



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
LIABILITY PROGRAM**

**MEMORANDUM OF COVERAGE
MOC # AORMALIAB2021**

DECLARATIONS

This Memorandum of Coverage is issued under and pursuant to the terms, conditions, covenants and stipulations of the California State University Risk Management Authority (CSURMA) Joint Powers Agreement, Bylaws, and CSURMA and CSURMA Auxiliary Organizations Risk Management Alliance (CSURMA AORMA) Policies and Procedures. All terms and conditions of these documents are incorporated herein by reference. In the event that any provision of this Memorandum of Liability Coverage is in conflict with or is inconsistent with these documents, the terms and conditions of such documents shall prevail and take precedence to the extent of such conflict or inconsistency. CSURMA AORMA agrees with the **Member**, in consideration of the payment of contribution and in reliance upon statements in the Declarations and subject to the limits of liability, exclusions, conditions, and other terms of this memorandum and the abovementioned documents, to provide the coverage as stated in this memorandum.

Item 1: Member

See the **Member** listing attached.

Item 2: Coverage Period:

July 1, 2020 to July 1, 2021

Item 3: Limits of Liability:

1. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts \$5,000,000
2. Aggregate Policy Limit during each Policy Period.....\$20,000,000 - each Member
3. Non-Salaried Employees (of the California State University) Auto Liability\$5,000,000 - each occurrence
4. Mold \$600,000 - each occurrence for each Member
5. Mold \$850,000 - annual aggregate for each Member

Item 4: Sub-Limits / Coverage Extensions *(Provided through the CSURMA AORMA Liability Program pooled layer):*

1. Medical Payments \$5,000 - per any one person
2. California Uninsured or Underinsured Motorists (bodily injury only):\$250,000 - bodily injury only



3. Domestic Hired Automobile Physical Damage..... \$50,000 - each accident
4. Fiduciary Liability Coverage (Claims Made Basis):..... \$350,000 - each occurrence
5. Funds, Grants or Appropriations (defense only) \$250,000 - each occurrence
6. Land Use (defense only)..... \$250,000 - each occurrence
7. Nuclear Materials (limited coverage):..... \$250,000 - each occurrence

Item 5: Member's Deductible

1. Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences of Wrongful Acts (*except Employment Practices Liability*): \$0
2. Employment Practices Liability (*all Members except as noted below*): \$25,000 - each occurrence
3. Employment Practices Liability \$50,000 - each occurrence
 - a. Chico State Enterprises
 - b. Associated Students, California State University, Long Beach
 - c. California State University, Long Beach Research Foundation
 - d. The Cal Poly Pomona Foundation, Inc.
 - e. California State University, San Marcos Corporation
4. Employment Practices Liability \$100,000 - each occurrence
 - a. San Diego State University Research Foundation
5. Non-Salaried Employees (of the California State University) Auto Liability \$1,000,000 - each occurrence/accident
6. Domestic Hired Automobile Physical Damage Comprehensive and Collision \$1,000 - each accident
7. Domestic Hired Automobile Physical Damage Comprehensive and Collision (*when the use of the hired vehicle on a non-paved road violates the rental car agreement*) \$5,000 - each accident

Item 6: Retroactive Dates:

Fiduciary Liability, including Employee Benefits Liability Coverage:

1. Associated Students of California State University, Chico..... July 1, 2005
2. California State University, Long Beach Research Foundation..... July 1, 2008
3. Associated Students, California State University, Los Angeles, Inc. July 1, 2007
4. The University Corporation, CSU Northridge October 1, 1991
5. University Student Union of California State University, Northridge..... October 1, 1999
6. Capital Public Radio, Inc., CSU Sacramento April 14, 2010
7. San Jose State University Research Foundation July 1, 2002
8. Spartan Shops, Inc., San Jose State University February 1, 1998
9. Auxiliaries Multiple Employer VEBA..... July 1, 2010
10. All other Named Members July 1, 2010

Item 7: Claims Administrator:



Carl Warren & Company
CSURMA@carlwarren.com

To be valid, this agreement must be signed by the CSURMA Secretary-Auditor.

DocuSigned by:
Eachary Gifford
EF2254FFCAE5404...

Authorized Signature



Item 1: Member

Member Listing

#	Campus	Auxiliary Organization
1.	Bakersfield	Associated Students, California State University, Bakersfield, Inc.
2.	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
3.	Bakersfield	California State University, Bakersfield Foundation
4.	Bakersfield	California State University, Bakersfield Student Union, Inc.
5.	Chancellor's Office	California State University Foundation
6.	Chancellor's Office	California State University Institute
7.	Channel Islands	Associated Students of California State University, Channel Islands, Inc.
8.	Channel Islands	California State University Channel Islands Foundation
9.	Channel Islands	CI University Auxiliary Services, Inc.
10.	Chico	Associated Students of California State University, Chico
11.	Chico	Chico State Enterprises
12.	Chico	The University Foundation, California State University, Chico
13.	Dominguez Hills	Associated Students, California State University, Dominguez Hills
14.	Dominguez Hills	California State University, Dominguez Hills Foundation
15.	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation
16.	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated
17.	East Bay	Associated Students, Inc., California State University East Bay
18.	East Bay	Cal State East Bay Educational Foundation
19.	East Bay	California State University, East Bay Foundation, Inc.
20.	Fresno	Associated Students, Inc. of California State University, Fresno
21.	Fresno	California State University, Fresno Association, Inc.
22.	Fresno	California State University, Fresno Foundation
23.	Fresno	Fresno State Programs for Children, Inc.
24.	Fresno	The Agricultural Foundation of California State University, Fresno
25.	Fresno	The California State University, Fresno Athletic Corporation
26.	Fullerton	Associated Students California State University, Fullerton, Inc.
27.	Fullerton	Cal State Fullerton Philanthropic Foundation
28.	Fullerton	CSU Fullerton Auxiliary Services Corporation
29.	Humboldt	Associated Students of Humboldt State University
30.	Humboldt	Humboldt State University Center Board of Directors
31.	Humboldt	Humboldt State University Foundation
32.	Humboldt	Humboldt State University Sponsored Programs Foundation



#	Campus	Auxiliary Organization
33.	Long Beach	Associated Students, California State University, Long Beach
34.	Long Beach	California State University, Long Beach Research Foundation
35.	Long Beach	CSULB 49er Foundation
36.	Long Beach	Forty-Niner Shops, Inc.
37.	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38.	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39.	Los Angeles	California State University, Los Angeles Foundation
40.	Los Angeles	University-Student Union at California State University, Los Angeles
41.	Maritime Academy	California Maritime Academy Foundation, Inc.
42.	Maritime Academy	The Associated Students of the California Maritime Academy
43.	Monterey Bay	Foundation of California State University, Monterey Bay
44.	Monterey Bay	University Corporation at Monterey Bay
45.	Monterey Bay	Otter Student Union at CSU Monterey Bay
46.	Northridge	Associated Students, California State University, Northridge, Inc.
47.	Northridge	California State University, Northridge Foundation
48.	Northridge	North Campus University Park Development Corporation
49.	Northridge	The University Corporation
50.	Northridge	University Student Union of California State University, Northridge
51.	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
52.	Pomona	The Cal Poly Pomona Foundation, Inc.
53.	Pomona	The Cal Poly Pomona Philanthropic Foundation
54.	Sacramento	Associated Students of California State University, Sacramento
55.	Sacramento	Capital Public Radio, Inc.
56.	Sacramento	The University Foundation at Sacramento State
57.	Sacramento	University Enterprises, Inc.
58.	Sacramento	University Union Operation of CSUS, Inc.
59.	San Bernardino	Associated Students, California State University, San Bernardino
60.	San Bernardino	CSUSB Philanthropic Foundation
61.	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
62.	San Bernardino	University Enterprises Corporation at CSUSB
63.	San Diego	Associated Students, San Diego State University
64.	San Diego	Aztec Shops, Ltd.
65.	San Diego	San Diego State University Research Foundation
66.	San Diego	The Campanile Foundation
67.	San Francisco	Associated Students of San Francisco State University
68.	San Francisco	San Francisco State University Foundation, Inc.



