



# **Cal Poly San Luis Obispo Risk Management Annual Report**

**FISCAL YEAR  
2024/2025**

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## Introduction

This report is submitted in accordance with Executive Order 1069 which requires a risk management report to be submitted annually to the Campus President with a copy to the Senior Director, CSU Systemwide Risk Management.

## Executive Summary

The Risk Management program is dedicated to evaluating university operations and property ownership for potential risks that may result in personal injury, property damage or loss, disruption to university programs, financial loss, liability, or reputational harm.

Enterprise Risk Management (ERM) expands upon this by taking a holistic and coordinated approach to risk. ERM defines risk as the effect of uncertainty on objectives and ensures that risk management practices are aligned with the University's strategic priorities. Risk accountability is distributed across the institution, with designated *Risk Owners* responsible for managing risks within their areas of authority.

In partnership with the CSU Risk Management Authority (CSURMA), our office has developed a comprehensive framework that emphasizes initiative-taking, coordinated efforts to identify, assess, and manage risk. The overarching goal is to enhance institutional value, support innovation, improve performance, and advance the achievement of university objectives.

This annual report fulfills the requirements of CSU Technical Letter RM 2011-05 and provides a summary of key risk and insurance data for Fiscal Year 2024–2025.

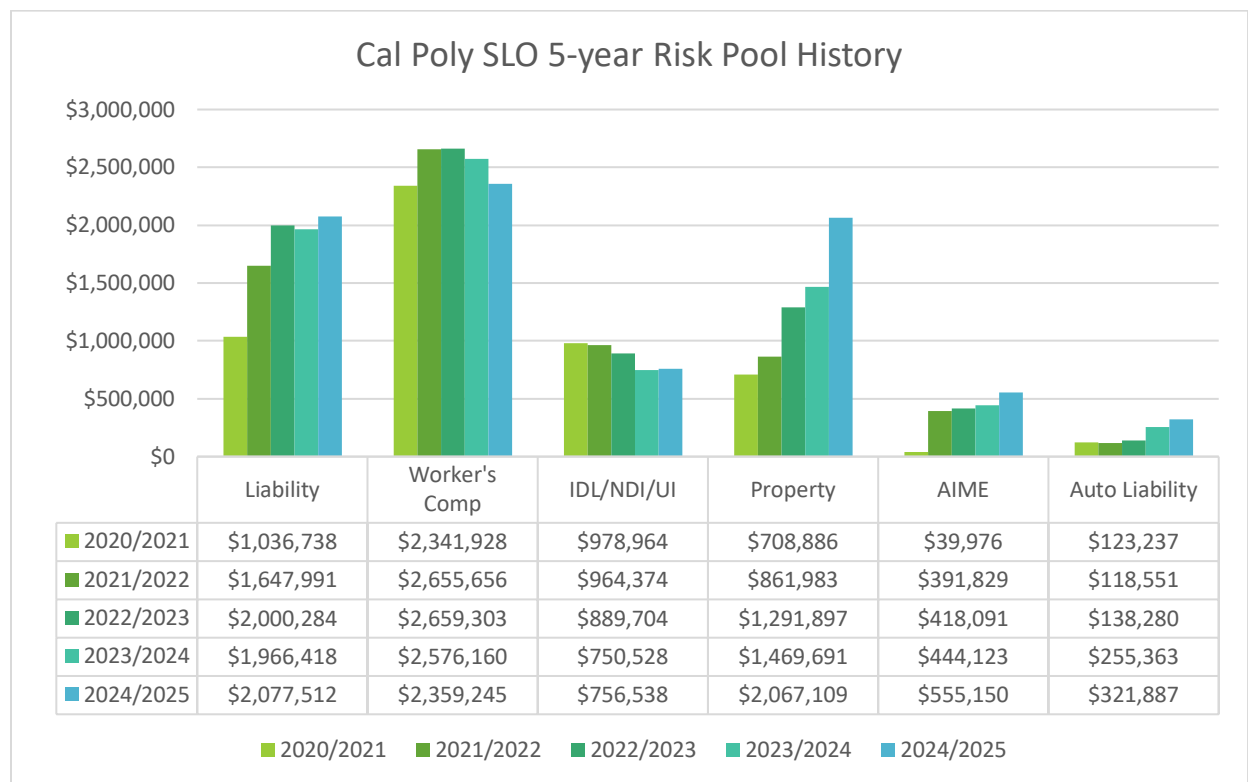
## CSURMA Risk Pool and Insurance Costs

The Chancellor's Office has designated each CSU campus as financially responsible for its own insurance and loss costs. Cal Poly fulfills this obligation through participation in the California State University Risk Management Authority (CSURMA), a Joint Powers Authority (JPA) that operates as an insurance cooperative for member campuses.

CSURMA is administered by Alliant Insurance Services, which supports campuses with program management, claims handling, and specialized insurance purchases. In addition to core property and liability coverage, CSURMA offers optional insurance for unique exposures such as equipment, drones, fine arts, special events, international travel, the Performing Arts Center, livestock and rodeo activities, club sports, aircraft, and inland marine.

Campuses select their self-insured retention (SIR) levels for property and liability coverage. Cal Poly has elected a \$100,000 SIR for property (Main Campus) and \$500,000 for general liability, with the next review scheduled for FY 2026–2027.

