University of California and How It Conducts Business

The Regents of the University of California (UC) is a public entity that does business in various ways:
- Partnerships
- Joint Ventures
- Start up a company in the US or Abroad
- Memorandum of Understanding
- Other?

Private Sector
- Mergers Acquisitions & Strategy

UC
- Myths Assumptions & Silos

Formation/Acquisition of New Entities

New Entity Operation
- Form of Entity
- Tax Status
- Governance/Control
- Public Accountability
- Fund Flow

Business Plan
- Purpose
- Goals
- Risk
- Pro Forma Financials

UC Governance
- Campus Approval Process
- Regent Approval Process
- OP Sponsor
- Relationship to UC
- Fund Flow
University of California and How It Conducts Business

Inaccurate assumption: UC is self-insured so all activities of UC are insured.

If an operation is of significant size ($1) or a change in type of operations, or a foreign operation, the insurance carriers may require underwriting of the entity prior to acquisition or formation in order to be insured. In these cases, OPRS must be notified at least six months in advance in order to ensure that there is time for the underwriting to take place. Notify underwriters of the new activity in writing within 60 days of the date the transaction takes effect.

Partnerships and Joint Ventures are covered under the policy to the percentage of UC ownership or control. Example – UC one of 4 Partners – UC would be covered up to 25% on any claim, a reflection of its percent of ownership. The same would hold true for Joint Ventures.

While the Excess Liability Insurance Policy is covering UC to its percent of ownership in a Partnership or Joint Venture, this policy excludes coverage unless the Partnership or Joint Venture is specifically listed as a Named Insured. This underscores the importance of contacting OPRS so that they can add the Partnership or Joint Venture as a Named Insured. Caveat – if a separate insurance policy exists for the benefit of all partners or members of the Partnership or Joint Venture, the UC Excess Liability Policy would not provide coverage to UC.

Additional ways UC might choose to conduct business – participate in the management of a Pool or Association. These types of activity are excluded and we recommend you notify OPRS early should this type of activity be under consideration so that OPRS may take the appropriate steps to secure coverage.