

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR



BAKERSFIELD

October 17, 2013

CHANNEL ISLANDS

MEMORANDUM

CHICO

DOMINGUEZ HILLS

TO: CSU Presidents

EAST BAY

FROM: Timothy P. White
Chancellor

FRESNO

FULLERTON

SUBJECT: California State University Risk Management Authority
Executive Order 1087

HUMBOLDT

LONG BEACH

Attached is a copy of Executive Order 1087 relating to reauthorizing the existence of California State University Risk Management Authority (CSURMA) formerly known as the California State University Risk Pool.

LOS ANGELES

MARITIME ACADEMY

In accordance with policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

MONTEREY BAY

NORTHRIDGE

If you have questions regarding this executive order, please call Systemwide Risk Management and Public Safety at (562) 951-4580.

POMONA

SACRAMENTO

TPW/zg

SAN BERNARDINO

Attachment

SAN DIEGO

c: CSU Office of the Chancellor Leadership
Campus Risk Managers

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS

**THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4580**

Executive Order: 1087
Effective Date: October 17, 2013
Supersedes: Executive Order 638 – California State University Risk Pooling Policy
Title: California State University Risk Management Authority

This executive order is issued pursuant to Government Code 11007.4, et seq. and the Standing Orders of the Board of Trustees, section II (d) and (f). This executive order, which shall supersede Executive Order 638, reauthorizes the California State University to participate in the formation and membership of the Joint Powers entity known as the California State University Risk Management Authority (“CSURMA” or the “Entity”) formerly known as the California State University Risk Pool.

Introduction

Executive Order 638 established risk pooling and a self-insurance program for the California State University, replacing the ‘pay-as-you-go’ system that was in place. The goals were to reduce loss, increase accountability and prevent unanticipated disruptions to the annual budgets from catastrophic losses. Since the issuance and implementation of Executive Order 638 (in July, 1995) the program has grown in size and complexity. This supersession of that preexisting executive order purports to reflect more accurately the nature and scope of the CSURMA.

Risk Pooling

This executive order continues to authorize self-insurance programs for University exposures, including but not limited to workers’ compensation, employer liability, general liability, errors and omissions, professional liability, property damage and other lines of coverage.

The program’s self-insurance provision is complemented by its ability to purchase insurance and reinsurance coverage as well as certain necessary program administrative services such as risk management consulting, loss prevention and control, centralized loss data accumulation and reporting, actuarial services, claims adjusting and legal defense services.

CSURMA includes the following key elements:

1. Policies and Procedures

CSURMA may adopt Policies and Procedures necessary for the operation of the program, compliance, and sound business practices. The following elements of CSURMA are described in the Joint Exercise of Powers Agreement, bylaws, policies and procedures.

2. Board of Directors

There shall be a board of directors tasked with managing the activities and affairs of the Entity. It is composed of up to thirty (30) directors appointed by the California State University Executive Vice Chancellor/Chief Financial Officer; and up to ten (10) directors elected by those auxiliary organizations that are, or become, members of the Entity (“Members”).

It is the policy of the CSURMA that membership in the Board of Directors shall be adequately documented, and that nomination and election to the Executive Committee shall follow the process described in CSURMA Policy and Procedure No. 18.

3. Executive Committee

The Executive Committee consists of nine members of the Board of Directors. It comprises the Chair, Vice Chair, Treasurer, four members elected from among the University-appointed directors and two members elected from among the Member-appointed (auxiliary organization members) directors.

4. Administration

CSURMA is governed by a Joint Exercise of Powers Agreement (the “Agreement”) that is made and entered into by and between the Trustees of the California State University and its auxiliary organizations. The Agreement is complemented by bylaws and written policies and procedures.

The Agreement is entered into pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (beginning with §6500) which authorizes the University and its auxiliary organizations, such as the Members who are parties to the Agreement, to establish and operate pooled coverage programs and to provide related services.

5. Budget

The Entity adopts an annual budget, which shall include a separate budget for each separate coverage program under development or adopted and implemented by the Entity.

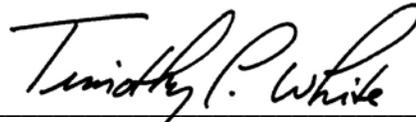
6. Accounting Services

As directed by the Executive Committee, the treasurer of the Entity establishes and maintains such funds and accounts as may be required by law and generally accepted accounting principles. Fund accounting procedures are established and maintained for each insurance program under development or adopted and implemented by the Entity. Books and records of the Entity in the hands of the treasurer are open to inspection at all reasonable times by authorized representatives of Members. A quarterly unaudited financial statement will be produced. The Entity shall adhere to the standards of strict accountability for funds set forth in Government Code §6505.

7. Legal Services

CSURMA's counsel is appointed by the CSU General Counsel as provided under CSURMA's Joint Powers Agreement Section 14(b). CSURMA's counsel serves as counsel to CSURMA in areas including but not limited to:

- Open meeting law compliance;
- Legal counsel on matters related to CSURMA operations;
- Legislative and regulatory analysis; and
- Special projects.

Handwritten signature of Timothy P. White in black ink.

Timothy P. White, Chancellor

Dated: October 17, 2013