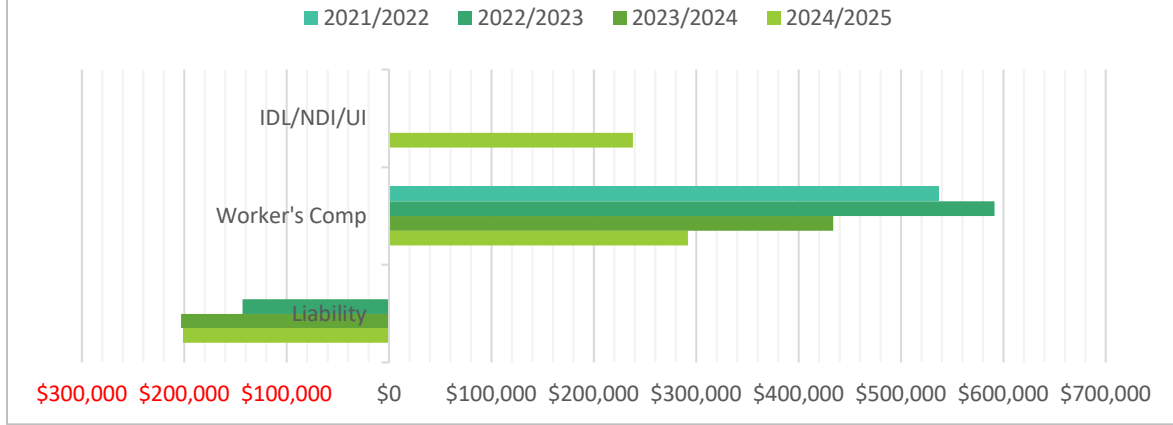
Premiums for General Liability and Workers' Compensation are influenced by each campus's Experience Modification Factor (X-Mod), which adjusts the risk rating based on campus-specific loss history and actual claim payments made over a rolling five-year period. In FY 2024–2025, Cal Poly's total cost for insurance and risk-related programs rose to \$8,137,442, representing a 9% increase (\$675,158) compared to the prior year. This total includes expenses related to General Liability, Workers' Compensation, Industrial Disability Leave, Non-Industrial Disability Insurance, Unemployment Insurance (IDL/NDI/UI), Property, Athletic Injury Medical Expense (AIME), and Auto Liability.



For FY 2024–2025, the CSURMA Executive Committee approved a dividend to Cal Poly of \$292,262 from the Workers' Compensation program and \$238,492 from the IDL/NDI/UI program. Simultaneously, a \$201,198 assessment was applied to the Liability program. After offsetting the assessment, Cal Poly received a net payment of \$329,556 across the three programs. FY 2024–2025 marks the first year a dividend has been applied to the IDL/NDI/UI program.

The financial data reflects broader trends across these programs. Liability costs increased significantly in 2023/2024 and showed a slight decrease in 2024/2025, suggesting a rising trend that may be stabilizing. Worker's Compensation costs, which peaked in 2022/2023, have declined steadily over the past two years. Meanwhile, IDL/NDI/UI costs were introduced as a new expenditure in 2024/2025, with no previous data available for trend comparison.

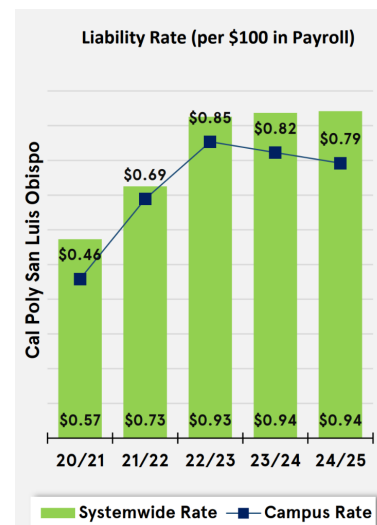
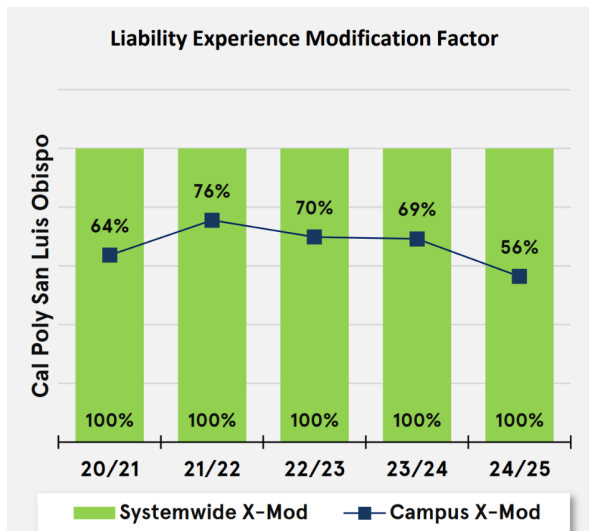
## CSURMA Program Campus Dividend/Assessment



### General Liability Program

The CSURMA Liability Program provides coverage for general liability, errors and omissions, employment practices, and other liability exposures. Premiums are based on actual payroll from FY 2022–2023, and the Experience Modification Factor (X-Mod) includes only claim payments between \$50,000 and \$500,000.

For FY 2024–2025, Cal Poly continues to perform well compared to systemwide trends, driven by a favorable loss history. The campus X-Mod improved from 69% to 56%, and the liability rate per \$100 in payroll decreased from \$0.82 to \$0.79, remaining below the systemwide rate of \$0.94.

