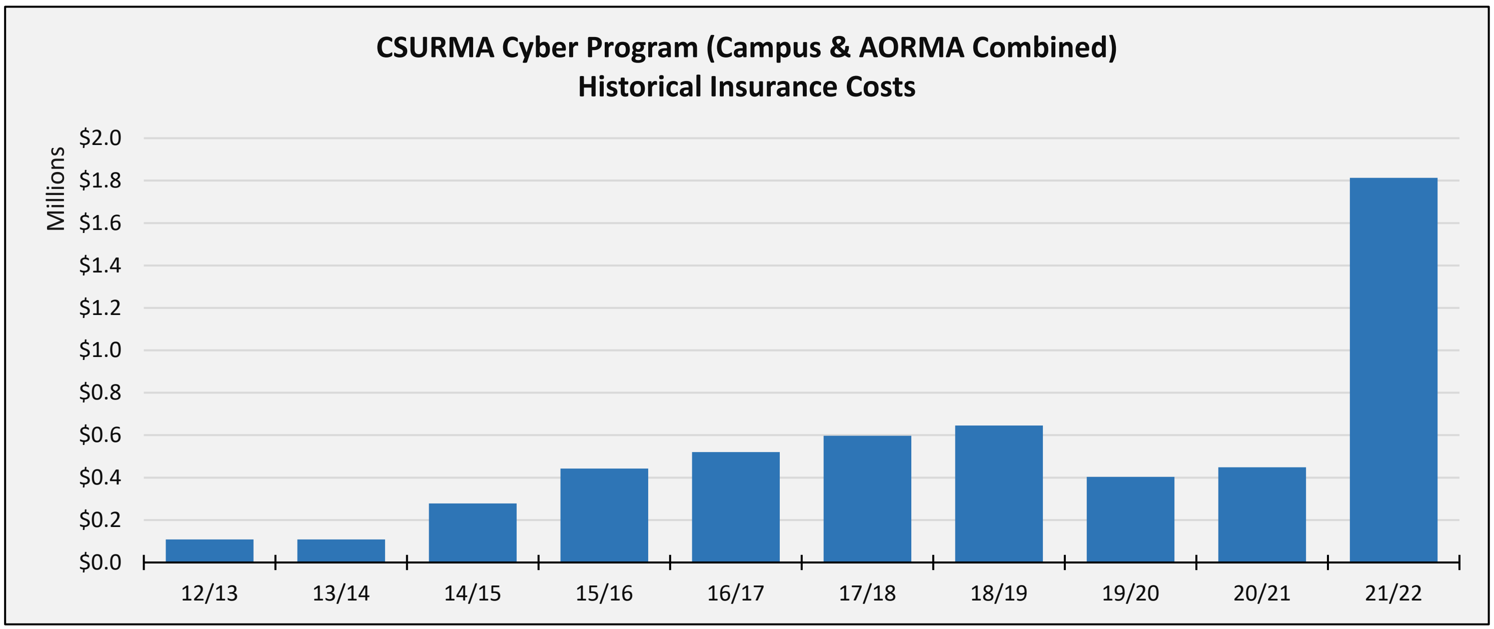
Shown below are the Campus and AORMA historical property program rates.



CYBER LIABILITY

Claims involving hacking, ransomware and loss of personal information continue to rise worldwide. Ransomware now accounts for 75% of all cyber insurance claims, according to the credit ratings agency AM Best. The percentage increase in claims is outpacing that of premiums, which means that the prospects for the cyber insurance market are grim. This renewal was extremely challenging but coverage was successfully renewed based in large part on the efforts of Ed Hudson, Systemwide Chief Information Security Officer, to obtain substantial underwriting information from each campus. AORMA purchased the deductible buy-down option, so they continue to have a $15,000 deductible. Due to market conditions, the deductible changed for the Campuses from $100,000 to either $50,000, $100,000 or $250,000 depending on total insurable values. The total cyber liability limits were reduced from $20 million to $15 million, as additional coverage limits were not available in the insurance marketplace.

Shown below are the combined (Campus and AORMA) historical cyber liability insurance costs.



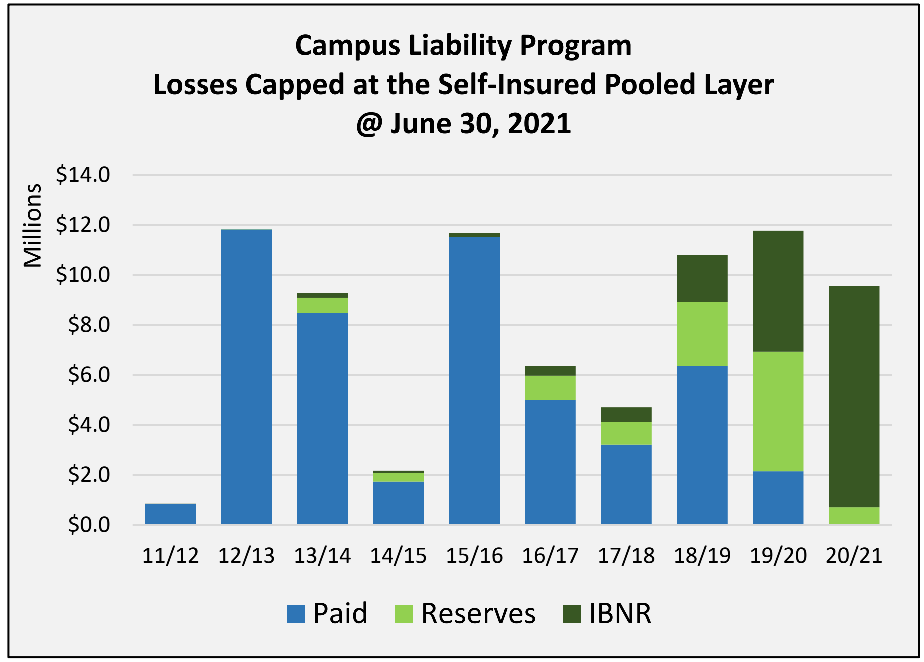
CAMPUS LIABILITY COVERAGE PROGRAM

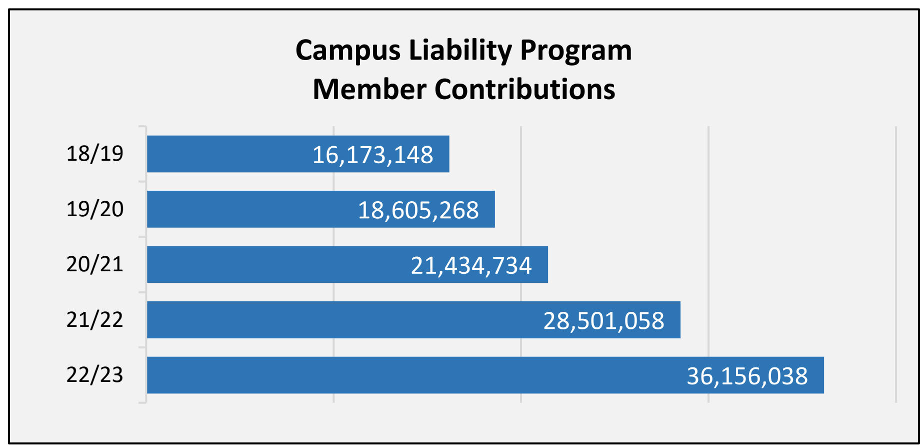
The Campus Liability Coverage Program was established to fund the exposures of General Liability, Errors & Omissions, Professional Liability, Employment Practices Liability, and other similar public liability exposures of the University system. The participants include all twenty-three (23) campuses of the CSU and the Chancellor's Office. The Campus Liability Coverage Program has a self-insured limit of $10,000,000 per occurrence. Each campus selects its own deductible, which is offered from $50,000 to $1,000,000 per occurrence. After three years, members have the opportunity to choose another deductible.

