



OFFICE OF RISK SERVICES—

ASSOCIATE VICE PRESIDENT & CHIEF RISK OFFICER

OFFICE OF THE PRESIDENT

1111 Franklin Avenue, 10th Floor

Oakland, California 94607-5200

April 30, 2021

Subject: 2021-22 Risk Services Program Premium Schedules

Dear Colleagues,

Please find the attached FY 2021-22 Premium Schedules for the Risk Services programs including but not limited to:

- Workers' Compensation
- General, Auto (liability & physical damage), and Employment Practices Liability
- Property
- Cyber
- Professional Liability

The University's Workers' Compensation program continues to trend positively and remains stable as our premium decreased by \$10.8 MM and our base rate decreased to \$1.03 per \$100 of payroll compared to last year's rate of \$1.10.

The above premium amount does not include the accounting of the continued closeout of our legacy workers' compensation program and transition from our traditional banking model to the University's captive insurance company, Fiat Lux. As a reminder, we are now in year three of the seven-year closeout plan that in total provides rate reductions of \$19.7 MM and deficit forgiveness of \$43.9 MM. Our ability to provide this relief is a direct result of our transition to Fiat Lux.

The General, Auto, and Employment Practices Liability (GAEL) premium increased \$13.3 MM which equates to program specific increases of 11.2% in GL, 10.4% in Auto, and 10.0% in EPL. These premium increases are a result of a substantial increase in our GL and Auto retentions, continued increases in claim severity, and the last scheduled

increase in our premium confidence level to achieve a program wide uniform level of 75%. In recognition of these program changes and to limit the resulting premium increase, Fiat Lux provided a funding subsidy of \$8.0 MM. This is the second consecutive year that Fiat Lux has provided such a subsidy and it is not expected to be repaid in future years.

The Property premium increased \$9.7 MM. This increase was driven by an extremely distressed property market, an increase in our own loss severity, substantial increases in business interruption rates, and as in the GAEL program; the last scheduled increase in our premium confidence level to achieve a uniform level of 75%. In order to limit this premium increase, Fiat Lux provided an additional funding subsidy of \$3.5 MM. This brings Fiat Lux's FY21/22 total funding subsidy to \$11.5 MM.

The Cyber premium remained flat for the second consecutive year.

The Professional Medical and Hospital Liability (PMHL) premium realized a modest increase of \$4.9 MM. This increase was the result of a severely distressed medical malpractice market, continued growth in exposures, and a substantial increase in our program retention. This increase was tempered by and the PMHL program also benefited from the \$8 MM subsidy provided by Fiat Lux.

As was the case last year, the University continues to face many challenges and uncertainties as a result of a financially distressed insurance market and yet to be determined effects of the COVID-19 pandemic. Rest assured we continue to evaluate our insurance structure and financing to ensure we are providing the University maximum value and protection.

Despite market conditions, the greatest positive effect we can have on our insurance program is to control our own experience through the prevention and mitigation of losses. Our loss prevention and mitigation efforts are most effective when developed from individual location loss analysis to identify and respond to those areas producing the greatest loss and potential liability. The BSAS program continues to be an integral component of those loss prevention efforts and we eagerly await receipt of your FY21/22 BSAS applications for all lines of coverage.

As always, we look forward to continuing to partner with you and your teams and Fiat Lux to further reduce the University's cost of risk and create a safe environment for our students, faculty, staff, and the public.

Individual location reports will be sent to your risk manager and workers' compensation manager under separate cover.

As always, if you have any questions, please do not hesitate to contact me or Gabby Jung, Director, Operations and Risk Finance (510.587.6288)

Sincerely,



Kevin Confetti
Deputy Chief Risk Officer
Risk Services website: <http://www.ucop.edu/risk-services/index.html>

cc: Vice Chancellors for Administration
Medical School Deans
Health System Directors
Health System Finance Directors

OP Budget Executive Director Baltaxe
OP Budget Director Goode
Chief of Staff to the CFO Werdick
Director Satorre