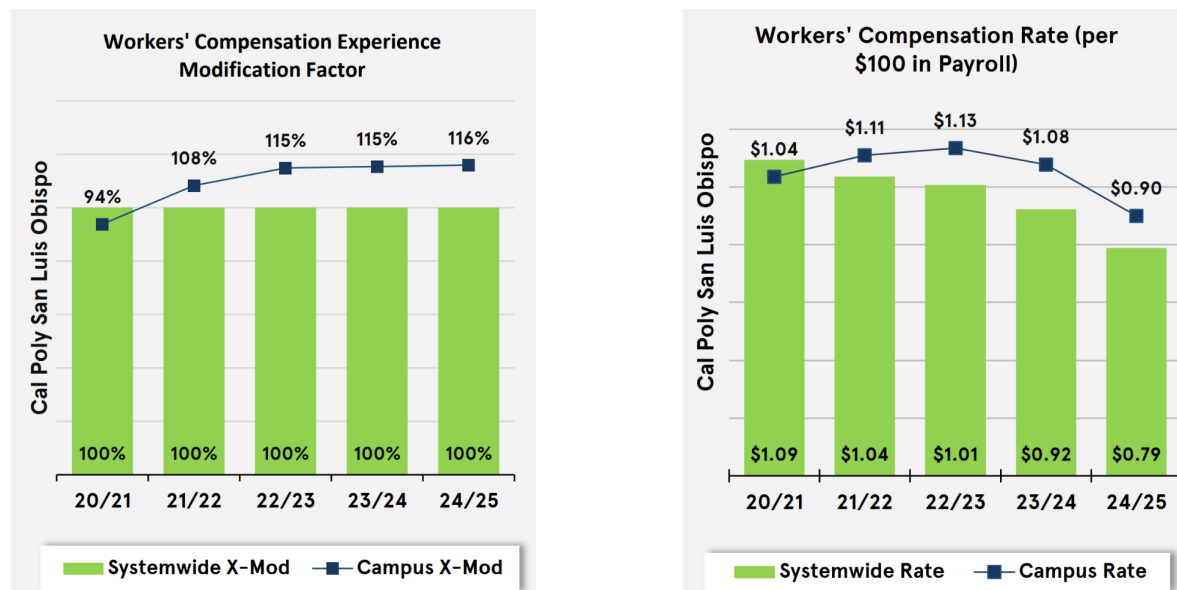


## Workers Compensation Program

Workers' Compensation premiums are based on campus payroll and claims history. The CSU's self-insured risk pool retains the first \$2.5 million per occurrence and uses only claims capped at \$500,000 in premium calculations. Loss funding is set at a 70% confidence level, discounted for investment income.

For FY 2024–2025, Cal Poly contributed \$2,359,245, an 8% decrease from the prior year. Despite the decrease, Cal Poly's Experience Modification Factor (X-Mod) rose to 116%, indicating claims experience 16% higher than the CSU average. No new paid claims occurred, but prior years' claims continue to impact ratings.

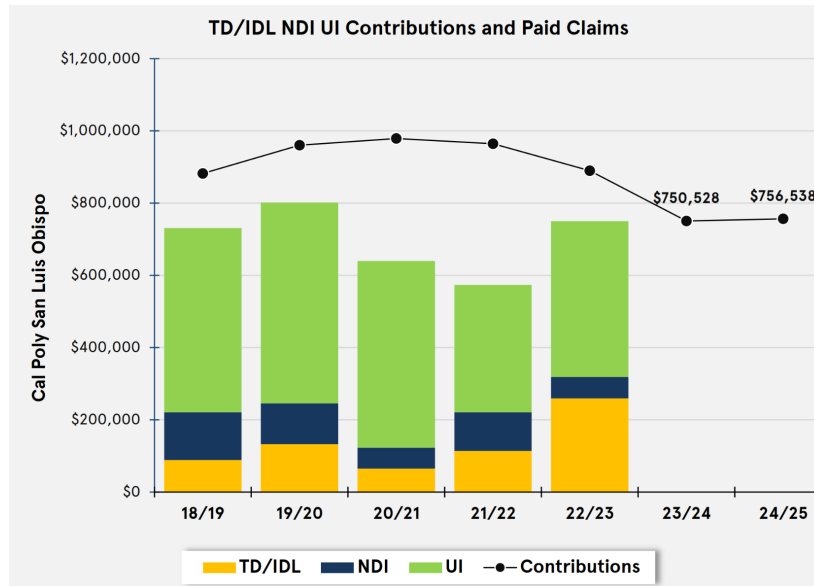
While the campus rate decreased from \$1.08 to \$0.90, it remains above the CSU systemwide rate of \$0.79. Cal Poly's X-Mod has exceeded the system average since FY 2021–2022, reflecting ongoing challenges in aligning with systemwide trends.



## IDL/NDI/UI Program

Industrial Disability Leave (IDL), Non-Industrial Disability Leave (NDI), and Unemployment Insurance (UI) are fully self-insured programs, with costs allocated to campuses based on actual claims over a rolling five-year period. These programs fund temporary disability and unemployment benefits for state employees.

For FY 2024–2025, Cal Poly's IDL/NDI/UI premium increased by 1%, reflecting higher claims activity. Program costs for the year are based on actual FY 2022–2023 claims, with a 6% projected increase applied.