The Campus Liability Program also includes premium for;

- Student Professional Liability Insurance Program (SPLIP)
- Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP)
- Club Liability Insurance Program (CLIP)
- Doctor's Medical Malpractice
- DeadlyWeapons Response Program
- Aviation (All Lines)
- Trustees E&O / Fiduciary Liability

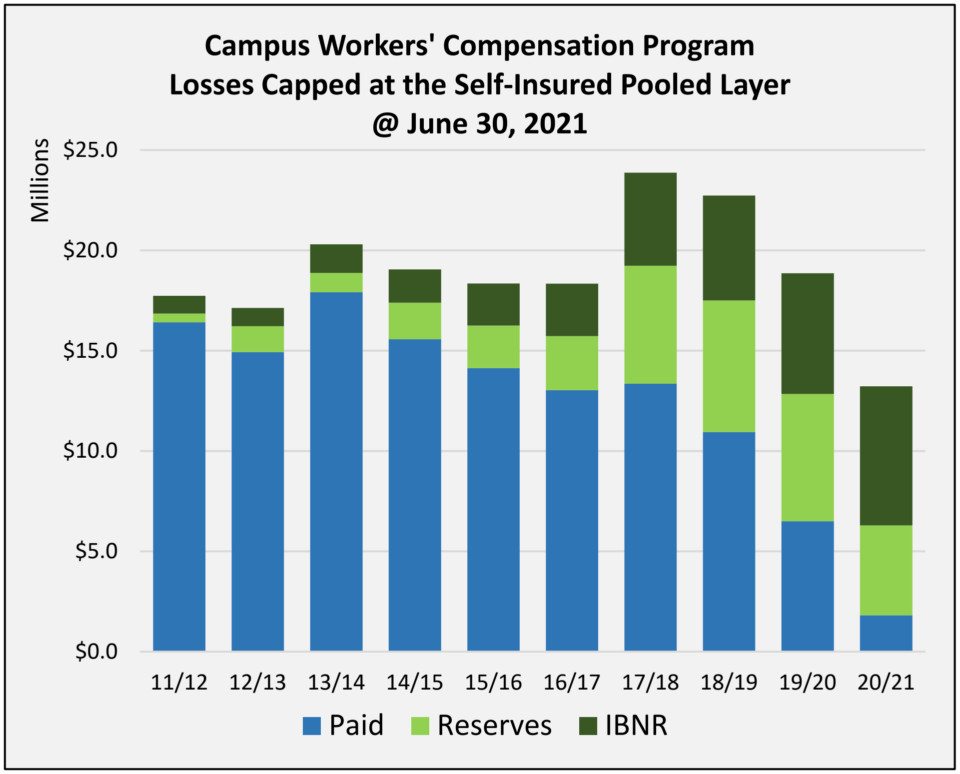
These programs are described later in this document.



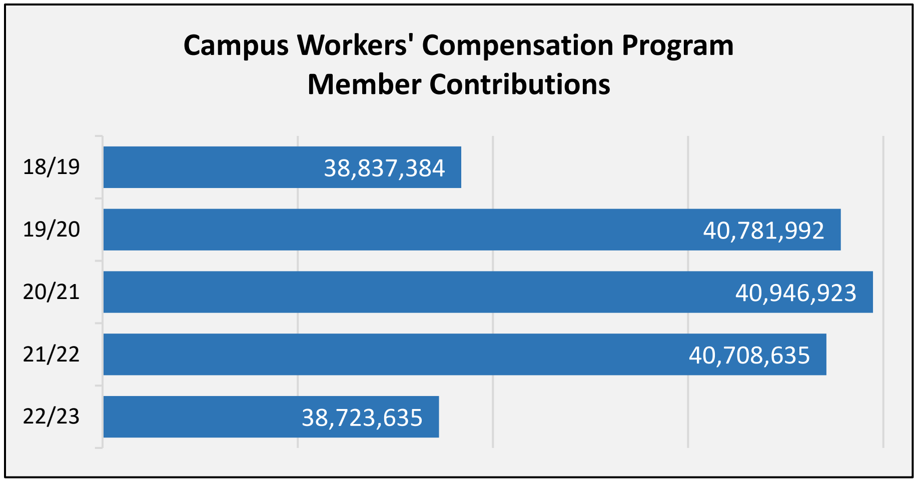


CAMPUS WORKERS' COMPENSATION COVERAGE PROGRAM

The Campus Workers' Compensation Coverage Program was established to provide statutory Workers' Compensation and Employer's Liability coverage for all CSU state employees and designated volunteers at all campuses and the Office of the Chancellor. The program includes a risk pool and specific excess insurance. The risk pool is self-insured with no deductible and retains the first $2,500,000 of each occurrence. Claims in excess of the risk pool retention are covered by commercial insurance from the $2,500,000 self-retention to the Statutory Workers' Compensation limits proscribed by the State of California.



Beginning January 1, 2015, CSURMA entered into an agreement with Public Risk Innovation, Solutions and Management (PRISM) the risk pool for California counties and other California public entities, to finance the university's Workers' Compensation claims covered by the Campus Workers' Compensation risk pool and AORMA Workers' Compensation risk pool. This financing strategy enables CSURMA to fund its workers' compensation claims at a cost less than the actuary's minimum funding recommendation while preserving CSURMA's funding policy and financial integrity. The agreement with PRISM covers industrial injuries occurring from January 1, 2015 to June 30, 2023.