Student Health Center Directors
Executive Vice President Brostrom
Executive Vice President Byington
Executive Vice President Nava
Interim Vice President, Lloyd
Associate Vice President Alcocer
Associate Vice President Arrivas
Associate Vice President Nelson
Vice President Nation
Chief Medical Officers
Budget Directors
Planning & Budget Officers
Campus/Health Controllers
Environment Health & Safety Directors
Accounting Managers
Payroll Managers
Campus & Health Risk Managers
Workers' Compensation Managers

Accounting Supervisor Tam
Manager Barrett
Manager Ruiz
Analyst Espinoza
Analyst Tsai
Executive Director Clafin
Executive Director Leonard
Executive Director Lillington
Executive Director Smith
Director Jung
Director Powers
Director Reicher
Program Manager Burley
Program Manager DeBortoli
Program Manager Gustavson
Program Manager Quijano

Attachments (6)

**UNIVERSITY OF CALIFORNIA
WORKERS' COMPENSATION PROGRAM
2021/2022 Premiums**

LOCATION	2021/22 Funding Premiums	Accrual Funding ⁽¹⁾		Be Smart About Safety ⁽²⁾			Total Projected Premium	Closeout of 6/30/16 Legacy Rate Reduction or Deficit Funding Year 2 ⁽³⁾		UCLA Occupational Health Facility Expansion 3 Year Payment Plan		2021/2022 Combined Total	
		All Fund Sources		All Fund Sources		Total		Rate Adj/\$100	Total	Rate Adj/\$100	Adjustment	Total	Total Premium
		Rate/\$100 of Payroll	Premium \$	Rate/\$100 of Payroll	Premium \$	Rate		of Payroll	Adjustment	of Payroll	Adjustment	Rate	\$
Berkeley	18,049,000	1.17	16,498,000	0.11	1,551,000	1.28	18,049,000	0.07	935,300			1.35	18,984,300
ANR-Berkeley	147,000	1.17	134,000	0.11	13,000	1.28	147,000	0.07	7,600			1.35	154,600
Davis	12,703,000	0.75	11,618,000	0.07	1,085,000	0.82	12,703,000	0.00	-			0.82	12,703,000
ANR-Davis	847,000	0.75	775,000	0.07	72,000	0.82	847,000	0.00	-			0.82	847,000
Davis MC	11,008,000	0.97	9,979,000	0.10	1,029,000	1.07	11,008,000	0.00	-			1.07	11,008,000
Irvine	5,791,000	0.44	5,200,000	0.05	591,000	0.49	5,791,000	(0.04)	(489,300)			0.45	5,301,700
ANR-Irvine	2,000	0.44	2,000	0.05	-	0.49	2,000	(0.04)	-				
Irvine MC	6,290,000	1.19	5,586,000	0.15	704,000	1.34	6,290,000	0.00	-			1.34	6,290,000
Los Angeles	30,704,000	0.92	28,248,000	0.08	2,456,000	1.00	30,704,000	0.04	1,079,000	0.01	307,035	1.05	32,090,035
Los Angeles MC	26,024,000	2.22	24,689,000	0.12	1,335,000	2.34	26,024,000	0.00	-	0.03	333,641	2.37	26,357,641
Los Angeles NPH	830,000	1.60	710,000	0.27	120,000	1.87	830,000	0.00	-			1.87	830,000
Merced	1,634,000	0.88	1,514,000	0.07	120,000	0.95	1,634,000	0.06	104,500			1.01	1,738,500
Riverside	3,740,000	0.69	3,309,000	0.09	431,000	0.78	3,740,000	0.07	312,500			0.85	4,052,500
ANR-Riverside	155,000	0.69	137,000	0.09	18,000	0.78	155,000	0.07	43,200			0.85	198,200
San Diego Campus	14,493,000	0.62	13,411,000	0.05	1,082,000	0.67	14,493,000	0.00	-			0.67	14,493,000
San Diego MC	9,889,000	1.33	8,887,000	0.15	1,002,000	1.48	9,889,000	0.00	-			1.48	9,889,000
San Francisco Campus	13,084,000	0.56	12,012,000	0.05	1,072,000	0.61	13,084,000	(0.03)	(723,000)			0.58	12,361,000
San Francisco MC	22,622,000	1.53	20,726,000	0.14	1,896,000	1.67	22,622,000	0.00	-			1.67	22,622,000
San Francisco LPPI	319,000	1.19	277,000	0.18	42,000	1.37	319,000	0.00	-			1.37	319,000
Santa Barbara	5,737,000	0.89	5,210,000	0.09	527,000	0.98	5,737,000	(0.11)	(622,600)			0.87	5,114,400
Santa Cruz	3,999,000	0.87	3,514,000	0.12	485,000	0.99	3,999,000	(0.07)	(283,300)			0.92	3,715,700
Office of the President	971,000	0.33	821,000	0.06	150,000	0.39	971,000	0.00	-			0.39	971,000
ANR-OP	14,000	0.33	12,000	0.06	2,000	0.39	14,000	0.00	-			0.39	14,000
Lawrence Berkeley Lab	2,522,000	0.59	2,522,000	0.00	-	0.59	2,522,000	(0.17)	(745,400)			0.42	1,776,600
TOTAL	191,574,000		175,791,000		15,783,000		191,574,000		(381,500)		640,676		191,831,176