## Property Program

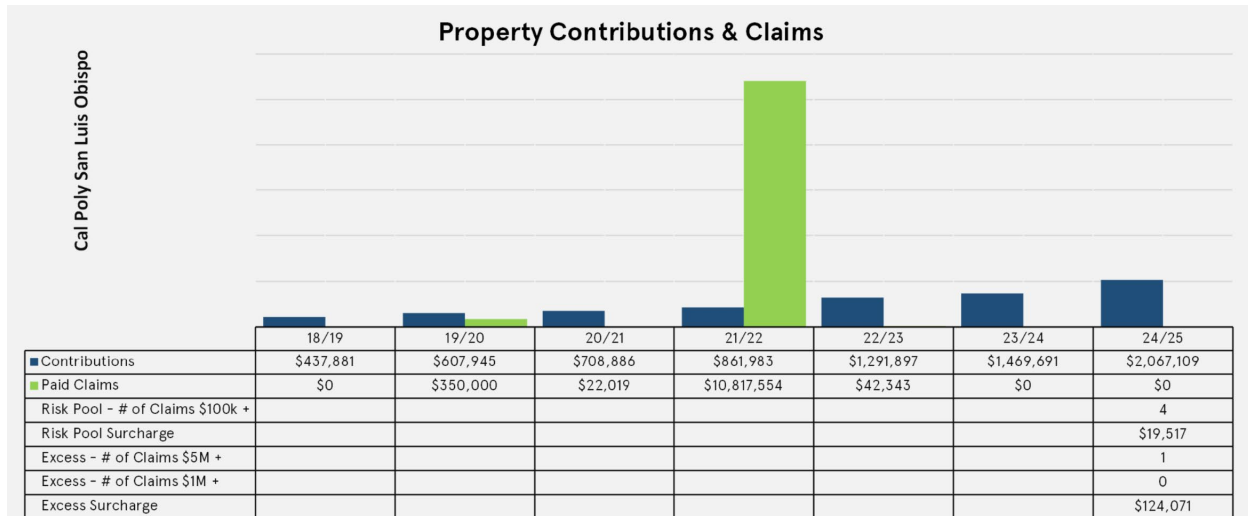
The CSURMA Property Program covers damage to buildings, scheduled structures, and business personal property, including contents and business interruption. It includes a \$2.5 million self-insured pool per occurrence, with a \$10 million annual aggregate. Cal Poly’s deductible remains \$100,000.

Effective July 1, 2024, the program introduced two claim surcharges: a 1% Risk Pool surcharge for each paid claim over \$100,000, and an Excess surcharge, 5% for claims over \$1 million and 10% for those over \$5 million. For FY 2024–2025, Cal Poly incurred \$143,588 in surcharges from four Risk Pool claims and one Excess claim.

Cal Poly’s insured property values rose from \$1.12B to \$1.20B, and the rate increased from 0.1309 to 0.1717, resulting in a 41% premium increase (from \$1.47M to \$2.07M). This continues a trend of double-digit annual increases since FY 2019–2020.

The global property insurance market remains volatile due to catastrophic losses, and Cal Poly’s significant claims history further impacts costs. Once shielded by impressive performance, CSU campuses now face rising premiums and tighter coverage.



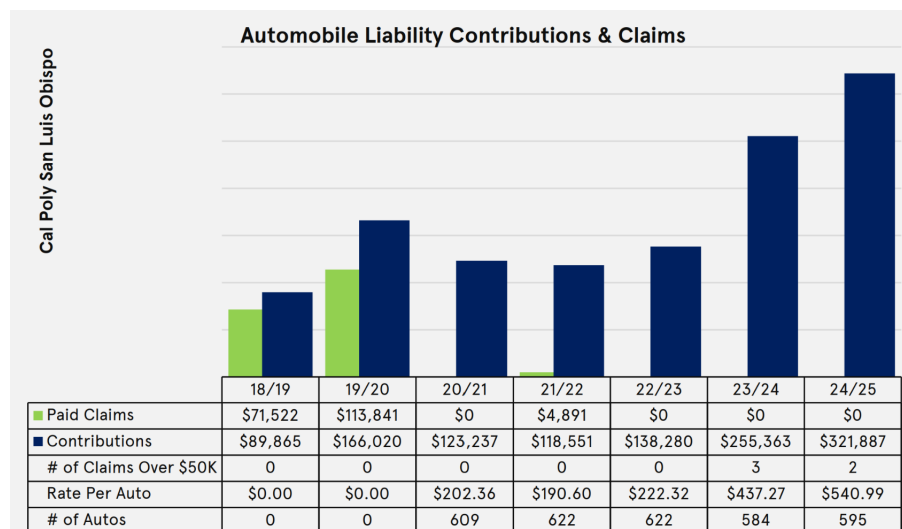


## Auto Liability Program

Auto Liability coverage is provided through the State Motor Vehicle Insurance Account (MVIA), managed by the Office of Risk and Insurance Management (ORIM). Costs have increased annually since FY 2019–2020, with premiums based on a per-vehicle rate. Cal Poly, with the largest fleet in the CSU, pays the highest premium.

In FY 2024–2025, Cal Poly’s contribution rose to \$321,887, a 26% increase from the prior year. This was due to overall CSU claims trends and a claims rating surcharge for campuses with paid claims over \$50,000 in the past five years. Cal Poly had two new paid claims and three historical claims exceeding this threshold.

The per-vehicle rate increased to \$540.99 (+23.7%), and Cal Poly’s fleet grew from 584 to 595 vehicles. Premiums continue to be influenced by fleet size and historical claims.