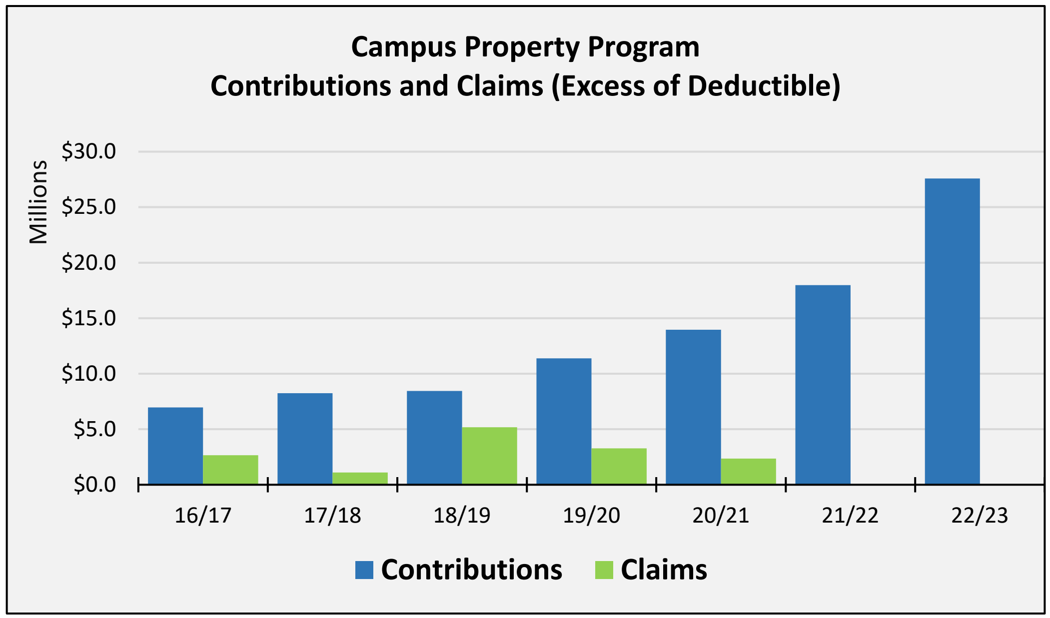
CAMPUS PROPERTY COVERAGE PROGRAM

The Campus Property coverage program was established to provide Property and Boiler & Machinery Insurance covering physical damage to buildings and other specified structures. Building contents (furnishings, equipment, etc.) may also be covered as may be required by bond covenants. The program insures all CSU campuses and the Chancellor's Office. The Campus Property coverage program is fully reinsured by a syndication of insurance companies known as the Alliant Property Insurance Program (APIP), an Alliant exclusive designed for public entities to empower market negotiations. The Campus Property Program has a pooled layer of $1,000,000 per occurrence with an annual aggregate of $2,000,000 for all occurrences. All Campuses have a $100,000 per occurrence deductible except San Diego State University which has a $1,000,000 per occurrence deductible.

Campus 99 (real property) enables CSU auxiliary organizations who occupy state-owned buildings to enjoy deductibles from $5,000 to $100,000. **Campus 86 (business personal property)** provides an option for campuses to insure its business personal property at deductibles less than $100,000. Can be used to insure higher-valued and specialized items such as electronic data processing equipment, laboratory equipment, scientific instruments, library stacks, fitness & recreation equipment, etc.

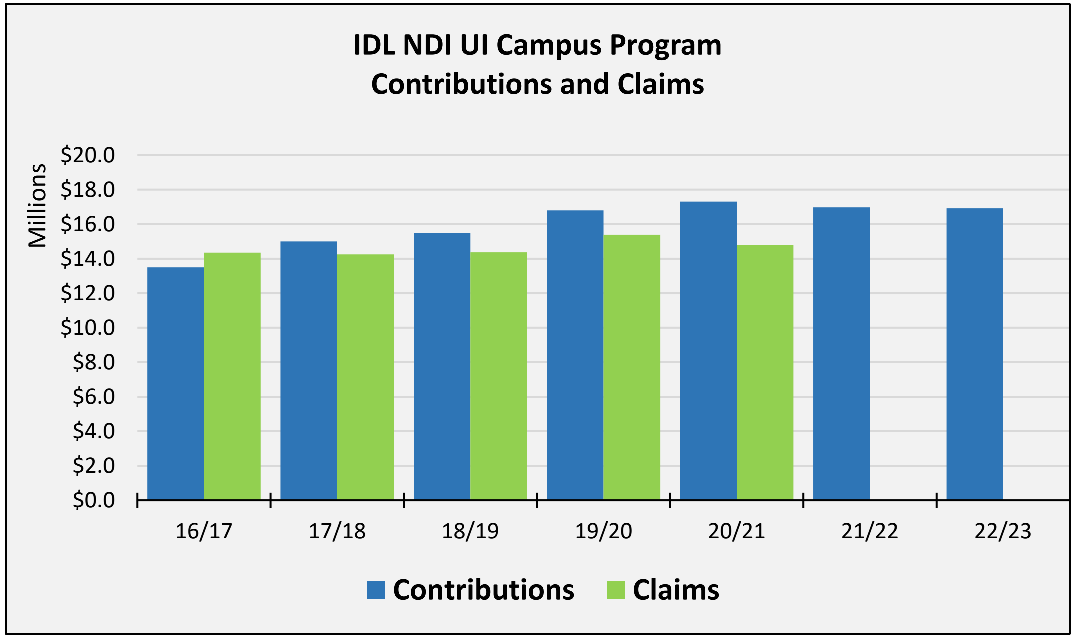
The Campus Property Program also includes premium for;

- Cyber Liability,
- Earthquake (limited coverage),
- Fidelity / Crime,
- Fine Arts, Artifacts & Archives Program,
- Flood, and
- Pollution
- Terrorism Liability.



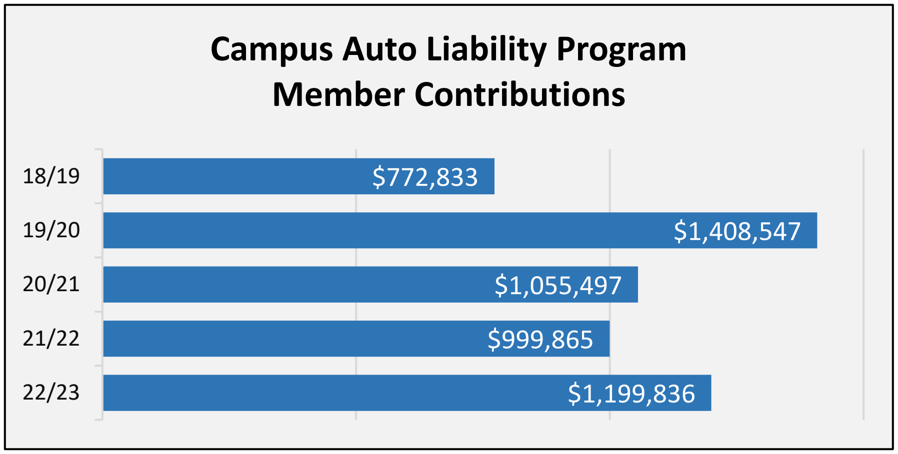
CAMPUS IDL/NDI/UI COVERAGE PROGRAM

The Industrial Disability Leave (IDL), Non-Industrial Disability Leave (NDI) and Unemployment Insurance (UI), the IDL/NDI/UI program fund was established to provide a funding mechanism for temporary disability and unemployment insurance benefits for state employees. The IDL/NDI/UI program fund is entirely self-insured, and costs are allocated to the members based on each campus' actual utilization (claims) over a rolling five-year period.



CAMPUS AUTO LIABILITY PROGRAM

Auto Liability is provided by the State Motor Vehicle Insurance Account (MVIA) and managed by the Office of Risk & Insurance Management (ORIM) through the State's Department of General Services. MVIA's coverage for state-salaried employees is unlimited, but liability for non-state operators is capped at $1,000,000 per accident. The Campus Liability risk pool purchases reinsurance to cover Auto Liability for non-state employees driving for University business from MVIA's $1,000,000 self-retention limit to CSURMA's $5,000,000 pool limit.