#	Campus	Auxiliary Organization
69.	San Francisco	The University Corporation, San Francisco State
70.	San Jose	Associated Students San Jose State University
71.	San Jose	San Jose State University Research Foundation
72.	San Jose	Spartan Shops, Inc.
73.	San Jose	The Student Union of San Jose State University
74.	San Jose	The Tower Foundation of San Jose State University
75.	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
76.	San Luis Obispo	Cal Poly Corporation
77.	San Luis Obispo	California Polytechnic State University Foundation
78.	San Marcos	Associated Students, Inc. of California State University San Marcos
79.	San Marcos	California State University San Marcos Corporation
80.	San Marcos	The California State University San Marcos Foundation
81.	Sonoma	Associated Students of Sonoma State University
82.	Sonoma	Sonoma State Enterprises, Inc.
83.	Sonoma	Sonoma State University Foundation
84.	Stanislaus	Associated Students Incorporated of California State University, Stanislaus
85.	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
86.	Stanislaus	California State University, Stanislaus Foundation
87.	Stanislaus	University Student Union of California State University, Stanislaus
88.	N/A	Auxiliary Organization Associations
89.	N/A	Auxiliaries Multiple Employer VEBA
90.	N/A	Humboldt State University Real Estate Holdings



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
COVERAGE TERMS AND CONDITIONS FOR
CSURMA AORMA LIABILITY PROGRAM**

Throughout this Memorandum, words and phrases that appear in boldface type have special meanings. They are defined in SECTION I – DEFINITIONS and/or with respect to Covered Parties in SECTION IV – COVERED PARTIES.

The California State University Risk Management Authority is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.* The Auxiliary Organizations Risk Management Alliance (hereinafter called AORMA) is a group of programs that operate within the California State University Risk Management Authority representing the California State University Auxiliary Organizations. Within this Memorandum the California State University Risk Management Authority will be called CSURMA AORMA recognizing that this is an AORMA Liability Program document with separate terms and conditions.

This Memorandum does not provide insurance, but instead provides for pooled self-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA AORMA, and none of the parties to the document is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This document shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA AORMA, acting through the Board of Directors in adopting this document. As the CSURMA AORMA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide “*Cumis*” counsel to a **Covered Party** in disputed coverage situations under Civil Code 2860. Finally, failure to provide notice to a **Covered Party** of any coverage dispute shall not operate to waive any of the provisions of this document.

SECTION I – COVERAGES

Subject to the **Member’s Deductible**, CSURMA AORMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member’s Deductible** which the **Member** shall become obligated to pay as **Damages**;

1. By reason of liability assumed by the **Member** by contract because of **Bodily Injury** or **Property Damage**, **Personal Injury**, **Errors and Omissions**, **Employee Benefits Liability**, **Employment Practices Liability** or **Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence** or **Wrongful Act**, or
2. By reason of liability imposed by law because of **Bodily Injury**, **Property Damage**, **Personal Injury**, **Errors and Omissions**, **Employment Practices Liability** or **Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies caused by an **Occurrence** or **Wrongful Act**.



3. By reason of liability imposed by law because of **Employee Benefits Liability** claims made during the **Coverage Period** to which this Memorandum applies caused by an Occurrence or **Wrongful Act**.

SECTION II - DEFINITIONS

1. **Additional Covered Party** means any person(s), entity(ies) or organization(s) to whom the **Member** is obligated by virtue of any written contract to provide coverage solely with respect to **bodily injury, property damage and personal injury** arising out of and during the **Member's** operations or premises owned, rented or used by the **Member**; and

For which a certificate of coverage has been issued to such person(s); entity(ies) or organization(s) and is on file with CSURMA AORMA evidencing their status as an **additional covered party** under this coverage.

The limit and scope of coverage afforded to the **Additional Covered Party** shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this Memorandum.

The coverage does not extend, either with respects to defense or indemnity to the sole negligence, or to the willful misconduct of any **Additional Covered Party**.

2. **Administration**, with respect to **Employee Benefits Liability**, means:
- A. Providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **Employee Benefit Programs**;
 - B. Handling records in connection with the **Employee Benefit Program**; or
 - C. Effecting, continuing or terminating any **Employees'** participation in any benefit included in the **Employee Benefit Program**.

However, **Administration** does not include handling payroll deductions.

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but including **Unmanned Aerial Vehicle**.
4. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
6. **Claim** means:
- A. A civil proceeding against a **Member** in which **Damages** are sought on account of
 - 1) **Bodily Injury or Property Damage**,



- 2) **Personal Injury,**
- 3) **Errors and Omissions,**
- 4) **Employee Benefits Liability,**
- 5) **Employment Practices Liability**
- 6) **Media Wrongful Acts,**

arising from an **Occurrence** or **Wrongful Act** to which this insurance applies, including an arbitration or other alternative dispute resolution proceeding in which monetary **Damages** are sought and to which the **Member** must or does submit with our written consent.

7. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:
 - A. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed.
 - B. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
 - C. When the portion of the work out of which the injury or **Damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:

- A. Operations in connection with the transportation of property unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading of that vehicle by any **Member**; or
 - B. The existence of tools, uninstalled equipment or abandoned or unused materials.
8. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.
 9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees, whether or not compensated**, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on



behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.

10. **Dam** means any artificial barrier together with appurtenant works which:
- A. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
 - B. Has water impounding capacity of fifty acre feet or more.

Except, any such barrier which is not in excess of twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of fifteen (15) acre feet regardless of height, shall not be considered a **Dam**; and, no structure specifically exempted from jurisdiction by the applicable state agency overseeing **Dams** shall be considered a **Dam**, unless such structure is under the jurisdiction of any agency of the federal government.

11. **Damages** means compensation in money which a **Covered Party** is legally obligated to pay as a result of a **Claim**. **Damages** shall not include those sums determined to be owed by a **Covered Party** as contract **Damages**, including, but not limited to retroactive or prospective benefits, severance payments or any **Damages** determined to be owed for breach of an express contract of employment or under an express obligation to make payments in the event of termination of employment. **Damages** shall also not include any wages, salary or benefits owed for work actually performed.

Damages with respect to **Employment Practices Liability** shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement.

Damages shall not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

Damages shall not include fines, penalties, sanctions, taxes or fees assessed against any **Covered Party**.

12. **Deductible** means the amount of each **Ultimate Net Loss** which the **Member** is obligated to pay. The deductible is stated in the Declarations. Any deductible amount paid by CSURMA AORMA shall be promptly reimbursed to CSURMA AORMA by the **Member**.
13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury**, **Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions



showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.

14. **Employee** means:

- A. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
- B. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.
- C. **Employee** does not include independent contractors.
- D. As respects **Employment Practices Liability** and **Employee Benefit Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the **Member**; and
- E. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment.
- F. Solely as respects **Employment Practices Liability**, independent contractors and/or persons working on retained, while acting for or on behalf of the Member.

An **Employee's** status as a **Covered Party** will be determined as of the date of the **Occurrence** or **Wrongful Act** upon which a **Claim** involving the **Employee** is based.

15. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.

16. **Employee Benefit Program** means a program providing some or all of the following benefits to Employees:

- A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
- B. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans and stock subscription plans; and
- C. Unemployment insurance, social security benefits, workers' compensation and disability benefits.

17. **Employment Practices Liability** means any circumstance relating to a past, present or prospective **employee** of the Member (and the child, parent, brother or sister of that person) as a consequence of the following **Wrongful Acts** or alleged **Wrongful Acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; retaliation; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline;



failure to grant tenure or negligent **Employee** evaluation; **Sexual or Workplace Harassment** or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **Damages** to a person that is a whistle-blower; unlawful **Discrimination**, whether direct, indirect, intentional or unintentional; failure to provide adequate **Employee** policies and procedures. **Employment Practices Liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:

- A. Americans With Disabilities Act of 1992 (ADA)
 - B. Civil Rights Act of 1991
 - C. Age **Discrimination** In Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
 - D. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
 - E. Civil Rights Act of 1866, Section 1981; and
 - F. Fifth and Fourteenth Amendments of the U.S. Constitution.
18. **Errors and Omissions** means a **Wrongful Act** by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
19. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
20. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.
21. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss, including but not limited to CSURMA AORMA approved defense attorney fees, court costs, costs of supersedes and appeal bonds, monitoring counsel expenses, subrogation, salvage and recovery expense. Loss Adjustment Expense shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters, including Third Party Administrators (TPA), associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid to a TPA that are not allocable to a specific



Claim. Loss Adjustment Expense does not include salaries and expense of **Member's Employees** except as provided above as well as office and other overhead expenses.