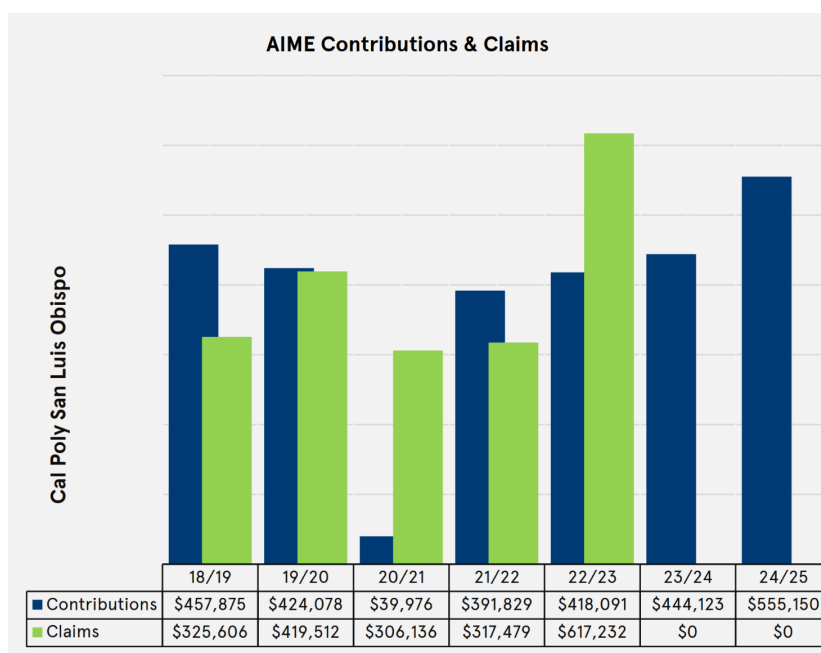




## Athletic Injury Medical Expense (AIME) Program

The CSU Risk Management Authority (CSURMA) provides Athletic Injury Medical Expense (AIME) coverage for Cal Poly student-athletes. AIME was established to cover medical expenses for CSU students participating in NCAA and NAIA intercollegiate athletics. The program is self-insured up to the deductible limits set by each organization's catastrophe coverage, \$90,000 for NCAA and \$35,000 for NAIA.

Program funding is determined by using a five-year rolling average of each campus's claims, adjusted for reserve contributions and administrative costs. For FY 2024–2025, Cal Poly contributed \$555,150 to the AIME program, a 25% increase from the previous year's \$444,123. Although no new paid claims were reported during the fiscal year, the increase was driven by prior claims activity, including \$617,232 in paid claims from FY 2022–2023.



## Foreign Travel Insurance Program Administration

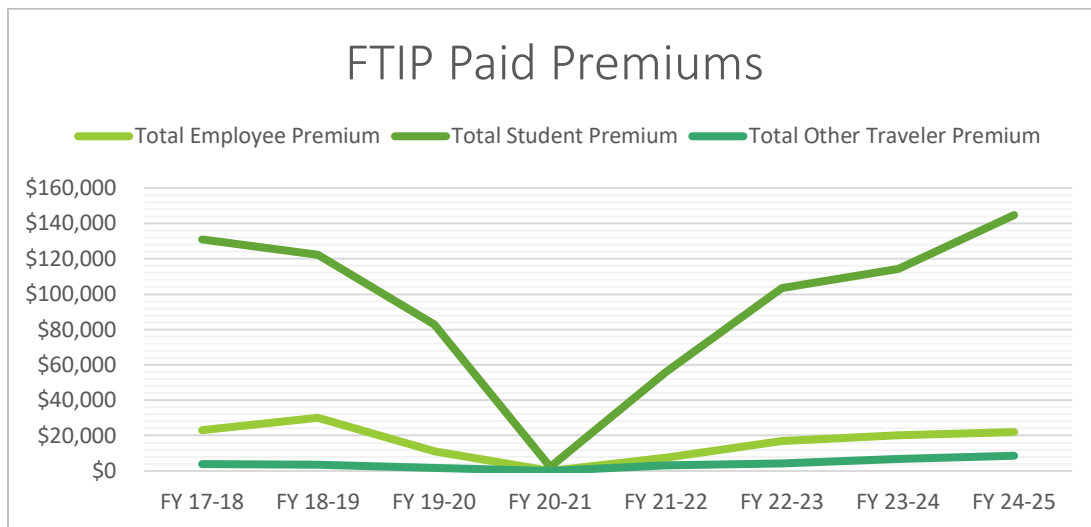
International travel insurance through CSURMA is required for all students, faculty, and staff who travel internationally on business trips, field trips, or study abroad programs. In the past three fiscal years, Cal Poly has experienced a dramatic increase in student travelers, since insurance coverage is provided not only for enrolled students but also for exchange participants in study abroad programs.

Travel activity data from FY 2021-2022 reflects this growth across all groups:

- Faculty/Staff travel grew from \$7,569 in FY 2021-2022 to \$21,844 in FY 2024-2025, with the largest increase occurring early on (+121.9%), followed by more moderate year-over-year growth (+19.7% and +8.7%).

- Student travel rose from \$55,886 in FY 2021-2022 to \$144,761 in FY 2024-2025, nearly doubling in the first year (+85.1%), with steady increases thereafter (+10.5% and +26.7%).
- Travel companion coverage expanded from \$3,195 FY in 2021-2022 to \$8,600 in FY 2024-2025, with the sharpest growth in the second year (+50.3%), and continued increases in later years (+38.3% and +29.4%).

Since the 2017–2018 policy year, Cal Poly has contributed \$130,616 in employee premiums and \$756,871 in student premiums to the CSU Foreign Travel Insurance Program (FTIP). Premiums peaked in FY 2018-2019 for employees and in FY 2024-2025 for students, with the impact of the COVID-19 pandemic reflected in the significant dip during the 2020–2021 policy year. Contributions have steadily increased since then, highlighting both the university’s recovery in international travel and its continued commitment to ensuring safe and insured global experiences for students, faculty, staff, and their travel companions.



