Students rally against residence rent increase

By SANJU VASWANI

Residence students gathered to express their opposition to a proposed 9.9% rent increase at a rally organized by the York University Tenants Association (YUTA) which took place in the West Bear Pit.

According to Alan Greenbaum, President of YUTA, the proposed 9.9% increase in rent is excessive, primarily because two percent of the increase represents a profit which will be remitted to the university's general funds. YUTA's position is that the administration is unjustified in squeezing profits from an already cash poor group of students.

The Residence Budget Committee (RBC) has recommended that this rent increase be reduced. However, since the RBC has no authority to change the budget, the Board of Governors which is responsible for the final decision is free to ignore the recommendations made by the RBC.

Also at issue is the allocation of Conference Centre income to the general funds. YUTA and the RBC feel that these profits should be used to offset the residence costs.

The Vice President of Administration and Finance, Bill Farr, explained that the income from residence students has not been sufficient to cover the administrative costs of Housing Services and the University Food and Beverage Services Committee.

Also, Peter Rideout of Housing Services said that the increase would barely cover some improvements he planned to make in the residence next year. Norman Crandles, Director of the UFBSC backed Rideout up by describing how Rideout's initial proposals for improvements had to be slashed to the bare essentials because of the university's chronic lack of funds.

Farr defended the remittance of profits to the general funds by saying that the University has a policy of sending income from a successful operation to areas in the university where those funds are more urgently needed.

Comp. sci. gets masters

By ELAN KATTSIR

York University's Senate has approved the Department of Computer Sciences' proposal for a Master's programme. If the University gains the approval of the Ontario Council of Graduate Studies, then the graduate programme is expected to begin in September of 1989.

Department of Computer Science chair, Eshrat Arjomandi, says that a Master's programme has several benefits: undergraduates get a better TA base; stronger faculty are attracted for recruitment; and it allows members to bring in more research money.

She adds that the programme will emphasize research, concentrating on mathematical software, logic in programming, and parallel computation.

The program will require three to four additional faculty members, the funds for which the University has already promised to provide.

York joins Canadian University Plan to stabilize insurance costs and make them reflective of past claims

By PIERRE IMLAY

In an attempt to make insurance costs stable and more reflective of the university's past record of claims, York has joined a self-insurance plan created by an organization made up of Canadian universities.

The Canadian Universities Reciprocal Insurance Exchange (CURIE) presently represents 41 universities across Canada including York, U of T, Western, Queen's, UBC, and University of Calgary to name a few. The organization is designed to provide universities that are in need of insurance coverage an alternative to the insurance market, so as to avoid extreme rate fluctuations.

According to York University's Manager of Financial Reporting, John O'Neil, universities were attracted to the plan, because it stabilizes costs in premiums. Each university pays according to its claim history. "All the members are part of the same pool. If these people are taking profits from the pool, then their premiums go up next year," O'Neil explained.

O'Neill indicated that the plan promotes risk management through regular inspections, education, and premium incentives. It also allows universities to control their insurance expenditures through a system owned and operated by universities.

CURIE was implemented in January 1988, after two years of feasibility studies. In the fall of 1985, the Canadian Association of University Business Offices (CAUBO) began investigations into the feasibility of a planned insurance scheme. A year later, the research firm of Johnson and Higgins presented a report to CAUBO containing a survey of 31 Canadian universities which strongly recommended a plan that would insure liability and property exposures of all Canadian universities. In 1987, the Wyatt Company, an actuarials and insurance consultants firm, was brought in to implement the plan. A proposal was then developed by an advisory board made up of representatives from CAUBO and Wyatt.

Many reasons prompted York to join the exchange. According to O'Neill, a major one was the instability in the re-insurance markets that occurred when a major insurance player, Lloyds, fell into financial trouble. This caused carriers in the primary markets to raise their rates, and ushered in a period of extreme fluctuations in insurance costs. York began to see increases in its premiums as the result of claims that the university was not even involved in. An example is the $600 million claim won by the Municipality of Peel in 1986, which eventually drove York's premiums up.

O'Neill says there were also attitudes in the insurance community which pushed York to join the plan. "Students are generally regarded as a high risk by insurance companies," he explained. According to O'Neill, insurance carriers have made it known that they do not want to insure pubs and have raised rates for universities. The belief that university students cannot control their drinking behaviour is widely uphold by insurance companies, said O'Neill.

The exchange works because the universities agree contractually to share the risks inherent in their operations. The policy covers comprehensive general liability, including liability for errors and omissions, and injury and property damages to third parties. It also covers risk of damage to university assets. To be eligible for membership, the university must be a regular member in CAUBO. Membership requires a five-year commitment which allows for financial risk to be spread over time as well as among subscribers.

Each member pays annual premiums of $5 million for property coverage, excluding the coverage that CURIE purchases from secondary markets, which totals approximately $12.5 billion. The universities also pay $10 million each in general liability for the same coverage. Each member pays $3 million for errors and omissions liability, which has a $3 million policy limit.

In O'Neill's opinion, the benefits of CURIE far outweigh the costs. He stated that CURIE is not the only insurance plan that has been created as an alternative to the regular insurance market. He cited examples such as the Ontario School Board's Insurance Exchange and the Hospital Insurance Reciprocal of Ontario.

"CURIE is a creative response by Canadian universities to insurance market problems," says O'Neill. He notes that it saves money for the universities which can then be used for other purposes.

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