

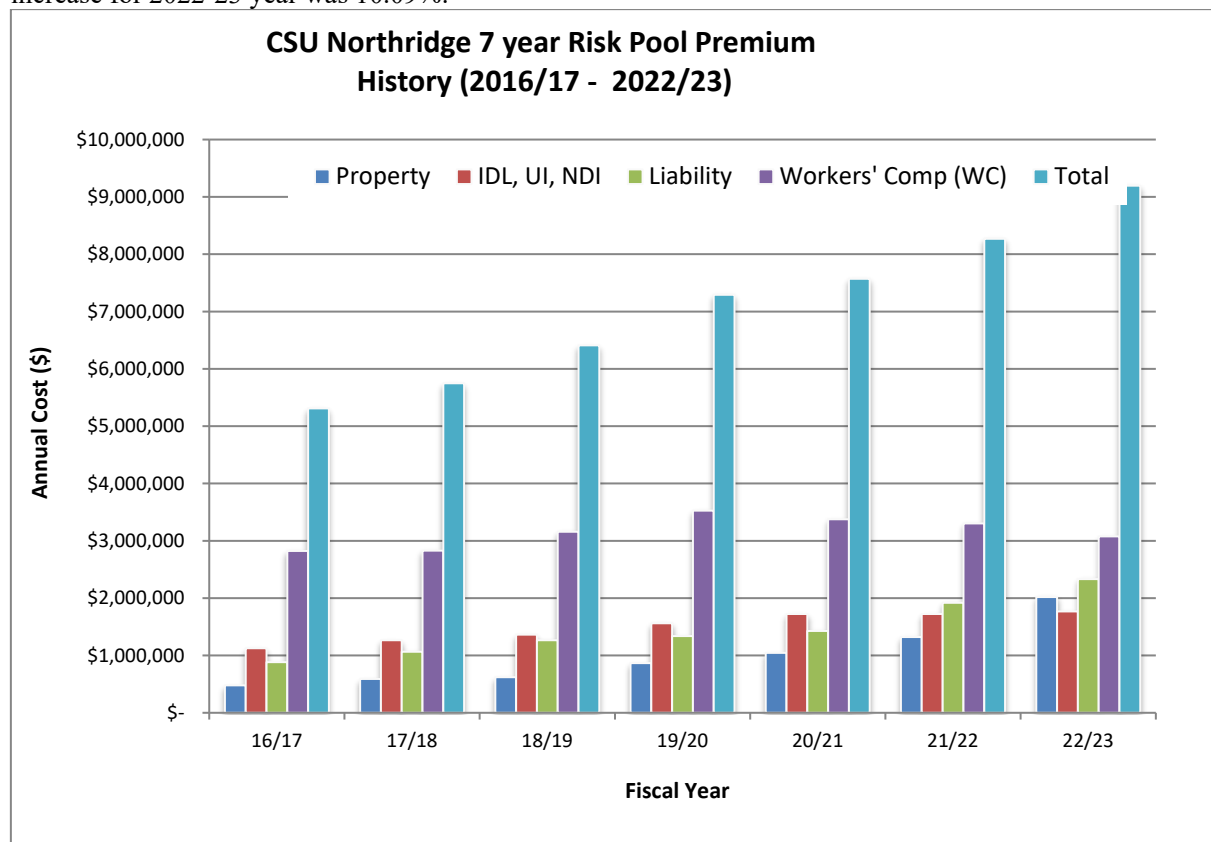
CSU Northridge Risk Management 2022/23 Annual Report

BACKGROUND

Prior to FY 95/96, the CSU Chancellor's Office paid all liability, workers' compensation and IDL/NDI/UI claims and related expenses. The CSU funded these liabilities on a cash basis as the claims became payable. Beginning in FY 95/96, individual campuses became responsible for these liabilities. The “risk pool” was developed as a funding mechanism so that campuses could share these costs while simultaneously being encouraged to manage risks. To fund the pool, each campus pays an annual premium to the California State University Risk Management Authority (CSURMA) and receives coverage in the following program areas:

- Workers’ Compensation
- General Liability (CSUN’s deductible is \$750K/claim)
- Property Insurance
- IDL/NDI/UI
- Athletic Injury Medical Insurance

The 7-year premium costs for CSU Northridge under this program can be seen below. Highlighting factors that impact cost include Deposit Contribution, X-Mod, Payroll, Cost per \$100 Payroll, and Claim Payments. The increase for 2022-23 year was 10.09%.