⁽¹⁾ Record as Workers' Compensation expense with object code 8500.

⁽²⁾ Separate premiums for the "Be Smart About Safety" Program. To be classified as a fund balance transfer to UCOP as outlined in the "Be Smart About Safety" document (excludes labs).

⁽³⁾ Workers' Compensation Closeout of Legacy Program for the period 4/1/1980 to 6/30/2016 prior to transferring liabilities to the University's Captive - Fiat Lux

**GENERAL LIABILITY (GL) &
EMPLOYMENT PRACTICES LIABILITY (EPL) PROGRAMS
2021/22 PREMIUM SCHEDULE**

	PREMIUM				PREMIUM			GL & EPL Premium ⁽³⁾
	General Liability Premium	Sexual Misconduct Premium	BSAS ⁽¹⁾	Total	Employment Practices Liability			
	Premium	Premium	BSAS ⁽¹⁾	Total	Premium	BSAS ⁽¹⁾	Total ⁽²⁾	
Berkeley	\$ 7,498,000	\$ 721,000	\$ 326,000	\$ 8,545,000	\$ 5,278,000	\$ 346,000	\$ 5,624,000	\$ 14,169,000
Davis	2,787,000	268,000	121,000	3,176,000	4,657,000	306,000	4,963,000	8,139,000
UC Davis Health	1,080,000	239,000	53,000	1,372,000	5,274,000	349,000	5,623,000	6,995,000
Irvine Campus	1,922,000	185,000	83,000	2,190,000	4,543,000	298,000	4,841,000	7,031,000
UCI Health	666,000	147,000	33,000	846,000	3,403,000	225,000	3,628,000	4,474,000
Los Angeles Campus	10,522,000	1,012,000	457,000	11,991,000	15,513,000	1,018,000	16,531,000	28,522,000
UCLA Health	2,446,000	541,000	120,000	3,107,000	4,342,000	288,000	4,630,000	7,737,000
UCLA Santa Monica	77,000	17,000	4,000	98,000	130,000	9,000	139,000	237,000
UCLA NPH	75,000	17,000	4,000	96,000	159,000	11,000	170,000	266,000
Merced Campus	226,000	22,000	10,000	258,000	619,000	41,000	660,000	918,000
Riverside Campus	1,296,000	125,000	56,000	1,477,000	2,140,000	141,000	2,281,000	3,758,000
San Diego Campus	3,113,000	299,000	135,000	3,547,000	2,239,000	147,000	2,386,000	5,933,000
UC San Diego Health	923,000	204,000	45,000	1,172,000	5,197,000	344,000	5,541,000	6,713,000
San Francisco Campus	4,648,000	447,000	202,000	5,297,000	7,983,000	524,000	8,507,000	13,804,000
UCSF Health	1,471,000	325,000	72,000	1,868,000	2,637,000	175,000	2,812,000	4,680,000
UCSF LPPI	20,000	4,000	1,000	25,000	31,000	2,000	33,000	58,000
Santa Barbara	3,071,000	295,000	133,000	3,499,000	2,804,000	184,000	2,988,000	6,487,000
Santa Cruz	1,337,000	129,000	58,000	1,524,000	776,000	51,000	827,000	2,351,000
Office of the President	394,000	38,000	17,000	449,000	1,203,000	79,000	1,282,000	1,731,000
ANR	474,000	46,000	21,000	541,000	319,000	21,000	340,000	881,000
GRAND TOTAL	<u>\$44,046,000</u>	<u>\$5,081,000</u>	<u>\$1,951,000</u>	<u>\$51,078,000</u>	<u>\$ 69,247,000</u>	<u>\$ 4,559,000</u>	<u>\$ 73,806,000</u>	<u>\$124,884,000</u>