## Claims Activity

Claim trend evaluations commonly consider two key factors: claim frequency and claim severity. Claim frequency refers to the number of claims filed against the university within a specified timeframe, while claim severity represents the financial impact associated with those claims. At Cal Poly, liability claims have shown favorable trends in both frequency and severity. However, trends related to property, auto liability, and workers’ compensation claims have been less favorable and warrant further attention.

Of all reported incident types, 51% involve bodily injury and 43% involve property damage. When analyzing incident causes, 40% are attributed to vandalism and 17% to diverse types of falls. Overall, 49% of incidents result in property damage.

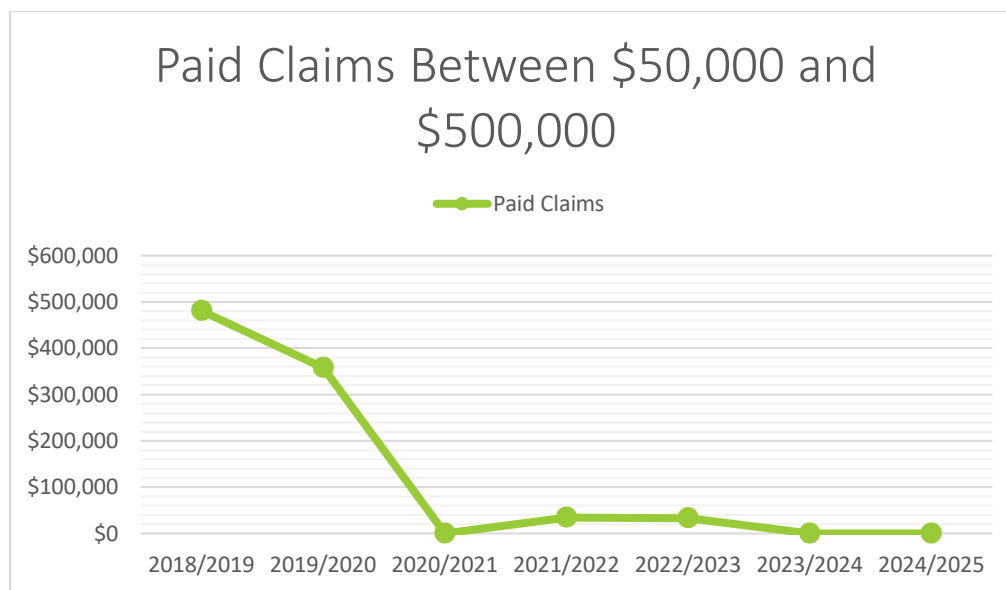
## Liability Claims

Incidents on campus that may lead to claims against the university include bodily injuries from falls, sports-related injuries, classroom or laboratory accidents, medical assistance calls, law enforcement activity, employment practices, vehicle accidents, and other events.

Over the past several years, Cal Poly has averaged 204 reported incidents annually. In FY 2024–2025, this number increased to 279 reported liability incidents. For purposes of the experience modification (X-Mod) rating, only claim payments exceeding \$50,000 and capped at \$500,000 are factored into the calculation.

It is important to note that many claims are not paid in the same fiscal year the associated incident occurs. As claims develop and payments are issued over time, the aggregated cost data for recent years becomes more accurate. Payments for incidents reported during this period will be reflected in future annual reports.

Cal Poly opens incident files proactively when an event occurs, in anticipation of a potential claim; however, most of these incident files do not result in formal claims against the CSU. Prompt reporting and timely investigation of potential claims help position the university to expedite resolution and achieve the most favorable outcomes.



## Vehicle Claims

For FY 2024–2025, Cal Poly reported 595 vehicles in use, with 62% owned by Facilities and the College of Agriculture, Food & Environmental Sciences. Auto liability claims are managed

through the Office of Risk and Insurance Management (ORIM) under a program with no self-insured retention, meaning all claim costs are fully covered by ORIM.

Effective July 1, 2023, a claims rating surcharge was introduced into the auto liability premium structure. This surcharge applies only to claims paid within the past five years that exceed \$50,000, increasing the campus's per-vehicle rate by 10% for each qualifying claim. Cal Poly incurred three such claims in FY 2023–2024 and two more in FY 2024–2025, resulting in a cumulative 50% increase in the per-vehicle auto liability rate for the current fiscal year.

During FY 2024–2025, 21 vehicle accidents were reported. While many were related to distracted driving, further analysis revealed eleven incidents involving unsafe backing, collisions with stationary objects, or improper parking. These trends are informing targeted improvements in driver training and awareness initiatives. Currently, five claims remain open, with an average reserve of \$6,600 per claim, well below the \$50,000 threshold that would trigger additional surcharge penalties.

### Property Claims

During fiscal year 2024–2025, Campus Risk Management processed four new property claims and responded to two incidents involving third-party vehicles damaging state-owned property. The damage caused by the third-party vehicles involved unscheduled infrastructure, which is subject to a \$500,000 deductible and therefore did not result in formal property insurance claims. However, Risk Management has notified the responsible parties and is actively pursuing recovery of the associated repair costs.

The first property claim occurred on July 26, 2024, when a water damage incident took place in Tower 4 of the Sierra Madre residence hall. Years earlier, a contractor had unknowingly driven a screw into a water supply pipe during restroom repairs. Because the pipe was never pressurized, the damage went undetected until an unrelated contractor pressurized the line, causing it to fail and resulting in significant water damage. The total claim amounted to \$669,437.93, and after applying the \$50,000 deductible, insurance paid \$619,437.15. The claim was closed in May 2025.