22. **Member** means the **Member** named on the Declarations Page.
23. **Media Wrongful Act Occurrence** means any error or omission arising out of the gathering, recording, collection, writing, editing, advertising, publication, dissemination, exhibition, broadcast, display on an internet site, or release, including but not limited to any actual or alleged:
- A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
 - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
 - C. Libel, slander, disparagement, or publicity, false light, public disclosure or private facts, appropriation of name, persona or likeness, or any other form of defamation or harm to the character or reputation of any person or entity;
 - D. Outrage, infliction of emotional distress or prima facie tort;
 - E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name, domain name, deep linking or framing, including unfair competition in connection with such conduct;
 - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
 - G. Breach of a promise of confidentiality or anonymity;
 - H. Error or omission in content;
 - I. Unfair competition or conspiracy, but only when the allegation of unfair competition or conspiracy is based entirely upon one or more Media Wrongful Acts falling within sections A-H above;
 - J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above;

solely when committed or allegedly committed by a **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.

25. **Mold(s)** means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to mold, mildew, mycotoxins, spores, bacterial pathogens, or any biogenic aerosols to include, but is not limited to, any



superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.

26. **Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **occurrence** ended and shall be treated as a single **occurrence** in that **Coverage Period**.
27. **Personal Injury** means any of the following offenses:
- A. False arrest, detention, or imprisonment or malicious prosecution;
 - B. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
 - C. Wrongful entry or eviction or other invasion of the right of private occupancy;
 - D. **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**;
28. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users. **Pollutants** includes any material defined as hazardous in Sections 66261.10 through 66261.126 of Title 22 of the California Code of Regulations.
29. **Property Damage** means:
- A. Physical injury to or destruction of tangible property which occurs during the Coverage Period, including the loss of use thereof at any time resulting therefrom;
 - B. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence or Wrongful Act during the Coverage **Period**.
30. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:
- A. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or



- B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

Sexual or Workplace Harassment does NOT include **Sexual Misconduct** as defined in this Memorandum.

31. **Sexual Misconduct** means:
- A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
- B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.
32. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period**, anywhere in the world as well as **Claims** brought anywhere in the world.
33. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of the CSURMA AORMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes **Loss Adjustment Expenses**. **Ultimate Net Loss** shall not include any of the above-described expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.
34. The following definitions are applicable only to **Exclusion T – Nuclear Material**:
- A. **Hazardous Properties** include radioactive, toxic or explosive properties;
- B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
- C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
- E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
- F. **Nuclear Facility** means:
- 1) Any **Nuclear Reactor**;



- 2) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
- 3) Any equipment or device used for the processing, fabricating or alloying of special **Nuclear Material** if at any time the total amount of such material in the custody of the **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- 4) Any structure, basin, excavation site premises or place prepared or used for the storage or disposal of **Waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a supporting chain reaction or to contain a critical mass of fissionable material.

With respect to injury to or destruction of property, the word injury or destruction includes all forms of radioactive contamination of property.

35. **Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment.
36. **Wrongful Act Occurrence** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by the **Member**.
37. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.

SECTION III - DEFENSE AND SETTLEMENT

CSURMA AORMA shall assume charge of the control, negotiation, investigation, settlement, defense or appeal of any claims made, or suits brought, or proceedings instituted against the **Covered Party**, which in the opinion of the CSURMA AORMA is or may be covered by CSURMA AORMA under the terms of this Memorandum.

In accordance with the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, CSURMA AORMA shall appoint, through its' claims administrator, all legal counsel to represent the **Covered Parties** in defense of a covered claim. The **Covered Party** has the right to recommend legal counsel from the approved legal counsel list; however, CSURMA AORMA shall make the final selection of legal counsel. If the **Covered Party** disapproves of the selection as outlined in the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, the **Covered Party** may submit an appeal in writing.



In the event of an **occurrence** which involves more than one **Covered Party**, all **Covered Parties** involved agree to joint legal representation as selected by CSURMA AORMA.

The **Covered Party** may select and engage, at its own expense, monitoring counsel in addition to the legal counsel selected and engaged by CSURMA AORMA. However, legal counsel selected by CSURMA AORMA shall manage and control the litigation.

If there is a conflict of interest between CSURMA AORMA and a **Covered Party** which would be considered a “conflict of interest” between an insured and its insurer within the meaning of California Civil Code Section 2860, the **Covered Party** has the same rights to select and engage independent counsel as would an insured under Section 2860. CSURMA AORMA has all of the rights reserved to an insurer under Section 2860.

The **Covered Party** shall fully cooperate with the CSURMA AORMA in all matters pertaining to such claim, suit or proceeding. CSURMA AORMA shall have the right to settle any claim that in the CSURMA AORMA’s sole opinion may create indemnification obligations for the CSURMA AORMA under this Memorandum.

No claim, suit or proceeding shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **Ultimate Net Loss** exceeds the **deductible**, without the prior written consent of the CSURMA AORMA.

SECTION IV - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

Regardless of the number of (1) persons or entities covered under this Memorandum, or (2) persons or organizations who sustain injury or damage, or (3) **Claims** made or suits brought because of injury or damage, the CSURMA AORMA’s liability for **Damages** is limited as follows:

The CSURMA AORMA’s liability for **Damages** shall be only for the **Ultimate Net Loss** less the **Member’s Deductible** not to exceed the Limits of Liability shown in the Declarations, as the result of any one **Occurrence** or **Wrongful Act** or the amount shown in the Declarations because of all occurrences for any one **Member** during each **Coverage Period**. . There is no limit to the number of **Occurrences** or **Wrongful Acts** during the **Coverage Period** for which **Claims** may be made.

The **Member’s Deductibles** as shown in the Declarations applies to each such **Occurrence** or **Wrongful Act** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

This Memorandum applies to **Occurrences** or **Wrongful Acts**, which take place anywhere in the world during the specified **Coverage Period** stated in the Declarations of this Memorandum.

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member’s Deductibles** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, one



Member Deductible and one Limit of Liability coverage will apply to all **Covered Parties**. CSURMA AORMA's liability for all Covered Parties shall not exceed the Limit of Liability set forth in Declarations. An **Occurrence** or **Wrongful Act** involving more than more than one **Member** shall be treated as a single **Occurrence** or **Wrongful Act** and a single Limit of Liability and a single **Member's Deductible** will apply to the **Occurrence** or **Wrongful Act**.

For the purpose of determining the CSURMA AORMA Limit of Liability and the Member's Deductible, all Damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one Occurrence or Wrongful Act. An **Occurrence** or **Wrongful Act** with a duration of more than one **Coverage Period** shall be treated as a single **Occurrence** or **Wrongful Act** arising during the **Coverage Period** when the **Occurrence** or **Wrongful Act** ends and under no circumstances shall the fact that said **Occurrence** or **Wrongful Act** have a duration of more than one **Coverage Period** entitle a **Covered Party** to more than one Limit of Liability or to coverage under more than one Memorandum.

Bodily Injury or **Personal Injury** damages resulting from **Sexual Misconduct** will be deemed to have occurred at the time of the last **Sexual Misconduct** and all such **Bodily Injury** or **Personal Injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **Sexual Misconduct** taking place thereafter, (2) victims of **Sexual Misconduct**, or (3) locations where the **Sexual Misconduct** took place. Only the Memorandum of Coverage in effect during which such **Sexual Misconduct** last occurred will apply to such single occurrence of **Sexual Misconduct**. Coverage does not apply to any **Covered Party** who is found by a court of law to have committed a criminal act of **Sexual Misconduct**.

SECTION V - COVERED PARTIES

The parties covered by the CSURMA AORMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
 - A. Governing Board.
 - B. Officers.
 - C. **Employees**.
 - D. Non-compensated individuals, while acting for or on behalf of the **Member**.
3. Additional Covered Parties as defined in Section II, 1. of this document.
4. **Covered Individuals** as defined in Section II, 9. of this document.
5. Any person while using an owned **Automobile**, or non-owned **Automobile**, or a hired **Automobile**, or mobile equipment and any person or organization legally responsible for



the use thereof, including garage operations, provided the actual use of the **Automobile** is by or with permission of the **Member**.