(1) [BSAS-Be Smart About Safety Loss Prevention Program](#)

(2) The Premium includes funding to cover Non-Litigated Employment Practices Liability claims.

(3) Allocation is based upon actuarial methodology. Total premium of the annual cost for general liability and employment practices liability for the fiscal year.

**AUTOMOBILE PROGRAM
2021/22 PREMIUM SCHEDULE**

	PREMIUM			PREMIUM			Auto Liability & Auto Phys. Damage Premium ⁽²⁾
	Automobile Liability (AL)			Automobile Physical Damage (APD)			
	Premium	BSAS ⁽¹⁾	Total	Premium	BSAS ⁽¹⁾	Total	
Berkeley	\$ 1,224,000	\$ 59,000	\$ 1,283,000	\$ 138,000	\$ 9,000	\$ 147,000	\$ 1,430,000
Davis	2,394,000	116,000	2,510,000	531,000	33,000	564,000	3,074,000
Irvine	682,000	33,000	715,000	132,000	8,000	140,000	855,000
Los Angeles	2,204,000	106,000	2,310,000	313,000	20,000	333,000	2,643,000
Merced	160,000	8,000	168,000	41,000	3,000	44,000	212,000
Riverside	568,000	27,000	595,000	133,000	9,000	142,000	737,000
San Diego	2,058,000	99,000	2,157,000	283,000	18,000	301,000	2,458,000
San Francisco	1,816,000	88,000	1,904,000	135,000	9,000	144,000	2,048,000
Santa Barbara	414,000	20,000	434,000	75,000	5,000	80,000	514,000
Santa Cruz	458,000	22,000	480,000	188,000	12,000	200,000	680,000
Office of the Pres.	4,000	-	4,000	2,000	-	2,000	6,000
ANR	<u>118,000</u>	<u>6,000</u>	<u>124,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>129,000</u>
GRAND TOTAL	<u>\$ 12,100,000</u>	<u>\$ 584,000</u>	<u>\$12,684,000</u>	<u>\$1,976,000</u>	<u>\$126,000</u>	<u>\$2,102,000</u>	<u>\$ 14,786,000</u>

(1) [BSAS-Be Smart About Safety Loss Prevention Program](#)

(2) Allocation is based upon actuarial methodology. Total premium of the annual cost for the program for the fiscal year.

**UNIVERSITY OF CALIFORNIA
CYBER LIABILITY PREMIUM SCHEDULE
Fiscal Year 2021/2022**

<u>Location</u>	<u>Cyber Premium</u>
Berkeley	\$ 1,094,000
Davis	407,000
UC Davis Health	543,000
Irvine Campus	280,000
UCI Health	335,000
Los Angeles Campus	1,535,000
UCLA Health	1,231,000
UCLA Santa Monica	39,000
UCLA NPH	38,000
Merced Campus	33,000
Riverside Campus	189,000
San Diego Campus	454,000
UC San Diego Health	465,000
San Francisco Campus	678,000
UCSF Health	740,000
UCSF LPPI	10,000
Santa Barbara	448,000
Santa Cruz	195,000
Office of the President	57,000
ANR	69,000
GRAND TOTAL	\$ 8,840,000

(1) Allocation is based upon actuarial methodology.

Includes insurance premiums, uninsured direct costs, and loss prevention.