The second incident occurred on August 18, 2024, in Building 40, where a cracked filter housing in a hallway drinking fountain caused water damage to the corridor and adjacent rooms. The cause of the failure was not determined, and the age of the party ruled out subrogation. The total claim was \$107,516.67, and with a \$100,000 deductible applied, the net insurance payment was \$7,516.67. This claim was closed in August 2024.

A third and more complex incident took place on October 26, 2024, when a driver suffered a medical emergency while traveling on the pedestrian and bicycle-only section of Via Carta. The vehicle struck a light pole, street sign, and fire hydrant at the intersection of Via Carta and North Perimeter before overturning and landing in a landscaped area. The sheared hydrant caused a water pressure spike that led to the rupture of an underground pipe near Building 124. Water flowed downhill into the building, causing extensive damage. The total claim

amounted to \$641,576.91, with \$409,331.27 approved by insurance to date. The remaining variance of \$232,245.64 is currently under review with the insurance adjuster. The damage to the light pole, street sign, and fire hydrant was excluded from the claim due to its classification as unscheduled infrastructure. Subrogation is being pursued by McLarens field adjusters against the vehicle owner and its insurer, Tesla, for the full amount of damages, including the \$100,000 deductible and infrastructure repairs. However, no response has been received from either party, or given the size of the claim, there is concern the driver may be underinsured. Litigation may be necessary if recovery efforts continue to be unsuccessful.

The final property claim occurred on January 13, 2025, when a fire broke out in room 501 of the Huasna building, located in the Poly Canyon Village housing complex. A student's backpack, resting on a sofa in the common area, spontaneously combusted, igniting the sofa and nearby wall. The fire was quickly extinguished by the building's sprinkler system, but the sprinkler discharge caused substantial water damage to five floors. The total claim was \$161,214, with insurance covering \$61,214 after the \$100,000 deductible. The claim was closed in June 2025, and subrogation was not pursued as the cause of the fire could not be determined.

During fiscal year 2024–2025, Risk Management recorded fifty-seven incidents of vandalism that resulted in documented repair costs totaling \$39,419, with an average cost of \$691 per incident. Notably, approximately 47% of this involved damage to ceiling tiles and exit signs—highlighting a recurring pattern of high-frequency, low-cost property damage concentrated in communal areas.

Additionally, eight state-owned vehicles were involved in collisions with unscheduled infrastructure. While none of these incidents exceeded the property insurance deductible, requiring the university to absorb the repair costs internally, they emphasize the ongoing need for enhanced driver safety awareness and proactive infrastructure hazard mitigation.

## Risk Management Programs

### Enterprise Risk Management

In FY 2024–2025, Risk Management, in conjunction with Environmental Health & Safety (EHS), made meaningful progress in laying the foundation for a formal Enterprise Risk Management (ERM) program at Cal Poly. This included drafting the university's first campus-specific ERM Policy, aligning with ISO 31000 principles, CSU guidelines, and Cal Poly's governance structure. The policy defines roles and responsibilities, outlines a risk assessment process, and establishes a framework for risk monitoring and reporting across departments and functional areas.

To support implementation, Risk Management developed foundational tools such as risk assessment templates, a standardized risk matrix, and a campus risk register framework. Pilot assessments were conducted with several departments to identify and prioritize risks related to operations, compliance, safety, and reputational impact. These pilots helped evaluate the assessment process, build awareness, and inform further tool refinement.

Risk Management also began engaging key stakeholders to promote a shared understanding of ERM concepts and the value of risk-informed decision-making. The ERM approach will eventually be integrated into other ongoing initiatives, such as youth protection, event risk planning, and insurance programs, to demonstrate how structured risk practices can be embedded into campus operations.

Work is underway to develop a multi-year implementation plan that will scale ERM efforts campus-wide, establish reporting mechanisms, and further integrate ERM into strategic planning and resource allocation processes. FY 2024–2025 marked a critical planning and capacity-building year that sets the stage for full program implementation in future cycles.

### Risk Assessments

In FY 2024–2025, Risk Management focused on event-driven risk assessments to support safer operations and more informed decision-making across campus. Assessments were conducted in response to a range of planned and high-impact activities, including major events, youth programs, and student-led activities. A key example was Risk Management’s collaboration with the Emergency Operations Center (EOC) to complete a comprehensive risk assessment for the St. Patrick’s Day Special Event Concert. This evaluation addressed risks related to crowd control, alcohol use, emergency response, vendor operations, and student safety—resulting in stronger coordination among campus stakeholders and the implementation of targeted mitigation strategies.

Risk Management also expanded its support for student activities by working closely with Cal Poly’s recognized student organizations (RSOs) and Instructionally Related Activities (IRA) clubs to assess risks associated with off-campus travel, high-risk events, and competitions. These assessments helped student leaders and advisors plan safer events, implement control measures, and ensure compliance with university policies and insurance requirements.

Additional risk assessments were conducted for youth-serving programs, such as camps and outreach events, with a focus on supervision, facility access, transportation, and emergency preparedness. By prioritizing real-time activities and institutional priorities, Risk Management helped departments and student groups proactively address risks, enhance safety, and foster a more prevention-focused culture across campus.