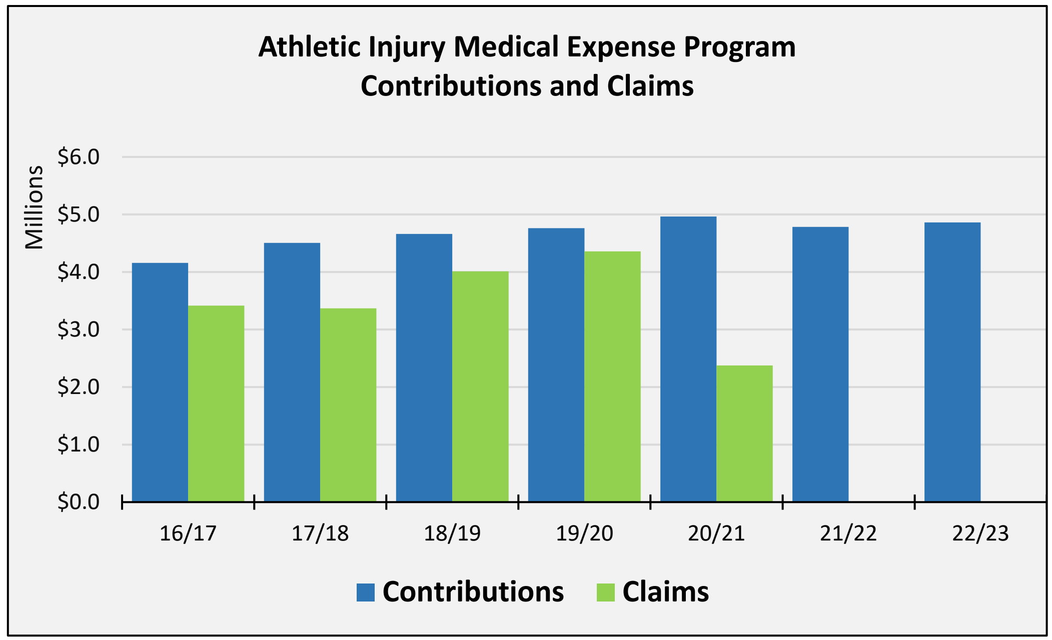
CAMPUS ATHLETIC INJURY MEDICAL EXPENSE COVERAGE PROGRAM (AIME)

The Athletic Injury Medical Expense program (AIME) was established to provide coverage for medical expenses incurred by CSU students participating in NCAA and NAIA intercollegiate athletic activities.

The AIME program is self-insured for the members' deductible limit defined by the catastrophe coverage policies purchased by their respective national governing bodies, NCAA or NAIA. NCAA purchases catastrophe liability insurance on behalf of all its member schools with a $90,000 deductible.

NAIA purchased catastrophe liability insurance on behalf of its member schools with a $25,000 deductible.

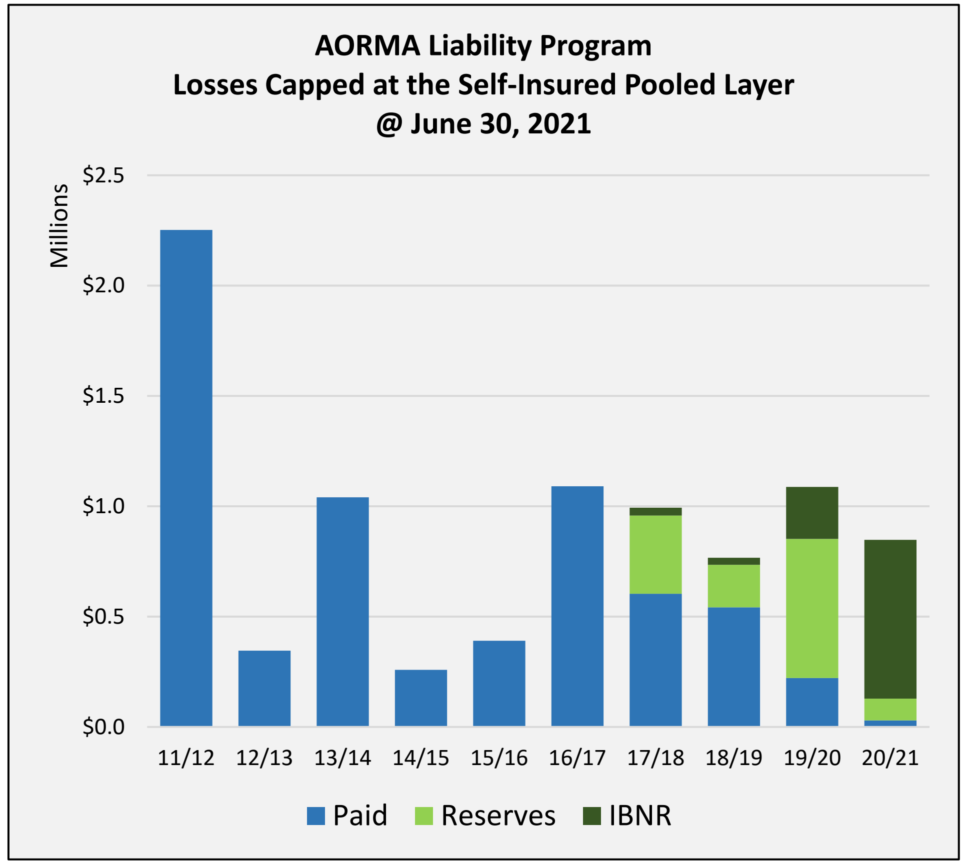
AIME's claims experience is annually reviewed by an independent professional actuary to develop loss projections and loss rates by sport.

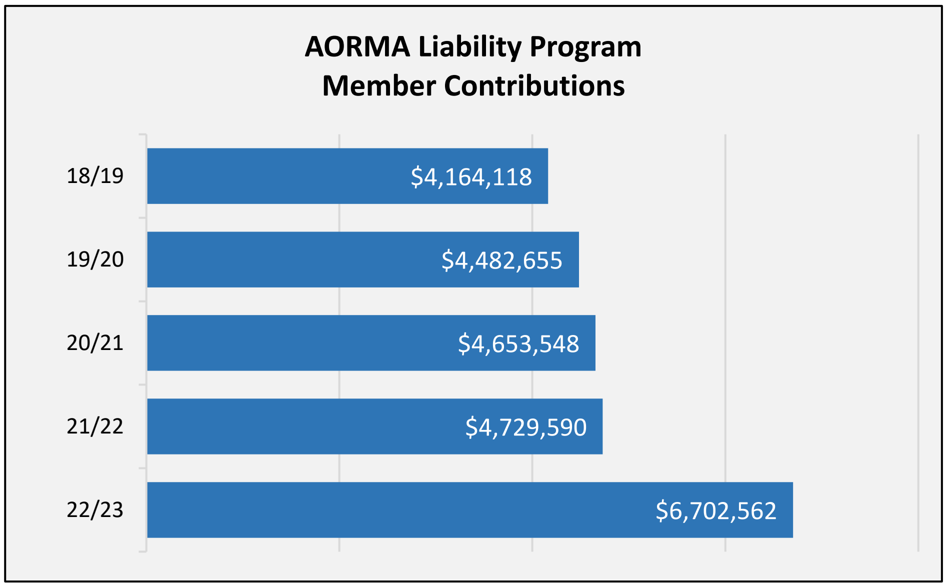


AORMA LIABILITY PROGRAM

The AORMA Liability program was established on July 1, 2002 to provide liability insurance coverage for participating Auxiliary Organizations. The Liability coverage includes General Liability, Automobile Liability, Directors' & Officers' Liability, Employment Practices Liability, Professional Liability, and Fiduciary Liability.

AORMA's self-insured pooled layer is $500,000 of each occurrence. Addition coverage excess of the pooled layer provided by AORMA's participation in the Campus Liability excess insurance placements.