Coverage provided by this Memorandum with respect to any person or organization other than the **Member** does not apply under this paragraph:

- A. To any person or organization, or to any agent or **Employee** thereof, engaged in selling, repairing, servicing, delivering, testing, road testing, parking or storing **Automobiles**, with respect to any **Occurrence** or **Wrongful Act** arising out of any such occupation, if there is other valid and collectible insurance available to such person as a named insured or as an agent or **Employee** of the named insured under that other insurance Memorandum with limits at least equal to the requirements of the applicable Financial Responsibility Laws; or;
 - B. With respect to any hired **Automobile**, to the owner, or a lessee thereof other than the **Member**, or to any agent or **Employee** of such owner or lessee.
6. Any **Employee** pension benefits or **Employee** welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.
 7. Attorney fees awarded against the Member and Additional Covered Party, provided the fees are attributable to a claim for compensatory damages covered by the Memorandum and not based on any contract.

The board of trustees of the trust are covered parties, when acting solely within the scope of their duties, office, or employment for the trust.

Coverage provided by this Memorandum with respect to covered trusts will not extend to any third party service provider to the covered trust.

Fraternal organizations are not covered parties under this Memorandum of Coverage.

SECTION VI – EXCLUSIONS

This Memorandum shall not apply to and CSURMA AORMA shall not be obligated to make any payment or defend any lawsuit in connection with any **Claim** or liability or **Damages with respect to:**

1. Aircraft

The ownership, maintenance, loading or unloading, use or operation of any **Aircraft** or **Unmanned Aerial Vehicle** capable of flight. This exclusion does not apply to static **Aircraft**.

2. Asbestos

The presence of, or installation or removal of, asbestos or any product containing asbestos material.



3. Assault and Battery

Arising out of assaults and batteries, except for assault and battery committed by or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.

4. Aviation Activities

The ownership, maintenance, loading or unloading, use or operation of any:

- A. **Aircraft**
- B. **Unmanned Aerial Vehicle;**
- C. Airfields;
- D. Runways;
- E. Hangars; or
- F. Buildings of other properties in connection with aviation activities.

This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots and garages).

This exclusion shall not apply, however, to the maintenance and operations of permanently stationary **Aircraft** used for instructional purposes only.

5. Bid Specifications / Cost Overruns

Claims arising out of:

- A. Estimates of probable cost of cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.
- B. Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims or breach of oral written contract, third-party beneficiary claims, *quantum meruit* claims, and/or open count claims.

6. Bodily Injury

To **Bodily Injury** to any of the **Member's Employees** arising out of and in the course of employment by the **Member**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Insurance or Employment Practice Liability.

With respect to **Employment Practices Liability, Bodily Injury**, to any **Employee** of the **Member** arising out of and in the course of his/her employment by any **Member**; but this exclusion does not apply to liability assumed by any **Member** under any written contract.



7. Contractual Obligations

The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under **Employment Practices Liability**. This exclusion does not apply to liability for **damages** that the **Member** would have in the absence of the contract or agreement or contractually assumed liability from the **Member's** operations; however, the agreement must arise out of or be incidental to the **Member's** operations and must be in place before the **Occurrence** and does not extend to professional liability of engineers.

8. Eminent Domain, Condemnation Proceedings or Inverse Condemnation

The **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used whether such **Claims** are made directly against you or by virtue of any agreement entered into, by or on your behalf.

9. Dams

To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam**.

10. Employee Benefits Liability

- A. Arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefits Program
- B. Failure of any investment to perform;
- C. Errors in providing information on past performance of investment vehicles; or
- D. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefits Program.
- E. For any **Employee Benefits Liability** Claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
- F. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Except as provided within the Fiduciary Liability Coverage endorsement.

11. ERISA



For the violation of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, and any rules or regulations of the foregoing promulgated thereunder, and amendments thereto, or any similar federal, state, local, or foreign statutory law or common law; provided, however, this exclusion shall not apply to **Employment Practices Liability** for an alleged violation of the Equal Pay Act.

Except as provided within the Fiduciary Liability Coverage endorsement.

12. Fiduciary Liability

To liability arising out of;

- A. The purchase, or sale, or offer of sale, or solicitation of any security, or decline in price or value of any security, debt, bank deposit or financial interest or instrument;
- B. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
- C. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;

Except as provided within the Fiduciary Liability Coverage endorsement.

13. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, CSURMA AORMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment, subject to the CSURMA AORMA sublimit of \$250,000 per **Occurrence**.

14. Insolvency

Arising by contract, operation of law, or otherwise, from **Covered Party's** participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payments or assumption by CSURMA AORMA or any **Covered Party** of part or all of any **Claim**, debt, charge, fee or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any **Claim**, debt, charge, fee or other obligation in whole or in part.

15. Intentional Conduct



For any liability based on the Member's obtaining of financial gain to which to Member was not legally entitled.

Arising out of any intentional, dishonest, fraudulent, criminal or malicious act, committed by any **Covered Party**, including the willful or reckless violation of any statute.

This exclusion shall not apply to any vicarious liability that any **Member** has with regards to the managerial, advisory, supervisory, or controlling obligations over the action of another.

Defense coverage will be provided until a **Covered Party** is proven to have engaged in fraudulent, criminal or dishonest conduct, through final adjudication or judgment.

16. Lack of Occurrence or Wrongful Act

For injuries or **Damages** which do not arise out of an **Occurrence** or **Wrongful Act** as defined in this Memorandum;

17. Land Use

To any liability for **Damages** arising from any **Claim**, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA AORMA shall defend the **Covered Party** up to an amount not exceeding \$250,000 **Ultimate Net Loss** for such liability.

This exclusion shall not apply, however, to any land use litigation where suits or **Claims** for land use litigation are a result of negligence proven on the part of a **Covered Party**. Nothing herein shall act to increase the limit of liability.

18. Member vs. Member

Claims by any **Member** against its own past or present elected or appointed officials, employees or volunteers, where such claim seeks damages or restitution payable to the **Member**.

19. Lead

Arising out of, resulting as a consequence of, or related to lead whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

20. Medical Malpractice

To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Member**. This includes, but is not limited to:

A. The rendering or failure to render:

- 1) Medical, surgical, dental, x-ray or nursing service or treatment, or furnishing of food or beverages in connection therewith;



- 2) Any service or treatment related to physical or mental health or of a professional nature;
 - 3) Any cosmetic or tonsorial service or treatment.
- B. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to liability arising out of;

- A. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, on-clinic nursing services or services of the Insured's **Employees** who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomist or physical therapists;
- B. **Employment Practices Liability;**
- C. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.
- D. Any medical services clinic that does not perform invasive surgery of any kind; or
- E. Operations performed by coroners.
- F. Volunteer medical personnel while attending an activity sponsored by the Member or while on school premises under the **Member's** control.

21. Mold

Arising from **Mold**, moss, mildew, fungi, spores, bacterial infestation or any similar organism, wet or dry rot and extremes of temperature or humidity. This includes, but is not limited to, the cost for investigation, testing, and remediation services. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Except as provided as a sub-limit and aggregate limit per **Member**, as shown on the Declarations Page.

22. Non-Compensatory Amounts and/or Damages

For any non-monetary equitable redress or form of relief other than the payment of monetary **Damages**, including but not limited to, declaratory, injunctive or administrative relief or specific performance award, or any cost to defend or cost or expense to comply with any declaratory, injunctive or administrative relief or specific performance award.

23. Nuclear Material

To any liability for **Damages** arising out of injury, sickness, disease, death or destruction:

- A. For any loss or liability accruing to the **Covered Party** as a **Member** of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such **Member**, subscriber or association.



- 1) It is agreed that this Memorandum does not apply under any liability coverage, to Injury, sickness, disease, death or destruction, **Bodily Injury** or **Property Damage** with respect to which a **Covered Party** under the Memorandum is also an **Covered Party** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability. The **Member** is, or had such coverage not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Resulting from the **Hazardous Properties of Nuclear Material**, if:

- 1) The **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
- 2) The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Member**; or
- 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such **Nuclear Facility**.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member**, but only to a sublimit of \$250,000 each **Occurrence**.