The group tasked with overseeing these programs is the Risk Management Working Group. The group meets regularly with the goal of minimizing University risk through:

- Developing and implementing proactive programs, strategies and measures to minimize incidents that impact risk pool costs and potential costs;

- Regularly reviewing risk pool costs as well as specific incidents or trends that contribute to these costs;
- Providing regular updates to senior management regarding University risk;
- Educating constituent groups regarding risk management issues and responsibilities.

The group includes representation from the following areas:

- Environmental Health and Safety
- Workers' Compensation
- Risk Management
- Employee Relations

Other campus departments are routinely included depending upon the specific issues being addressed.

This annual report is intended to provide a summary of significant events and accomplishments that occurred in FY22/23 as well as the objectives for Risk Management for FY23/24. This report also satisfies the annual report requirements of California State University Insurance Requirements formerly the *Executive Order (EO) 1069 Risk Management and Public Safety*.

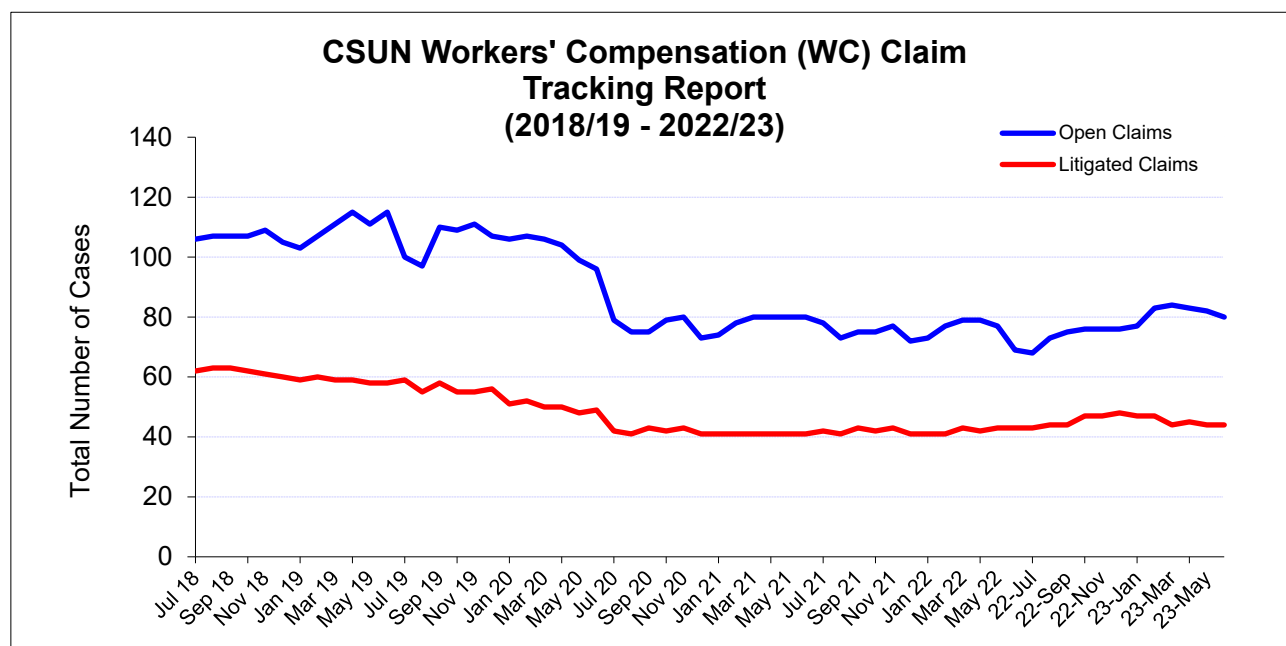
KEY MEASUREMENTS

Workers Compensation

Campus workers' compensation costs are driven by two factors: campus payroll and actual workers' compensation expenses (such as medical and legal). Since payroll costs cannot be controlled, the focus has been on strategies for minimizing workers' compensation expenses. Not surprisingly, the best strategies are to minimize the number of new cases that are opened and to close existing cases - especially cases that are greater than 2 years old.

To help track progress in this effort, the following claim activity information is reviewed on a regular basis. Litigated claims (claims where an employee is represented by an attorney) are also tracked because these claims tend to have higher expenses.