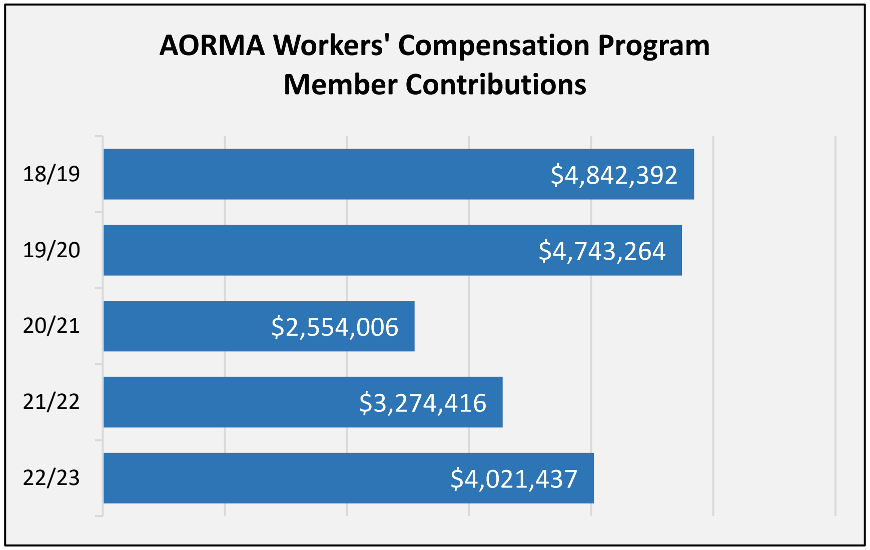


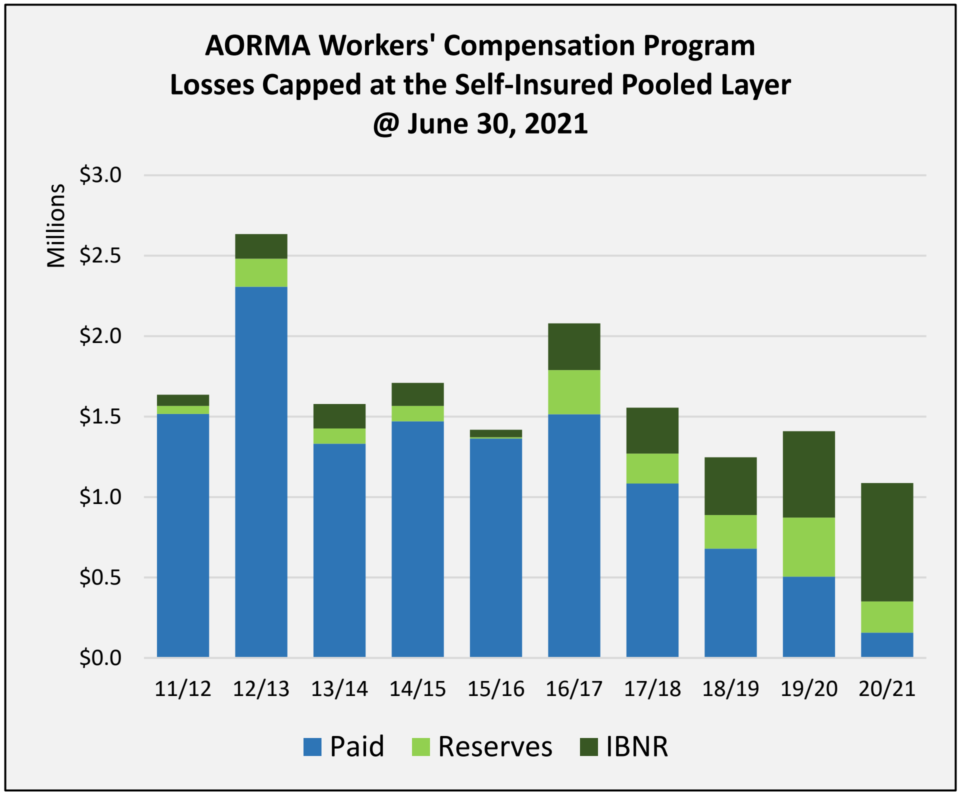


AORMA WORKERS' COMPENSATION PROGRAM

The AORMA Workers' Compensation program is self-insured for the first $750,000 of each occurrence. Excess insurance is purchased from a commercial insurer to provide statutory limits excess of the $750,000 self-insured limit for Workers' Compensation, and to $5,000,000 per occurrence for Employers' Liability.

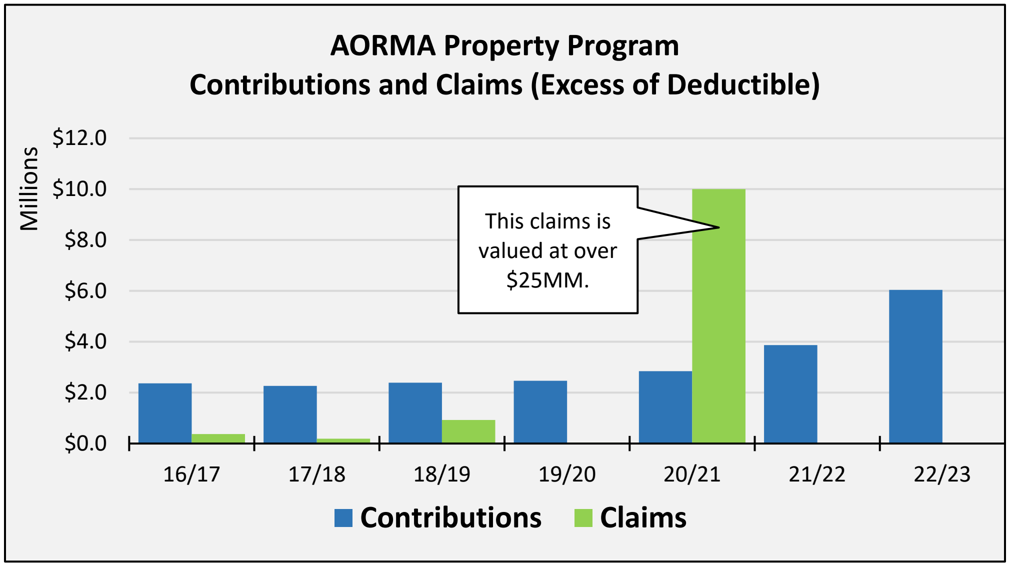
Beginning January 1, 2015, CSURMA entered into an agreement with Public Risk Innovation, Solutions and Management (PRISM) formerly known as CSAC EIA, the risk pool for California counties and other California public entities, to finance the CSU's Workers' Compensation claims covered by the Campus Workers' Compensation risk pool and AORMA Workers' Compensation risk pool. This financing strategy enables CSURMA to fund its workers' compensation claims at a cost less than the actuary's minimum funding recommendation while preserving CSURMA's funding policy and financial integrity. The agreement with PRISM covers industrial injuries occurring from January 1, 2015 to June 30, 2023.