24. Office of Foreign Assets Control (OFAC)

For any liability for premium or loss under this Memorandum if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

25. Pollution

For any loss, cost, or expense:

- A. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
- B. Arising out of any **Claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **Pollutants**:



- 1) At any premises owned, rented or occupied by the **Covered Party**;
- 2) At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of **Waste**;
- 3) Which are at any time transported, handled, stored, treated or disposed of; or processed as **Waste** by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
- 4) At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
 - a) If the **Pollutants** are brought on or to the site or location in connection with such operation; or
 - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

Subparagraph (a) and (d.1.) do not apply to **bodily injury** or **property damage** arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.

Provided, however, that this exclusion does not apply to:

- A. Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or
- B. **Bodily Injury** or **Property Damage** which is within the product hazard of the **Completed Operations Hazard**; or
- C. Loss or Damage caused by the collision, upset or overturn of any **Automobile**; or
- D. A discharge, dispersal, release or escape of **Pollutants** that meets all of the following conditions:
 - 1) It was accidental and was neither expected nor intended by the **Covered Party**.
 - 2) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
 - 3) Its commencement became known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party** within ten (10) calendar days.
 - 4) Its commencement was reported in writing within forty (40) calendar days of becoming known to the Director of Risk Finance and Insurance Services, or Executive Director of the **Covered Party**.
 - 5) Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted.

Nothing contained in this exclusion shall operate to provide any coverage with respect to:



- A. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of **Waste** material.
- B. Any fines, penalties or exemplary **Damages**.
- C. Any clean-up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
- D. Acid rain;
- E. Clean up, removal, containment, treatment, detoxification or neutralization of **Pollutants** situated on premises the **Member** currently owns, rents or occupies or owned, rented or occupied at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **Pollutants**; or
- F. Water Pollution caused by oil or by its derivatives.

26. Property Damage

For the cost to modify any building or property in order to make said building or property more accessible or accommodating to any disable or incapacitated person.

Arising from **Property Damage** to:

- A. Property owned by a **Covered Party**; or
- B. Property rented or leased to a **Covered Party** where the **Covered Party** had assumed liability for damage to or destruction of such property unless the **Covered Party** would have been liable in the absence of such assumption of liability or contractual liability

27. Silica

Arising out of, in whole or in part, the injurious properties of silica or any product or material containing or composed of silica in any form, under any theory of liability whatsoever. "Silica" means silica occurring in any form, including silicon dioxide, silica particles, silica fibers, silica sand, silica dust or silica compounds, including a mixture or combination of any of the foregoing and any other mineral, dust, particle or any substance or material of any kind or origin.

28. Subsidence

For any **Property Damage** arising from or related to **Land Subsidence** for any reason whatsoever.

29. Terrorism

For any loss, damage, cost or expense directly or indirectly caused by, contributed by, resulting from, or arising out of: (i) an Act of Terrorism as defined under the Terrorism Risk Insurance Act of 2002 or any amendments, renewals or successor legislation thereto in connection with biological, chemical, radiological or nuclear explosion, pollution or contamination; and (ii) any act, whether or not related to terrorism or any act of terrorism in connection with biological, chemical, radiological or nuclear explosion, pollution, contamination; whether in time of peace or war, and regardless of who commits the act, regardless of any other cause or event contributing concurrently or in any other manner.



30. War

Arising from war. War, as utilized herein, shall mean war whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority. This exclusion applies regardless of whether or not there is any other cause or event that in any way contributes concurrently or in any sequence to a loss, cost or expense.

31. Watercraft

Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Covered Party**, but this exclusion does not apply to:

- A. Watercraft while ashore on premises owned or rented by **Covered Party**;
- B. Watercraft less than fifty-one (51) feet in length at the waterline.
- C. Watercraft with no self-propulsion capabilities, regardless of length.

32. Wrongful Acts

- A. Arising from any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by (i) an **Employee** alleging **Wrongful Termination** or retaliation as a result of strike activity or union involvement, or (ii) a law enforcement officer responding within the scope of his or her duties to any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.
- B. For injunctions, equitable relief, or any other form of relief other than the payment of money **Damages**.
- C. Liability arising out of an alleged willful commission of a crime by **Member** or other dishonest fraudulent, or malicious act. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay for **Loss Adjustment Expense** until final adjudication, judgment, or settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.
- D. Liability arising out of a **Member's Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled. At CSURMA AORMA's discretion, however, CSURMA AORMA will pay **Loss Adjustment Expense** for any **Claim** or Suit arising from an alleged willful commission of a crime by a **Member** or other dishonor, fraudulent or malicious act, for any **Claim** or Suit arising out of the Members **Wrongful Act** for gain, profit, or advantage to which **Member** is not legally entitled until final adjudication, judgment, settlement to which CSURMA AORMA have agreed. If the judgment or final adjudication is adverse to the **Member**, **Member** will reimburse CSURMA AORMA for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **Member** has with regards to the managerial, advisory, supervisory, or controlling obligations over the action of another **Member**.

33. Under Errors and Omissions Liability;



- A. Based on **Covered Party's** obtaining of financial gain to which the Covered Parts was not legally entitled.
- B. Arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any **Covered Party**; except that any act pertaining to any one **Covered Party** shall not be imputed to any other **Covered Party** for the purpose of determining the application of this exclusion.

34. Under Media Wrongful Acts:

- A. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
- B. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
- C. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- D. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.
- E. Refund or restitution of taxes, fees, or assessments.
- F. Arising out of oral written publication of material, if done by or at the direction by **you** with knowledge of its falsity.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the action of another **Covered Party**;

35. Uninsured/Underinsured Motorists

For any **Claim** under any Uninsured Motorists, Underinsured Motorists, or No-Fault Law, or any similar federal, state, local or municipal law, and to any sums the **Covered Party** may be legally entitled to recover as **Damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** or **Property Damage** sustained by any **Covered Party**.

SECTION VII - COVERAGE EXTENSIONS

Medical Payments - Subject to the limit of liability stated in the Declarations. CSURMA AORMA will pay medical expenses as described below for **Bodily Injury** caused by an accident:

- 1. On premises the **Member** owns or rents,
- 2. On ways next to premises the **Member** owns or rents, or
- 3. Because of the **Member's** operations;



4. Provided that:
- A. The accident takes place in the covered **territory** and during the **Coverage Period**;
 - B. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
 - C. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.
 - 1) CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:
 - a) First aid administered at the time of an accident;
 - b) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - c) Necessary ambulance, hospital, professional nursing and funeral services.
 - 2) The Program will not pay expenses for **Bodily Injury**:
 - a) To any **Member**;
 - b) To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
 - c) To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;
 - d) To a person, whether or not an **Employee** of any **Member**, if benefits for **Bodily Injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;
 - e) To a person injured while taking part in athletics;
 - f) To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
 - g) Included with the products- **Completed Operations Hazard**; and
 - h) Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

Domestic Hired Automobile Physical Damage - Subject to the limit of liability stated in the Declarations, CSURMA AORMA will pay for physical damage **Loss** to a **Hired Automobile** or its equipment. The coverage provided by this endorsement is excess over any other collectible coverage. CSURMA AORMA



will pay expenses for which a **Covered Party** becomes legally responsible to pay for loss of use of a Hired Automobile under a written rental contract or agreement. However, the most CSURMA AORMA will pay for any expenses for loss of use is \$60 per day, to a maximum of \$1,800. CSURMA AORMA will pay up to the limits shown in the Declarations Page for towing and labor costs incurred each time a covered Hired Automobile of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

A **Hired Automobile** is defined as a land motor vehicle designed for travel on public roads that the **Covered Party** may hire, lease, rent or borrow for no more than thirty (30) days by execution of a contract within the Coverage **Territory**. **Hired Automobile** does not include;

1. Those types of **Hired Automobiles** excluded under Exclusions A and B below, or to Mobile Equipment.
2. A **Hired Automobile** a **Covered Party** may hire, lease, rent or borrow from a **Member** of his/her household.
3. A **Hired Automobile** a **Covered Party** may hire, lease, rent or borrow with a driver.

Loss as used in this extension means direct and accidental loss or damage.

The most CSURMA AORMA will pay for Loss in any one accident is the lesser of:

1. The actual cash value of the damaged or stolen property at the time of the Loss; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
3. \$50,000.

For each **Hired Automobile**, CSURMA AORMA's obligation to pay for repair, return or replace damaged or stolen property will be reduced by the applicable deductible of \$1,000. A deductible of \$5,000 will apply to all losses covered subject to the add-back of coverage detailed in Exclusion F.