### Youth Protection Program

As chair of the Youth Protection Committee in FY 2024–2025, Risk Management led efforts to establish a solid foundation for safeguarding youth across Cal Poly’s programs. A key achievement was the development of a comprehensive Youth Protection Policy aligned with CSU standards and best national practices, outlining requirements for registration, background checks, supervision, and incident reporting.

To promote consistency and reduce institutional risk, Risk Management prioritized the centralization of youth program processes. While Ideal-Logic, our selected platform for registration, Live Scan tracking, and incident reporting, is still in development and expected to launch campus-wide in September 2025, 47 programs were manually registered to maintain oversight during the transition.

We also collaborated with Human Resources and legal counsel on procedures related to arrest disclosures, testing for cause, and conviction review, and began drafting a policy on medication administration in youth programs. A public-facing website was launched to provide resources for staff and families, and new contract language now holds third-party programs to the same safety standards as internal departments.

Challenges remain, including limited awareness among program coordinators, inconsistent documentation, and uncertainty around supervisory responsibilities. Risk Management continues to focus on simplifying compliance, strengthening accountability, and embedding a culture of safety in all youth-serving activities.

### Alcohol Service Requests

In FY 2024–2025, Risk Management continued to enhance oversight of alcohol service requests (ASRs) at Cal Poly to ensure compliance with CSU policies, state regulations, and campus safety standards. A total of 99 ASRs were reviewed and approved during the fiscal year. Risk Management collaborated closely with event organizers, Facilities, University Police, and Campus Dining to assess risk factors such as event location, attendee profile, access control, and alcohol handling procedures.

To address longstanding limitations in the current ASR process—specifically the use of a legacy Eforms platform that lacks reporting capabilities and requires ongoing ITS support—Risk Management initiated a transition to a new system using 25Live Forms. This shift will allow for improved functionality, streamlined workflows, and greater visibility into alcohol service approvals. Once fully implemented, the Eforms workflow will be retired, eliminating the need for legacy system maintenance. Additionally, Risk Management is working with Events staff to integrate ASRs into Slate as part of a broader effort to create a centralized, user-friendly platform for event planning. The new system will support better reporting, transparency, and coordination. Full implementation is anticipated in FY 2025–2026.

In alignment with California’s Responsible Beverage Service (RBS) certification requirements, forty-eight faculty, staff, and volunteers became certified to serve alcohol at campus events in FY 2024–2025. Certification is valid for three years and enhances compliance with state training mandates while promoting responsible alcohol service at university-sponsored functions.

### Driver Safety



In fiscal year 2024-2025, a total of 1,913 driver applications were approved, averaging 160 approvals per month. Application volume peaks in September, primarily due to the influx of WOW drivers and the start of the campus term.

The Driver Safety team is actively collaborating with the Disability Resource Center (DRC) and Fleet Services to enhance training for drivers providing accessible transportation. This joint effort aims to deliver a more comprehensive and robust training experience, ensuring safety and service excellence. Additionally, responsibility for the annual renewal of the STD 261 form for personal vehicle use has transitioned from individual departments to the Driver Safety team, centralizing documentation and streamlining the approval process.

Cal Poly's commitment to driver safety and process improvement continues to set a standard of excellence within the CSU system.

### Unmanned Aircraft Systems

In FY 2024-2025 Risk Management purchased the Risk and Safety Solutions (RSS) Drone Application, which offers a centralized, efficient, and compliant approach to managing drone operations across campus. It streamlines the approval process by capturing essential information such as pilot certifications, flight plans, and operational details, ensuring all drone activities align with FAA regulations and university policies. By consolidating documentation and workflows, the application reduces administrative burden while enhancing oversight and risk mitigation. It also supports safe innovation by enabling faculty, staff, and students to conduct drone-related research and projects within a clear, compliant framework.

### Looking Ahead to Fiscal Year 2025-2026

As Cal Poly enters FY 2025–2026, Risk Management will continue advancing its mission to support a safer, more resilient campus through proactive risk identification, mitigation, and education. Key priorities include the launch of the new alcohol service request system in 25Live, which will streamline workflows, improve reporting, and increase visibility for event-related risks. This transition marks a significant step in replacing outdated legacy systems with modern, supportable platforms that better serve campus partners.

Looking ahead to the integration with the Solano campus, Risk Management is actively working to ensure a smooth and cohesive transition of Risk Management processes. With the Solano Risk Manager transitioning to Human Resources, Cal Poly's Risk Management team is taking a lead role in mapping out and aligning key processes for insurance programs, Driver Safety, and Youth Programs to support full integration. The Solano campus, with its extensive maritime activities, adds a unique layer of risk complexity that requires careful planning and consideration. By proactively addressing these specialized risks, we are strengthening effective risk management across both campuses.

Building on the foundational work completed in FY 2024–2025, Risk Management will further develop and implement the Enterprise Risk Management (ERM) framework, including the finalization of the campus-wide risk register, expansion of departmental risk assessments, and continued integration of ERM principles into strategic planning and operations. We also plan to publish and operationalize the ERM Policy to support consistent practices and accountability across the university.

In support of youth safety, Risk Management will prepare for the full rollout of the Youth Protection Program, including the launch of Ideal-Logic for program registration and background check tracking, as well as continued collaboration with departments to increase awareness and compliance.

Other key areas of focus will include enhancing risk assessment practices for high-profile events, strengthening the review process for contract and insurance requirements for third-party vendors, and improving internal processes for incident tracking and claims management. By emphasizing communication, collaboration, and prevention, Risk Management will continue to build a solid foundation for risk-informed decision-making and a culture of safety throughout the Cal Poly community.