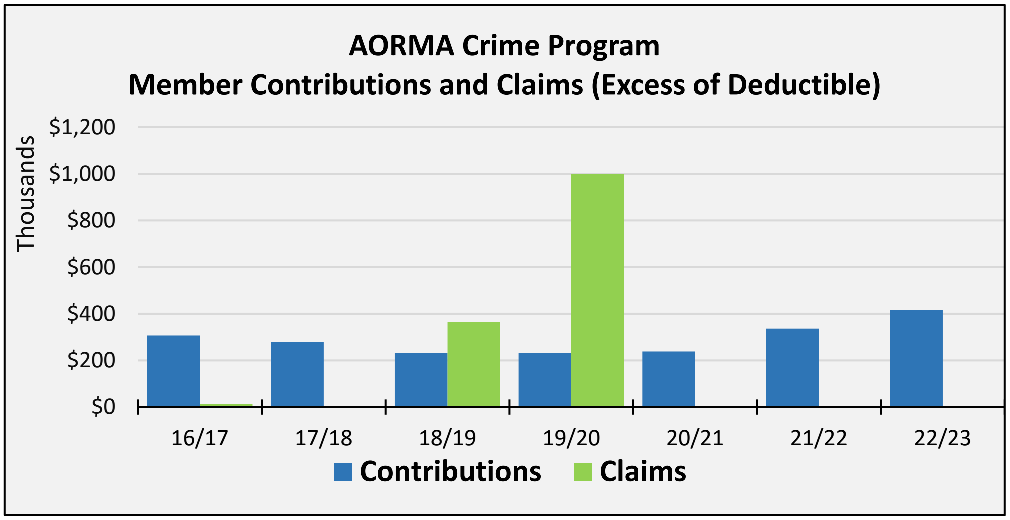




AORMA PROPERTY PROGRAM

The AORMA Property Program has a shared risk layer of $100,000 per occurrence with an aggregate limit of $250,000. Member deductibles are $5,000 for business personal property and business interruption/loss of rents, and between $5,000 and $50,000 for real property depending on the building's value. If the claims paid out of the shared risk layer exceed the $250,000 aggregate limit, the insurer then pays all claims in excess of the members' deductibles. All members in the AORMA Liability program automatically participate in the AORMA Property program. **Campus 99 (real property)** enables CSU auxiliary organizations who occupy state-owned buildings to enjoy deductibles from $5,000 to $100,000.





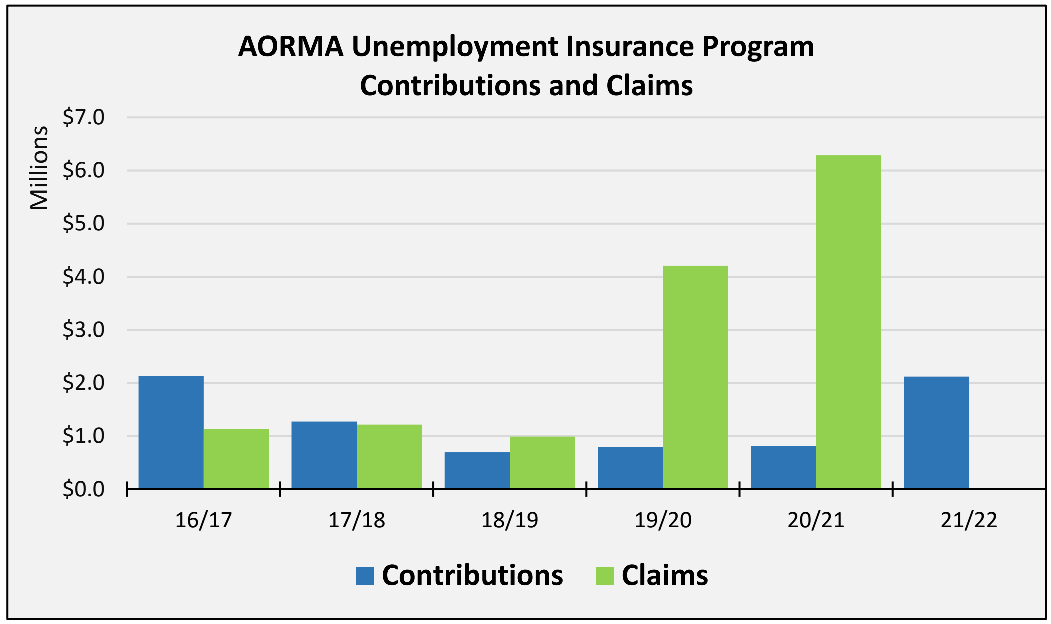
AORMA CRIME PROGRAM

The AORMA Crime program has a shared risk layer of $50,000 per occurrence with an aggregate limit of $200,000. All members have a deductible of $5,000. If the claims paid out of the shared risk layer exceed the $200,000 aggregate limit, the insurer then pays all claims in excess of the members' deductibles. All members automatically participate in the AORMA Crime program.

AORMA UNEMPLOYMENT INSURANCE PROGRAM (UIP)

The AORMA Unemployment Insurance program was formed July 1, 2011 and is the successor to the Auxiliary Organization Unemployment Insurance Trust (AOUIT). The AORMA UIP was established to provide a funding mechanism for mandatory unemployment benefits program.

The Unemployment Insurance Program is entirely self-insured and costs are allocated to the UIP members based on the members' actual claims over a five-year period.



ANCILLARY COVERAGE PROGRAMS

Alliant is proud of its history of developing and implementing meaningful and cost effective coverage programs for CSU since the establishment of the Campus Risks Pool in 1995 and its successor joint powers authority, CSURMA, in 1997. Many of the coverage programs for the University and the Auxiliary Organizations, remain viable today and continue to provide highly-valued, cost-effective, state-of-the-art protection for all its member participants. A description of these coverages is shown below.

BUILDER'S RISK INSURANCE PROGRAM (BRIP) – CSURMA implemented the Builder's Risk Insurance Program (BRIP) beginning July 1, 2005. BRIP covers direct physical loss to the University's and/or the Auxiliary Organizations' construction projects in the course of construction. All Major Capital Improvement Projects are to be insured by the BRIP in place of the contractor's insurance. The program is managed by Alliant and CSU's Capital Planning Design & Construction (CPDC) department at the Chancellor s Office. This program includes coverage for Earthquake damage that is self-funded by the University.

CLUB LIABILITY INSURANCE PROGRAM – The Club Liability Insurance Program was launched on July 1, 2018. The program provides general liability coverage for all student clubs officially recognized by the CSU (per Executive Order #1068). The program limit is $1,000,000 per loss and includes a maximum annual limit of $5,000,000 for all losses. Effective July 1, 2020, coverage was expanded to include coverage for all CSU Alumni Associations that are governed by Article 15 of Subchapter 5 of Chapter 1 of Division 5 of Title 5 of the California Code of Regulations. The program excludes coverage for auto liability, activities of fraternal organizations as well as injuries to participants participating in athletic activities.

CLUB SPORTS INSURANCE PROGRAM – The Club Sports Insurance Program was launched on August 1, 2012. The program is designed to cover CSU students for medical expenses due to accidental injuries while participating in the University's or Auxiliary Organization's club sports programs that are officially recognized by the University as a student organization. Beginning August 1, 2013, the program was expanded to include Intramural and Recreational sports. The program maintains a risk pool for primary accidental medical expense up to a $30,000 limit per accident, subject to a $100 deductible. The deductible operates to preclude "first aid" claims, and to promote safe play. Catastrophe accident medical expense coverage is provided by commercial insurance to a $5,000,000 lifetime benefit. Additionally, the program purchases primary General Liability insurance with a $1,000,000 limit and no deductible.

CYBER LIABILITY – This program provides (1) breach response services (2) first party loss recovery (business interruption, cyber extortion, data recovery, hardware replacement, reputation loss), (3) third party liability (data and network liability, regulatory defense and penalties, payment card liability and costs, media liability),(4) eCrime (fraudulent instruction, telephone fraud, funds transfer fraud) and (5) other types of loss (criminal reward, invoice manipulation, cryptojacking).

DEADLY WEAPONS RESPONSE PROGRAM - This program addresses the needs of the CSU system should a violent incident occur. The program provides third party liability, physical damage coverage and crisis management services. The maximum limit for any one incident is $1,000,000. The program has a $5,000,000 aggregate limit.

DRONE INSURANCE PROGRAM (DRIP) – This program covers aviation risk on a blanket basis for liability arising from small drones that are owned, non-owned or hired by the University or its Auxiliary Organization. Coverage is limited to $50 million, with no deductible. Coverage is automatic, and for non-commercial use of small drones only. As such, there is no need to report your drones; however, CSURMA will conduct a survey on drone usage annually. Coverage can also be purchased to insure the hull; i.e., physical damage or loss to the drone itself and its equipment.