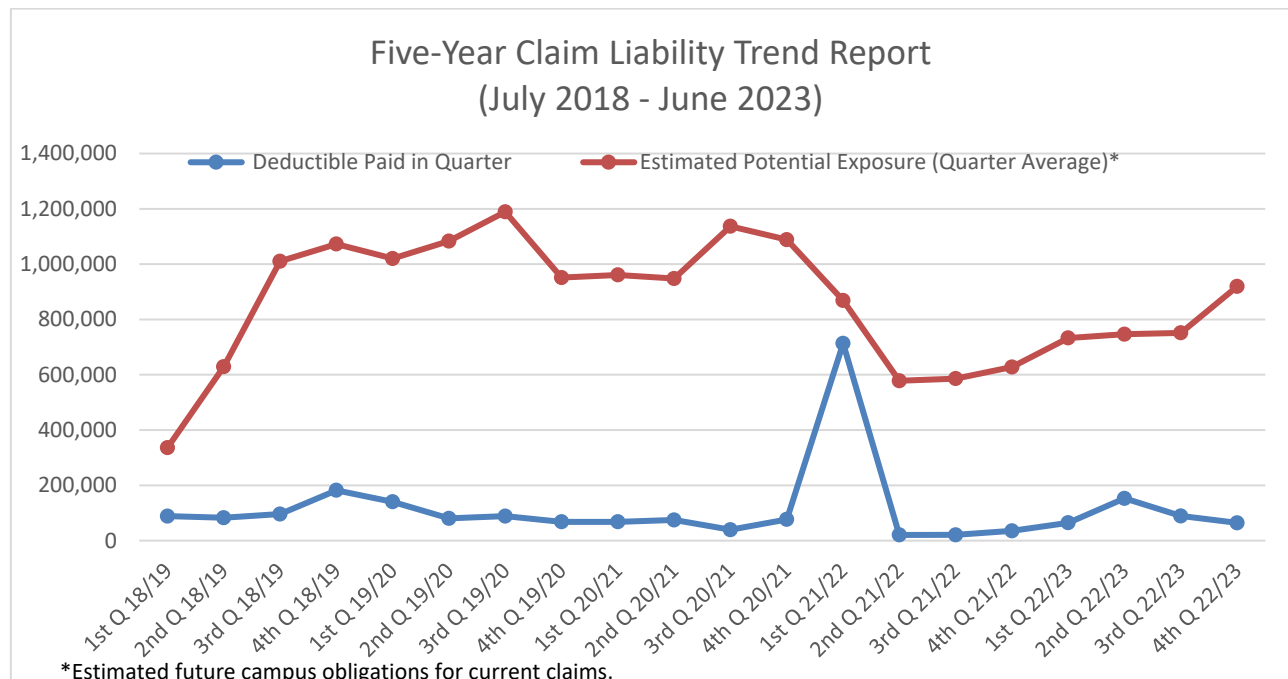
As the graph below indicates, FY 22/23 started with 68 open claims (43 litigated) and ended with 80 open claims (44 litigated).