This coverage extensions applies to losses occurring in the United States of America; and the territories and possessions of the United States of America; and Puerto Rico.

CSURMA AORMA shall not be obligated to make any payments in connection with;

1. Loss to any Expensive, Exotic or Antique **Hired Automobile**; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique **Automobile** is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded Expensive or Exotic vehicles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maerati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
2. Loss to any **Hired Automobile** while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will



- also not pay for Loss to any covered **Hired Automobile** while that covered **Hired Automobile** is being prepared for such contest or activity.
3. Loss caused by or resulting from any of the following unless caused by other Loss that is covered by this coverage:
 - A. Wear and tear, freezing or mechanical or electrical breakdown; or
 - B. Blowouts, punctures or other road damage to tires.

 4. Loss to any of the following:
 - A. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
 - B. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
 - C. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
 - D. Any accessories used with the electronic equipment described in Exclusion C above do not apply to:
 - 1) Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered **Hired Automobile** at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered **Hired Automobile** at the time of loss, and such equipment is designed to be solely operated by use of the power from the covered **Hired Automobile's** electrical system, in or upon the covered **Hired Automobile**.
 - 2) Any other electronic equipment that is:
 - a) Necessary for the normal operation of the covered **Hired Automobile** or the monitoring of the covered **Hired Automobile's** operating system
 - b) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered **Hired Automobile** normally used by the manufacturer for installation of a radio.
 - E. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.
 - F. Loss arising out of any violation of the rental car agreement. This exclusion does not apply to operation of a **Hired Automobile** on non-paved roads when the off-road operation is



authorized by a **Covered Party** for an appropriate business operation and the **Hired Automobile** is appropriate for the conditions of the non-paved road.

- G. Damage to **Hired Automobile's** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- H. Loss or theft of personal belongings.
- I. **Damages** resulting from any **Covered Party's** personal liability.
- J. Loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- K. CSURMA AORMA will not pay for confiscation by authorities.
- L. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

SECTION VIII – CONDITIONS

1. Action Against CSURMA AORMA - No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability. Under no circumstance shall CSURMA AORMA be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the CSURMA earned on investments for the time period involved.
2. Arbitration:
 - A. In the event that a question or dispute arises between CSURMA AORMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA AORMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.
 - B. If a **Covered Party** and CSURMA AORMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision



agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.

- C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA AORMA without its written consent to endorse hereon.
4. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Member** or any **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder nor shall such bankruptcy or insolvency increase CSURMA AORMA'S obligations hereunder.
5. Cancellation and Termination:
Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement and Bylaws and the Policies and Procedures.
6. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA AORMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA AORMA and made a part of this Memorandum, unless the CSURMA AORMA policies and procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA AORMA.
7. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:
8. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA's rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
9. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA AORMA Memorandum and Policy and Procedure on claims reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.
- A. In the event of any **occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to the Third Party Claims Administrator (TPA) as soon as practicable.
- B. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
- 1) How, when and where the **occurrence** or offense took place;
 - 2) The names and addresses of any injured persons and witnesses;



- 3) The nature and location of any injury or damage arising out of the **occurrence** or offense;
 - 4) Incident reports;
 - 5) Investigation reports;
 - 6) Police reports;
 - 7) Claim notices and **Member** and any other involved **Covered Party** response(s);
 - 8) Medical reports; and
 - 9) Other information helpful to CSURMA AORMA.
- C. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the TPA and authorize CSURMA AORMA to obtain records and other information;
- 1) Late Reporting Penalties
 - a) If an **occurrence**, offense, claim, suit or proceeding is not reported by the **Member** to the TPA within the timeframes set below; the following late reporting schedule shall apply;
 - b) If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
 - c) If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
 - d) If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.
- D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.
10. Inspection and Audit: CSURMA AORMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.
- The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA AORMA at the end of the **Coverage Period** and



at such times during the **Coverage Period** as we may direct. CSURMA AORMA may examine and audit **Member's** books and records as they related to this Policy at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.

11. No Voluntary Payments: Except as stated below, no **Member** will, except at that **Member's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of CSURMA AORMA.

With respect to **Employment Practices Liability**, as stated in CSURMA AORMA Policy and Procedure on **Claims** Reporting, in no event shall any payments be made by CSURMA AORMA for any costs incurred to defend a covered **Claim** more than thirty (30) days prior to written notification of an **Occurrence**, offense, **Claim** or suit to the TPA.

Moreover, no settlement of any **Claim** shall be paid by CSURMA AORMA without prior written authorization of the TPA.

As requested, CSURMA AORMA shall be entitled to complete access to the **Member's** claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The **Member** shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to CSURMA AORMA, and to provide CSURMA AORMA with simultaneous copies of all correspondence provided to the **Covered Party** by its defense attorneys and/or agents.

12. Other Coverage: If other valid and collectible coverage is available to the **Covered Party** for a covered claim, CSURMA AORMA's obligations are limited as follows:

A. Primary Coverage

This coverage is primary except when Paragraph 3 below applies. If this coverage is primary, CSURMA AORMA's obligations are not affected unless any of the other coverage is also primary. Then, CSURMA AORMA will share with all other coverage by the method described in Paragraph 3 below.

B. Excess Coverage:

- 1) With respect to liability for damages of the Covered Party arising from the conduct or activities of a third party, as between the Member and the CSURMA AORMA, the amount of the Member's deductible as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for damages of the Covered Party. If such third-party insurance coverage exceeds the Member's deductible, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.
- 2) When this coverage is excess, CSURMA AORMA will have no duty to defend the Covered Party against any suit if any other coverage provider has a duty to defend



the Covered Party against that suit. If no other coverage provider defends, CSURMA AORMA will undertake to do so, but CSURMA AORMA will be entitled to the Covered Party's rights against all those other coverage providers.

- 3) CSURMA AORMA will share the remaining ultimate net loss, if any, with any other coverage that is not described in this provision and was not bought specifically to apply in excess of the limits of liability shown in the Declarations.

C. Method of Sharing:

- 1) If all of the other coverage permits contribution by equal shares, CSURMA AORMA will also permit contribution by equal shares. Under this approach, each coverage provider contributes equal amounts until the applicable limit of liability has been paid or none of the ultimate net loss remains, whichever comes first; or
- 2) If any of the other coverage providers does not permit contribution by equal shares, CSURMA AORMA will contribute by limits. Under this method, each coverage provider's share is based on the ratio of its applicable limit of liability to the total applicable limits of liability of all coverage providers.

13. Contribution: The Contribution designated in the Declarations Page is flat and not adjustable, unless:

- A. A material exposure is added;
- B. The Limits of Liability are increased or decreased;
- C. Coverage is restricted or broaden by endorsement; or
- D. The **Coverage Period** is increased or shortened

14. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA AORMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:

- A. As if each **Covered Party** were the only **Covered Party**; and
- B. Separately to each **Covered Party** against whom the **Claim** is made or suit is brought.

15. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.

16. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA AORMA: CSURMA AORMA shall be subrogated to the extent of any payment hereunder, to all of **Member's** rights of recovery and **Member** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **Member** may elect to waive their rights to subrogation prior to a loss. To the extent that **Member** elects to waive such rights, CSURMA AORMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

Any interest, including yours, having paid an amount in excess of **Member's Deductible** plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. CSURMA



AORMA shall be reimbursed next, to the extent of actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the Member. The expense of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries. If there is no recovery in proceedings conducted solely by **Member**, then **Member** shall bear the expenses thereof.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
LIABILITY PROGRAM
MEMORANDUM OF COVERAGE FOR
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
(CSURMA AORMA)**

**CALIFORNIA UNINSURED OR UNDERINSURED MOTORISTS
COVERAGE BODILY INJURY
AMENDATORY ENDORSEMENT - #1**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE
PLEASE READ IT CAREFULLY***

For a covered **Automobile** licensed or principally garaged in or with operations conducted in California this endorsement modifies the Memorandum provided under the following:

Bodily Injury to which this additional coverage applies.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum apply unless modified by this endorsement. This endorsement changes the Memorandum effective on the inception date unless another date is indicated below.