UNIVERSITY OF CALIFORNIA
PROPERTY PROGRAM PREMIUM SCHEDULE
Fiscal Year 2021/22

<u>Location</u>	Property Premium ⁽¹⁾	Crime/Fidelity Premium	Environmental Premium	Equipment Breakdown Prem.	Be Smart About Safety ⁽²⁾	Total Premium ⁽³⁾
Berkeley	\$7,395,000	\$ 529,000	\$ 77,000	\$ 53,000	\$329,000	\$ 8,383,000
Davis	7,385,000	528,000	77,000	52,000	329,000	8,371,000
UC Davis Health						Incl. in Campus
Irvine	4,959,000	355,000	52,000	35,000	221,000	5,622,000
UCI Health						Incl. in Campus
Los Angeles	10,594,000	758,000	111,000	75,000	472,000	12,010,000
UCLA Health						Incl. in Campus
Merced	1,417,000	101,000	15,000	10,000	63,000	1,606,000
Riverside	1,721,000	123,000	18,000	12,000	77,000	1,951,000
San Diego	9,229,000	815,000	119,000	81,000	508,000	10,752,000
UC San Diego Health						Incl. in Campus
San Francisco	5,589,000	400,000	58,000	40,000	249,000	6,336,000
UCSF Health						Incl. in Campus
Santa Barbara	2,362,000	211,000	31,000	21,000	131,000	2,756,000
Santa Cruz	2,918,000	262,000	38,000	26,000	163,000	3,407,000
Office of the President	344,000	25,000	4,000	2,000	15,000	390,000
ANR	-	-		-	<i>Incl. in various locations</i>	
Total	\$53,913,000	\$ 4,107,000	\$ 600,000	\$ 407,000	\$ 2,557,000	\$61,584,000

(1) Property Program includes premiums/coverage for Parametric Earthquake insurance.

(2) [BSAS-Be Smart About Safety Loss Prevention Program](#)

(3) Allocation is based upon actuarial methodology.

**PROFESSIONAL MEDICAL & HOSPITAL LIABILITY
2021/2022 PREMIUM SCHEDULE**

		Premium ⁽¹⁾
Berkeley	Student Health Services	\$ 147,000
Berkeley	CAPS	-
Berkeley	School of Optometry	42,000
	Total	189,000
Davis	School of Medicine	5,801,500
Davis	Medical Center	5,801,500
	Subtotal	11,603,000
Davis	Student Health Services	86,000
Davis	CAPS	-
Davis	Veterinary	75,000
	Total	11,764,000
Irvine	School of Medicine	4,493,500
Irvine	Medical Center	4,493,500
	Subtotal	8,987,000
Irvine	Student Health Services	48,000
Irvine	CAPS	13,000
	Total	9,048,000
Los Angeles	School of Medicine	12,363,000
Los Angeles	School of Nursing	17,000
Los Angeles	Medical Center	12,363,000
Los Angeles	Santa Monica	3,921,000
Los Angeles	Neuropsychiatric Inst.	550,000
	Subtotal	29,214,000
Los Angeles	Student Health Services	131,000
Los Angeles	CAPS	43,000
	Total	29,388,000
Merced	Student Health Services	9,000
Merced	CAPS	5,000
	Total	14,000
Riverside	School of Medicine	631,000
Riverside	Student Health Services	32,000
Riverside	CAPS	8,000
	Total	671,000
San Diego	School of Medicine	6,664,000
San Diego	Rady's Hospitals	2,180,000
San Diego	Medical Center	6,664,000
	Subtotal	15,508,000
San Diego	Student Health Services	54,000
San Diego	CAPS	23,000
	Total	15,585,000
San Francisco	School of Medicine	6,553,500
San Francisco	School of Nursing	10,000
San Francisco	Dental School	188,000
San Francisco	Affiliated Hospitals-Other	1,446,000
San Francisco	Fresno	2,566,000
San Francisco	SF General	3,035,000
San Francisco	Medical Center	6,553,500
San Francisco	Langley Porter Institute	104,000
	Subtotal	20,456,000
San Francisco	Student Health Services	11,000
San Francisco	CAPS	-
	Total	20,467,000
Santa Barbara	Student Health Services	61,000
Santa Barbara	CAPS	23,000
	Total	84,000
Santa Cruz	Student Health Services	48,000
Santa Cruz	CAPS	-
	Total	48,000
GRAND TOTAL		\$ 87,260,000

[\(1\) Generally based on the "Medical Malpractice Guidelines"](#)