Liability

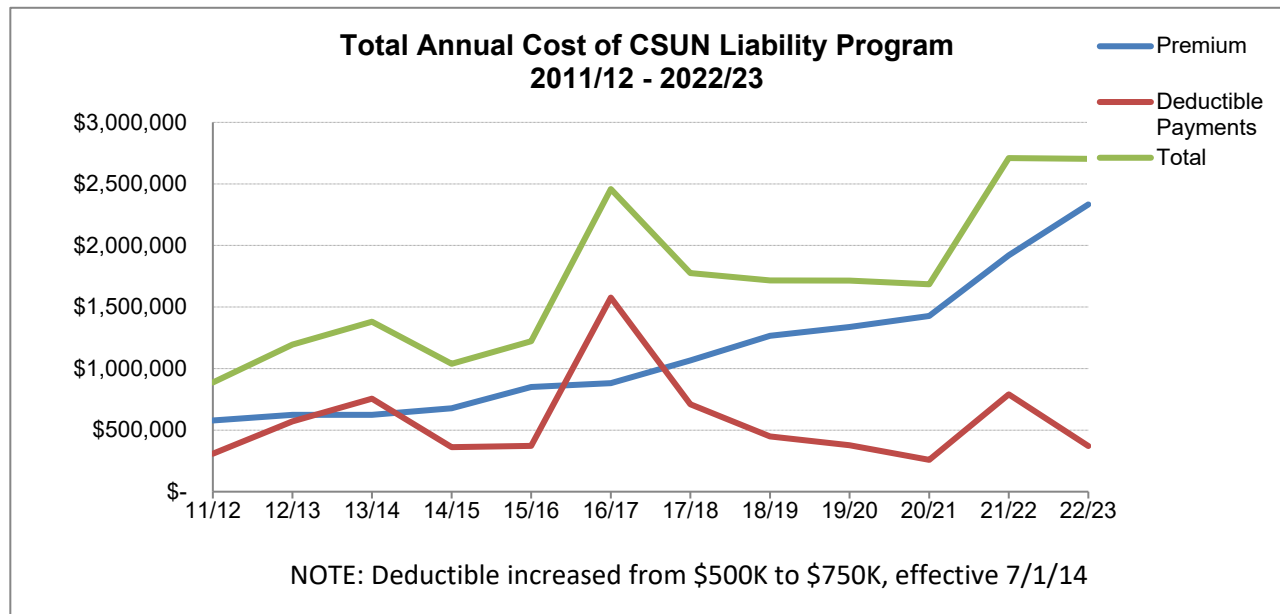
Campus liability costs are based on a number of factors including the campus loss history relative to the rest of the CSU. While there tends to be a relatively low number of open claims, the potential for a high value claim always exists - and a single high cost claim can significantly affect the month-to-month “estimated potential exposure.”

The Liability Claim Trend Report tracks the estimated cost exposure (established by Alliant, our Risk Pool third party administrator) for significant open claims and the actual quarterly costs for managing these claims. Beginning 2018/19, there was a slight change in methodology used for counting claims to be included in the estimated potential exposure category; i.e., all claims with an estimated cost exposure of >\$1000 are included. It is also important to note that the maximum campus exposure (the campus deductible) for a single claim is cap of \$500K for claims prior to 7/1/14; and \$750K for claims after 7/1/14. The increase in the 1st Quarter of 21/22 consisted of 2 large claims outstanding but by the second month in that quarter one of the claims was closed bringing the outstanding cost down.



*Estimated future campus obligations for current claims.

The Total Cost of the Liability Program Report tracks the annual premium payments as well as the payments made on individual claims that fall below the campus deductible. As can be seen in the report, the direct costs for managing liability claims (deductible payments) increased in FY16/17 years and lowered the following years. In FY21/22, we had 2 large claims outstanding which increased our deductible payments.



2022/23 Significant Events

- Global COVID pandemic has slowed down but we still have upticks in cases in the fall and winter. Precautions are still in place but severity has gone down as well. Employee work schedules vary across campus, with some working full-time on-campus while others are on hybrid work schedules (i.e., on-campus and/or telecommute), depending on department needs.

2022/23 Risk Management Program Improvements

- Risk Management Office is on a hybrid schedule to work some days on campus and telecommute other days.
- Most meetings are still being held virtually via ZOOM.
- Continue regular Risk Management, EH&S, Employee Relations, and Workers Compensation working group meetings meeting virtually via ZOOM.
- Continue to work with General Counsel on litigation matters/claims for the CSUN campus via ZOOM.
- Risk Management & Insurance is continuing to review student clinical placements, internships, service-learning activities with lower restrictions for COVID per the County of Los Angeles, Los Angeles Department of Public Health and the CDC-Centers for Disease Control and Prevention.
- International travel is beginning to increase as the State Department is starting to lower travel safety advisory designations for some countries.
- CSUN is continuing to use the new Terra Dotta platform, Travel Registry, to streamline study abroad and international travel and is working well with better user-friendly interface.
- Business Continuity Committee implemented the new business continuity planning platform, Veoci, and it is working well and user friendly. Departments are now completing their business continuity plans and submitting for review.

2023/24 Risk Management Objectives

- Restrictions for COVID is continuing to lower as we begin to get back to the new normal. We still need to wear masks as we return from being isolated with COVID. Risk Management will continue to work with the Health and Safety Committee to assess risk levels and ensure safety of our students and employees per the guidelines from the Los Angeles Department of Public Health and the Centers for Disease Control and Prevention.
- CSUN campus has more classes with on-campus instruction and more employees are increasing the number of days worked on campus. Risk Management will continue to work with students and departments on insurance needs as activities increase for the campus.