SCHEDULE: Limit of Liability - \$250,000 per **Occurrence**

A. Coverage

1. CSURMA AORMA will pay all sums the **Covered Party** is legally entitled to recover as compensatory **Damages** from the owner or driver of an uninsured or underinsured motor vehicle. The **Damages** must result from "**Bodily Injury**" sustained by the **Covered Party** caused by an **Occurrence**. The owner's or driver's liability for these **Damages** must result from the ownership, maintenance or use of the uninsured or underinsured motor vehicle.
2. CSURMA AORMA will pay only after the limits of liability under any liability bonds or policies have been exhausted by payment of judgments or settlements.
3. Any judgment for **Damages** arising out of a **Claim**, suit or proceeding brought without the written consent of CSURMA AORMA is not binding.

B. Exclusions

This additional coverage does not apply to any of the following:

1. Punitive or exemplary **Damages**.



2. Any **Claim** settled without consent of the CSURMA AORMA. However, this exclusion does not apply to a settlement made with the insurer of an auto described in Paragraph b. of the definition of uninsured or underinsured motor vehicle.
3. The direct or indirect benefit of any insurer or self-insurer under any worker's compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. **Bodily Injury** sustained by any **Covered Party** while occupying or when struck by any **Automobile** owned by that **Covered Party** that is not a covered **Automobile** for uninsured or underinsured motorists Coverage under this Coverage Form;

However, Exclusion 4 shall not apply to **Bodily Injury** sustained by any **Covered Party** when struck by an **Automobile** owned by the **Member** and operated or caused to be operated by a person without that **Member's** consent in connection with criminal activity that has been documented in a police report and to which that **Covered Party** is not a party to.

5. Anyone using an **Automobile** without a reasonable belief that the person is entitled to do so.
6. **Bodily Injury** sustained by a **Covered Party** while occupying any **Automobile** that is rented or leased to that **Covered Party** for use as a public or livery conveyance.
7. **Bodily Injury** arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Limit of Liability

1. Regardless of the number of covered **Automobiles**, the **Member**, premiums paid, **Claims** made or **Automobiles** involved in the **Occurrence**, the most CSURMA AORMA will pay for all **Damages** resulting from any one **Occurrence** is the limit of liability for Uninsured or Underinsured Motorists coverage shown in the schedule of Declarations Page.
2. For an **Automobile** described in Paragraph b. of the definition of Uninsured Motor Vehicle, our limit of liability shall be reduced by all sums paid because of **Bodily Injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.
3. No one will be entitled to receive duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.



4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **Damages** for which payment has been made by or for anyone who is legally responsible.
5. CSURMA AORMA will not pay for any element of **Damages** if a person is entitled to receive payment for the same element of **Damages** under any workers' compensation, disability benefits or similar law.

D. Changes in Conditions

The conditions are changed for California uninsured motorist's coverage – **Bodily Injury** as follows:

1. Duties in the Event of Accident, Claim, Suit or Proceeding is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved; and
 - b. Send CSURMA AORMA copies of the legal papers if a **Claim**, suit or proceeding is brought. In addition, a person seeking coverage under Paragraph b. of the definition of Uninsured Motor Vehicle must:
 - i. Provide CSURMA AORMA with a copy of the complaint by personal service or certified mail if the **Covered Party** brings an action against the owner or operator of such Uninsured Motor Vehicle;
 - ii. Within a reasonable time, make all pleadings and depositions available for copying by CSURMA AORMA or furnish CSURMA AORMA copies at the expense of CSURMA AORMA; and
 - iii. Provide CSURMA AORMA with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.
2. Action Against CSURMA AORMA is replaced by the following:

No legal action may be brought against CSURMA AORMA under this endorsement until there has been full compliance with all the terms of this endorsement and with respect to Paragraphs a., c. and d. of the definition of uninsured motor vehicle unless within two (2) years from the date of the **Occurrence**:

- a. Agreement as to the amount due under this Memorandum has been concluded;
- b. The **Covered Party** has formally instituted arbitration proceedings against CSURMA AORMA. In the event that the **Covered Party** decides to arbitrate, the **Covered Party** must formally begin arbitration proceedings by notifying CSURMA AORMA in writing, sent by certified mail, return receipt requested; or



- c. **Claim**, suit or proceeding, for **Bodily Injury** has been filed against the Uninsured Motorist in a court of competent jurisdiction.
 - 3. Transfer of Rights of Recovery Against Others to CSURMA AORMA is replaced by the following:
 - a. With respect to Paragraphs a., c. and d. of the definition of Uninsured or Underinsured Motor Vehicle, if CSURMA AORMA makes any payment, CSURMA AORMA is entitled to recover what CSURMA AORMA paid from other parties. Any person to or for whom CSURMA AORMA makes payment must transfer to CSURMA AORMA his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
 - b. With respect to Paragraph b. of the definition of Uninsured or Underinsured Motor Vehicle, if CSURMA AORMA makes any payment and the **Covered Party** recovers from another party, the **Covered Party** shall hold the proceeds in trust for CSURMA AORMA and pay back the amount CSURMA AORMA has paid.
 - 4. Other Insurance is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

 - a. The maximum recovery under all endorsements and the memorandum combined may equal but not exceed the highest applicable limit for any one **Automobile** under any endorsement and the memorandum providing coverage on either a primary or excess basis.
 - b. Any coverage CSURMA AORMA provides with respect to an **Automobile** the **Member** does not own shall be excess over any other collectible Uninsured or Underinsured Motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this endorsement is provided:
 - i. On a primary basis, CSURMA AORMA will pay only the share of the **Damages** that must be paid under this Memorandum providing coverage on a primary basis. CSURMA AORMA's share is the proportion that the limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- E. Additional Definitions
- 1. Occupying means in, upon, getting in, on, out or off.
 - 2. Uninsured or Underinsured Motor Vehicle means a land motor **Automobile** or trailer:



- a. For which no liability bond or policy at the time of an **Occurrence** provides at least the amounts required by the applicable law where a covered **Automobile** is principally garaged;
- b. That is an Underinsured Motor Vehicle. An Underinsured Motor Vehicle is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **Occurrence** provides at least the amounts required by the applicable law where a covered **Automobile** is principally garaged but that sum is less than the limit of liability for this coverage;
- c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;
- d. That is a hit-and-run **Automobile** and neither the driver nor owner can be identified. The **Automobile** must make physical contact with a **Covered Party**, a covered **Automobile** or an **Automobile** a **Covered Party** is occupying; or
- e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, Uninsured Motor Vehicle does not include any **Automobile**:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed or modified primarily for use off public roads while not on public roads.

All other terms and conditions in the Memorandum remain unchanged.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
LIABILITY PROGRAM
MEMORANDUM OF COVERAGE FOR
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
(CSURMA AORMA)**

**NON-SALARIED STATE EMPLOYEE AUTO LIABILITY
AMENDATORY ENDORSEMENT - #2**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE
PLEASE READ IT CAREFULLY***

The following is added to Section IV – COVERED PARTIES, Section C.

As respects motor vehicles operated by a Non-Salaried **Employee** of the California State University, CSURMA AORMA agrees to provide coverage directly in excess of the Motor Vehicle Liability Self-Insurance Program as defined by the State Administrative Manual of the State of California, section 2420 including any amendment or successor thereto, subject to all other terms and conditions of this Memorandum of Coverage. The coverage added does not involve the CSURMA AORMA pooling layer of liability.

The coverage provided herein includes liability arising from the use of any owned, non-owned or hired vehicle operated by a Non-Salaried Employee while on State business.

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. Non-Salaried Employee: Means anyone, including but not limited to a student assistant or volunteer, operating a motor vehicle while on State business.
2. State: Means the State of California; the Trustees of the California State University; the California State University, and its campuses.