EARTHQUAKE PARAMETRIC PROPERTY INSURANCE - Systemwide earthquake coverage with a maximum total payout for a three-year period is $25,000,000. The per location payout is predetermined based on zip code and maximum shaking at that location. The deductible is a minimum trigger intensity of 45.00%g – Pseudo-Spectral Acceleration with a period of 0.3s.

FIDELITY / CRIME PROGRAM (CAMPUS) – This program insures the University covering all state employees for Employee Fidelity, including faithful performance of duties, theft of monies & securities, counterfeit, fraud, computer crime, and other misappropriation of the University's funds. This program has a loss limit of $20,000,000 for any one loss and an aggregate limit of $40,000,000 for all claims. The Campus members have a $250,000 per loss deductible.

FINE ARTS, ARTIFACTS & ARCHIVES PROGRAM (FAAAP) – FAAAP provides coverage for art objects that are owned or lent to the university or Auxiliary Organizations. Coverage includes transit risk while the art objects are transported to or away from the campus; i.e., coverage is "nail-to-nail" or "wall-to-wall". All art objects up to $2,500,000 in value are automatically covered with no deductible (except 10% for damages caused by earthquake).

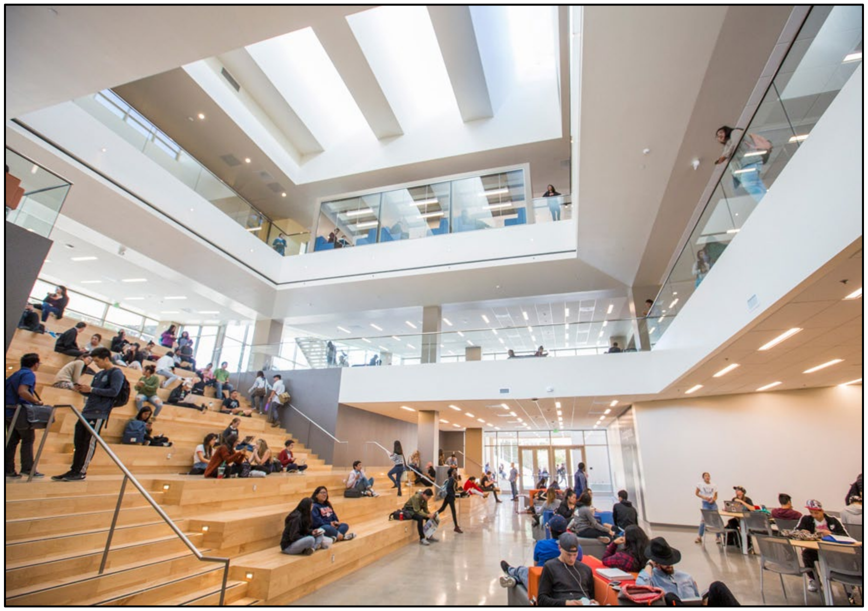
FOREIGN TRAVEL INSURANCE PROGRAM (FTIP) – This program provides coverage for employees and students while traveling outside the United States. The program provides General Liability, Contingent Auto Liability, Employee Benefits Liability, Employers Responsibility, Employee Voluntary Compensation, Employers Liability, Primary Accident and Sickness, Accidental Death and Dismemberment, and Executive Assistance Services. Beginning July 1, 2014, FTIP added an "Overlay" coverage to supplement the insurance mandated by certain third-party travel program providers under approved agreements with the University. Specifically, the Overlay coverage extends FTIP's Liability insurance that is not otherwise provided by certain third-party programs.

INLAND MARINE INSURANCE PROGRAM – This is a specialized form of insurance to cover physical damage to specific objects such as: computer and other electronic data processing equipment including media and laptops; scientific and laboratory equipment; cameras, audio, industrial lighting; fine arts; valuable collections; specialized mobile equipment; etc. Rates are based on the type of equipment insured.

MEDICAL PROFESSIONAL MALPRACTICE LIABILTY PROGRAM – This program provides Medical Professional Malpractice Liability insurance for Medical Professionals employed by the CSU or its Campuses for services performed within the course and scope of their duties as employees while serving at the Student Health Center on a campus of the CSU. The program has a $10,000,000 per occurrence limit and the program's deductibles are the same as the Campus Liability Program.

NON-OWNED AIRCRAFT LIABILITY INSURANCE – As CSU occasionally uses non-owned aircraft for university business, effective July 1, 2011 a special Aviation Liability policy was placed to insure against non-owned aircraft liability. Because of the increased exposure in athletics and in international travel, air travel involving faculty, staff, students, and auxiliary organizations makes this insurance essential, and it is relatively inexpensive.

COVERAGE PROGRAMS



OWNER-CONTROLLED INSURANCE PROGRAM (OCIP) - The Owner-Controlled Insurance Program (OCIP) was implemented in January 2012 to cover major building projects of the University and Auxiliary Organizations with initial total construction cost of $10,000,000 and more. Realizing the cost savings and effective administration of CSURMA's Builder's Risk Insurance Program (BRIP), the Office of the Chancellor Capital Planning Design & Construction (CPDC) expanded BRIP to include General/Completed Operations Liability and Workers' Compensation coverage for all contractors doing work on CSU building projects.

PARTICIPANT ACCIDENT INSURANCE PROGRAM (PAI) - Participant Accident Insurance provides coverage for a broad range of non-employer groups. Its primary benefit, accident medical insurance, is designed to provide insurance protection for participants of a group or organization while they are engaged in the group's sponsored activities. The plan is sold as blanket coverage, purchased by a group for all of its participants.

POLLUTION LIABILITY – This program offers the following coverage types: Own site clean-up costs, off-site clean-up costs, third-party bodily injury or property damage, emergency response costs, business interruption. The policy has $7,000,000 limit and the Campuses have a $250,000 deductible and the Auxiliary Organizations have a $50,000 deductible.

PUBLIC ENTITY AUTOMOBILE PHYSICAL DAMAGE PROGRAM - This program provides "All Risk" coverage for scheduled vehicles and/or mobile equipment. The program includes earthquake and flood. Claims are adjusted on a replacement cost basis. The deductible varies for each member as selected annually. The plan covers all risks of direct physical loss or damage from any external cause, including salvage charges, except perils excluded.

ROCKETRY LIABILITY. CSURMA purchases a special Aviation Liability insurance policy to facilitate coverage for the university's liability arising from rocketry activities. Coverage is limited to $5,000,000 maximum.

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM – The Special Events Program of Alliant offers premises liability coverage for a broad range of events held by underinsured third parties in public assembly facilities. The program has the added feature of allowing the CSU and its auxiliary organizations to insure its own events as circumstances warrant

STUDENT PROFESSIONAL LIABILITY INSURANCE PROGRAM (SPLIP) – On August 1, 2006 CSU purchased a systemwide professional liability insurance program to provide coverage for students enrolled in the Nursing, Allied Health or Education internship curricula. This systemwide program is designed to satisfy the requirements of host institutions that students maintain professional liability insurance in order to participate in programs offered under affiliation agreements with the University. The program includes professional and personal liability coverage with broad protection for the students, affiliates and the University. SPLIP provides coverage limits up to $5 million per occurrence with a $25 million annual aggregate.

