



UNIVERSITY OF HAWAII SYSTEM

ANNUAL REPORT

REPORT TO THE 2007 LEGISLATURE

Annual Report on
University of Hawai'i Risk Management Special Fund

Act 186, SLH 2003

December 2006

**Report to the 2007 Legislature on
University of Hawaii Risk Management Special Fund**

Act 186, SLH 2003

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Act 186, SLH 2003 amended Chapter 304, Hawaii Revised Statutes, by:

- (a) creating the University of Hawaii risk management special fund (RMSF); and
- (b) providing the board of regents with the authority to approve the indemnification of persons, companies, and government entities, as necessary, to receive research and other funds for educational purposes.

Act 186, SLH 2003 authorized the creation of the University of Hawaii risk management special fund effective July 1, 2003. During the fiscal year ended June 30, 2005, the University of Hawaii, Office of Risk Management assessed each campus based on a number of factors such as number of students, number of employees, number of automobiles, and square footage of buildings and collected \$1,963,870.00. This assessment was added to the remaining balance of \$1,481,669.96 from FY05 for total available funds of \$3,445,539.96 for FY06. The total expenditures from the RMSF for FY06 were \$1,162,894.40. The payments were made for legal settlements (\$522,586.73); insurance premiums (\$305,000.00) and encumbrances for outside legal counsel (\$318,103.03). The ending balance for fiscal year 2006 is \$2,282,645.50.

FUNDING SOURCES FY06

Campus	Assessment Amount
University of Hawaii at Manoa	\$1,347,062.00
University of Hawaii at Hilo	\$263,270.00
University of Hawaii at West Oahu	\$10,683.00
Kapiolani Community College	\$83,380.00
Leeward Community College	\$64,733.00
Honolulu Community College	\$56,622.00
Windward Community College	\$44,374.00
Maui Community College	\$40,457.00
Hawaii Community College	\$31,296.00
Kauai Community College	\$21,993.00
TOTAL	\$1,963,870.00
Balance from FY05	\$1,481,669.96
AVAILABLE FUNDS FOR FY06	\$,3,445,539.96

EXPENDITURES FROM RMSF FOR FY06

SETTLEMENTS

Darryl Zehner	\$811.59
Claire Nakamura	\$50,000.00
Yoshitsuge Hokama	\$50,000.00
Payments of Employee Contributions to 403(b) Accounts (PCG shortfall)	\$421,775.14
TOTAL	\$522,586.73

INSURANCE PREMIUMS

ELL/D & O	\$305,000.00
TOTAL	\$305,000.00

LEGAL EXPENSES

Office of General Counsel Legal Expenses	\$17,204.68
Encumbrances for Outside Legal Counsel	\$318,103.03
TOTAL	\$335,307.71

TOTAL EXPENDITURES FROM RMSF FOR FY06 **\$1,162,894.40**

AVAILABLE FUNDS FOR FY06 **\$3,445,539.96**

DEPOSITS

Class Action Settlements	\$5.56
GECC Class Action Payment	\$3.80
AON Class Action Payment	\$12,245.15
Marsh Class Action Payment	\$2,742.34
TOTAL	\$14,996.85

ENDING FUND BALANCE (6/30/06) **\$2,297,642.35**