2420 MOTOR VEHICLE LIABILITY SELF-INSURANCE PROGRAM (Revised 3/14)

The ORIM administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business (California Vehicle Code Sections 17000 and 17001). Effective January 1, 2004, liability coverage is limited to \$1 million per occurrence/accident when the state vehicle is operated by a non-salaried employee (i.e. student assistant, volunteer, etc.) on state business. The driver's employing department/agency will be financially responsible for the payment of any claims, settlements, judgments or verdicts in excess of \$1 million. With the exception of peace officers as defined in Insurance Code Section 557.5, the VELSIP provides excess liability coverage for state employees on state business while driving non-state vehicles, but only after the vehicle owner's liability policy limits have been paid. The VELSIP does not provide coverage for injury to state employees nor for damage to state vehicles. Employee injuries are handled through Workers' Compensation coverage. Damage to state vehicles are handled through the budget of the owning state agency.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
LIABILITY PROGRAM
MEMORANDUM OF COVERAGE FOR
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE
(CSURMA AORMA)**

**FIDUCIARY LIABILITY
AMENDATORY ENDORSEMENT - #3**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE
PLEASE READ IT CAREFULLY***

This is claims made and reported coverage; therefore, the coverage is limited to Claims that are first made against the Member during the coverage period and are reported to CSURMA AORMA during the coverage period.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum of Coverage apply unless modified by this endorsement.

A. SUBJECT TO THE LIMIT STATED BELOW CSURMA AORMA AGREES:

To pay on behalf of any **Member** those sums for loss including expenses incurred in the defense and settlement of any **Claim** first made against the **Member** and reported during the **Coverage Period**, alleging a **Wrongful Act(s)** of any **Covered Party**, first committed, or allegedly committed on or subsequent to the Retroactive Date shown herein, in the **Administration** of **Covered Party's Employee Benefit Plans** or **Covered Party's Trusts**.

B. LIMIT OF LIABILITY: (As shown on the Declarations Page)

For the purpose of determining the limit of liability of CSURMA AORMA under this endorsement, all Damages arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one loss.

Loss, with duration of more than one **Coverage Period** shall be treated as a single loss arising during the **Coverage Period** when the **Claim** is first made, and under no circumstances shall the fact that said loss has duration of more than one **Coverage Period** entitle a **Covered Party** to more than one limit of coverage.

C. EXCLUSIONS

Exclusion 7 - Employee Benefits Liability Claim, Exclusion 9 – Employee Retirement Income Security Act (ERISA) and Exclusion 10 - Fiduciary Liability do not apply to the **Administration**



of the **Covered Party's** Employee Benefit Plans or **Covered Party's** Trusts, but only up to the limit of liability stated above for CSURMA AORMA.

Underwriters shall not be liable to make any payment for that part of Loss, other than Defense Expenses:

1. Which constitutes civil or criminal fines or penalties, taxes, or the multiple portion of any multiplied damage award;
2. Which constitutes payments due under the terms of the Benefit Plan or Trust , unless recovery is based upon a covered **Wrongful Act**;
3. Loss made against the **Covered Party**:
 - a. For libel, slander, **Bodily Injury**, emotional distress, disease, sickness or death of any person. Or any damage to or destruction of any tangible property including loss of use thereof;
 - b. For liability of others assumed by the **Covered Party** under any oral, written or implied contract or agreement; however, this exclusion shall not apply to the extent the **Covered Party** would have been liable in the absence of such contract or agreement; or the liability was assumed in accordance with or under the Benefit Plan or Trust agreement or equivalent document pursuant to which the plan was established;
 - c. Any Insured's gain of any profit, remuneration or advantage to which they were not legally entitled; or
 - d. For **Discrimination** in violation of any law.
4. CSURMA AORMA shall not be liable to make any payment for Loss in connection with any **Claim** based upon, arising out of, directly or indirectly resulting from or in consequence of:
 - a. Any fact, circumstance, situation, transaction event or **Wrongful Act** which was the subject to any notice given under any prior coverage for fiduciary liability or other similar insurance;
 - b. Any litigation or administrative or regulatory proceeding against any Insured pending on or before the effective date of this endorsement, or any actual, alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein which was known to the **Covered Party** prior to the inception of this endorsement, or
 - c. Any deliberately fraudulent or dishonest act or omission or any willful violation of any statute or regulation by any Insured; however, this exclusion shall not apply unless a judgment or other final adjudication adverse to such Insured establishes such a deliberately fraudulent or dishonest act or omission or willful violation.



D. DEFINITIONS

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. **Administration** means:
 - a. Providing information, advice, counsel or notice to **Employees** or Trust beneficiaries, with respect to the Employee Benefits Plan or Trust;
 - b. Providing interpretations of the Employee Benefits Plan or Trust;
 - c. Handling records in connection with the Employee Benefits Plan or Trust, or
 - d. Effecting enrollment, termination or cancellation of **Employees**, participants, or beneficiaries under the Employee Benefit Plan.

2. **Claim** means:
 - a. A written demand for specific monetary, non-pecuniary, or injunctive relief;
 - b. A criminal or civil proceeding for monetary, non-pecuniary or injunctive relief which is commenced by;
 - i. Service of a complaint or similar pleading; or
 - ii. Return of an indictment (in the case of criminal proceeding); or
 - iii. Receipt or filing of a notice of changes; or
 - c. A formal agency or regulatory proceeding to which a **Covered Party** is subject
 Made against a **Covered Party** alleging a **Wrongful Act**.

3. **Claims Expenses** mean reasonable expenditures incurred by a **Covered Party** in defense of a **Claim** covered under this endorsement, including but not limited to, cost of investigations, experts, adjustment services, legal services, court costs and similar expenses; provided however that **Claims Expenses** does not include wages or salaries of a **Covered Party**, or cost of attachment or similar bonds.

4. **Covered Party** means any natural person who was, is now, or becomes:
 - a. A trustee, **Member** of the board of directors, officer, in-house general counsel or an **Employee** of the **Member** of an Employee Benefit Plan or Trust, while acting in his or her capacity as a fiduciary of an Employee Benefit Plan or Trust or as a person performing **Administration** for an Employee Benefit Plan or Trust, or who is;
 - b. Assigned to act as a trustee, or an agent for finances of an Employee Benefit Plan or Trust.



5. Employee Benefit Plan means a program providing some or all of the following benefits to **Employees**:
- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an **Employee** may subscribe to such benefits and such benefits are made generally available to those **Employees** who satisfy the plan's eligibility requirements;
 - b. Pension plans, provided that no one other than an **Employee** may subscribe to such benefits and such benefits are made generally available to all **Employees** who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave, tuition assistance plans; transportation and health club subsidies.
6. Insured means:
- a. **Member**
 - b. Elected/Appointed Officials: all past, present and future, including the **Member's** Designated Professional Fiduciary
 - c. **Employees**: all past, present, and future
7. Loss means the amount which a **Covered Party** is legally and personally liability to pay on account of a **Claim** first made or instituted during the **Coverage Period** covered under and not excluded by this additional coverage endorsement.
8. Retroactive Date shall mean any **Claim** or Loss reported pursuant to the terms and conditions herein and rendered on or after the date set forth herein:

For all **Members** other than those **Members** specifically listed below the retroactive date for this endorsement is: July 1, 2010. For all **Members** listed below the retroactive date is as stated.

<u>Campus</u>	<u>AORMA Member</u>	<u>Retroactive Date</u>
Chico	Associated Students of CSU Chico	July 1, 2005
Long Beach	CSU Long Beach Foundation	July 1, 2008
Los Angeles	Associated Students Inc. CSU Los Angeles	July 1, 2007
Northridge	The University Corp., CSU Northridge	October 1, 1991
Northridge	University Student Union, CSU Northridge	October 1, 1999
Sacramento	Capital Public Radio, CSU Sacramento	April 15, 2010
San Jose	San Jose University Research Foundation	July 1, 2002
San Jose	Spartan Shops, Inc.	February 1, 1998



9. Trust(s) means charitable remainder trusts, charitable lead trusts, pooled income funds, or any combination thereof, or any **Employee** pension benefits or **Employee** welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.
10. **Wrongful Act** means:
- a. Any actual or alleged breach of the responsibilities, obligations or duties imposed upon **Covered Party** for the Trusts by common or statutory law or regulation of the United States or any state;
 - b. Any other actual or alleged matter claimed against a **Covered Party** solely because of his or her service as the designated fiduciary of any Employee Benefit Plans or Trusts; or
 - c. Any actual or alleged negligent act, error or omission solely in the **Administration** of any Employee Benefit Plan or Trust, and
 - d. Any actual or alleged breach of duties, obligations and responsibilities imposed by ERISA or by COBRA or by any similar or related federal, state or local law or regulation in the discharge of the **Covered Party's** duties with respect to any Employee Benefit Plans or Trust.

All other terms and conditions in the Memorandum remain unchanged.