STUDENT ACADEMIC FIELD EXPERIENCE FOR CREDIT LIABILITY INSURANCE PROGRAM (SAFECLIP) – On July 1, 2007 CSU purchased the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP) to provide coverage for students involved in the University's service learning programs while performing service or volunteer work for academic credit. SAFECLIP similarly covers CSU students in Radio, Television or Film academic programs. This systemwide program is designed to satisfy the requirements of host institutions that students maintain liability insurance in order to participate in programs offered under affiliation agreements with the University. The program includes professional and personal liability coverage with broad protection for the students, affiliates and the University. SAFECLIP provides coverage limits up to $5 million per occurrence with a $10 million annual aggregate.

STUDENT TRAVEL ACCIDENT INSURANCE – Beginning in 1994, CSU purchased the Student Travel Accident policy to provide medical expense coverage for injuries to CSU students (including Extended Education Program students) during travel to or from campus to participate in a school sponsored activity. In 2014 the policy limit was increased to $50,000 with a $0 deductible. Additionally, coverage for overnight supervised and sponsored travel is included for up to 14 days.

TRUSTEES ERRORS & OMISSIONS, INCLUDING FIDUCIARY LIABILITY – This program provides professional liability for the various CSURMA board and committee members, while servicing in their capacity as such. This program also provides Fiduciary Liability coverage for the Campus and Auxiliary Organizations' administration of its employee benefit plans and trusts.

WATERCRAFT INSURANCE PROGRAM - The Watercraft Insurance program provides Hull and Machinery Insurance, Collision and Towers Liability coverage, Protection and Indemnity Liability coverage. This is not blanket coverage; each vessel must be reported and scheduled on the policy.

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California State University Risk Management Authority

CSURMA MILESTONES

MILESTONES

1994
- Risk Pool Feasibility Study commenced.

1995
- Risk Pool implemented.

1996
- Campus Master Property Program (MPP) implemented.

1997
- CSURMA forms AO Group Purchase Program with six Members.
- AIME implemented.

1998
- First Campus Rating Plans Task Group.

1999
- WC TPA claims services initiated.
- Campus Risk Pools commenced 10 Year Full Funding Policy

2000
- AO Membership increased from 23 to 46.
- Systemwide Property Appraisal.

2001
- Campus Rating Plans Task Group.

2002
- AO-Liability Program implemented.
- Alliant began Campus Liability claims service.

2003
- Sedgwick CMS appointed WC TPA.
- AIME Rating Plans Task Group.

2004
- Campus Rating Plans Task Group.
- AO-COMP, Inc. implemented.

2005
- AO-COMP, Inc. becomes part of CSURMA.
- Campus Pooled Liability Coverage Program SIR increased to $3,000,000.
- ID Fraud Coverage Program added.
- Builder's Risk Program implemented.
- Campus 99 for state-owned buildings added.
- **$257,093 – AO Liability released 1st Dividend.**

2006
- SPLIP launched.
- AO Rating Plans Task Group.
- DIR approves transfer of AO-COMP to CSURMA.
- AO-Property SIR Program implemented.
- Systemwide Property Appraisal.
- **$252,114 – AO Liability Dividends.**
- **$900,000 – AO-COMP releases 1st Dividends.**

California State University Risk Management Authority

MILESTONES

2007

- Campus Risk Pool achieved 100% full funding.
- AORMA achieved 100% participation.
- Systemwide Employee Fidelity Program launched.
- FTIP Blanket Coverage implemented.
- SAFECLIP implemented.
- **$15,278,413 – Campus WC 1st Dividends.**

2008

- Cyber Liability Program added.
- AORMA WC Class Code consolidation completed.
- **$1,090,961 – AO-COMP Dividends.**
- **$9,867,829 – Campus WC Dividends.**

2009

- CSURMA and AORMA logos developed.
- **$415,861 – AIME released 1st Dividends.**
- **$1,217,460 – AORMA Dividends.**
- **$16,599,342 – Campus WC Dividends.**

2010

- Foreign Travel Insurance Program (FTIP) enhanced.
- AIME catastrophic coverage enhanced.
- Fiduciary Liability coverage added.
- Systemwide Property Appraisal.
- **AORMA UIP launched, freeing up over $10 million reserves for members.**
- **$2,242,800 – AORMA Dividends.**
- **$9,173,264 – Campus Dividends.**

2011

- Self-insured layer for Campus Property program added (savings of over $3 million per year).
- Digitization of CSURMA records completed.
- **$2,690,382 – AORMA Dividends.**
- **$5,470,192 Campus Liability Dividends.**
- **$14,038,323 – Campus WC Dividends.**

MILESTONES

2012

- CSU International Programs launches (CSUIP).
- Owner Controlled Insurance Program (OCIP) launched.
- Club Sports Insurance Program (CSIP) launched.
- **$2,219,190 – AORMA Dividends.**
- **$7,504,717 – Campus Dividends.**

2013

- CSU Doctor's Medical Practice Program added.
- CSURMA.org website re-launched.
- Intramural/Recreational Sports added to CSIP.
- **$1,702,157 – AORMA Dividends.**
- **$7,097,512 – Campus Dividends.**

2014

- Theater Safety Risk Management rolled out.
- Unmanned Aerial Systems ("Drones") coverage added to Liability programs.
- Campus Property Program restructured as reinsurance.
- **$1,823,733 – AORMA Dividends.**
- **$8,677,518 – Campus Dividends.**

2015

- CSURMA Website redesigned.
- CSURMA joined CWCI for workers' compensation benchmarking.
- Risk Management Innovation Grants added.
- Rocketry Liability coverage added.
- Online services & training for Prevention of Sexual Abuse of Minors added.
- Agility Recovery Property Loss Program added.
- Campus and AORMA workers' compensation programs reinsured by CSAC EIA.
- Participated in CSU-CCC-UC collaborative business conference at UC Riverside.
- **$1,179,889 – AORMA Dividends.**
- **$8,500,359 – Campus Dividends.**

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California State University Risk Management Authority

MILESTONES

2016

- Campus 86 for Campus Personal Property coverage added.
- Fine Arts, Archives & Artifacts Program (FAAAP) launched.
- Operation "Double Play" launched.
- Implemented e-filing of the state required Conflict of Interest disclosure statements (Form 700).
- **$1,171,524 – AORMA Dividends.**
- **$13,688,395 – Campus Dividends.**

2017

- Drone Insurance Program (DRIP) launched.
- Risk Management Grants revised to systemwide projects through WERCS affinity groups.
- Watercraft Liability Program launched.
- EQ Parametric Coverage added to Campus & AORMA Property Programs.
- **$1,712,755 – AORMA Dividends.**
- **$7,027,608 – Campus Dividends.**

2018

- Medical Malpractice Liability specifically endorsed.
- Deadly Weapons Response Program launched.
- Club Liability Insurance Program (CLIP) launched.
- AORMA Benefits Program launched.
- **$4,774,887 – Campus Dividends.**
- **$1,650,397 – AORMA Dividends.**

2019

- Broaden Cyber Coverages.
- **$1,336,710 – AORMA Dividends.**
- **$7,219,917 – Campus Dividends.**

2020

- Further Development of Youth Protection Programs.
- Streamlining of the Foreign Travel Insurance Program process.
- Finalization of the new CSU Affinity Groups Biennial Mini-Conference and/or Workshops.
- **$1,418,672 - AORMA Dividends.**
- **$9,749,679 - Campus Dividends.**

2021

- Campus Response to Workplace Safety Compliance program launched.
- Managing Risk in Youth Programs resource guide published.
- Systemwide Student Training Management Platform designed.
- **$1,418,672 – AORMA Dividends.**
- **$7,721,846 – Campus Dividends.**