



California Polytechnic State University Risk Management Annual Report

FISCAL YEAR

2025/2026

Table of Contents

Introduction	3
Executive Summary.....	3
CSURMA Risk Pool and Insurance Costs	3
General Liability Program	7
Workers Compensation Program	9
IDL/NDI/UI Program.....	10
Property Program	12
Auto Liability Program	13
Athletic Injury Medical Expense (AIME) Program.....	14
Foreign Travel Insurance Program Administration.....	16
Claims Activity.....	18
Liability Claims	18
Workers Compensation Claims.....	20
Vehicle Claims	22
Property Claims.....	23
Builder’s Risk Claims	24
Risk Management Programs	24
Enterprise Risk Management.....	24
Risk Assessments	25
Youth Protection Program	26
Alcohol Service Requests	27
Driver Safety.....	28
Unmanned Aircraft Systems	29
Looking Ahead to Fiscal Year 2026-2027	30

Introduction

This report is submitted in accordance with California State University Risk Management Policy (previously 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

During FY 2025–2026, Risk Management continued strengthening its programs while integrating operations across the San Luis Obispo and Solano campuses. Insurance and risk financing costs increased, driven by claims experience, property values, and broader insurance trends. While San Luis Obispo maintained favorable General Liability performance, Workers' Compensation, Property, and Auto Liability remain priorities for loss prevention and cost management.

Claims activity reinforced the importance of proactive risk management and financial stewardship. Most automobile claims were low severity, while historical losses continued to influence premiums. Property losses included three significant Builder's Risk claims involving Student Housing Building A, with projected losses exceeding \$8.3 million. These exposures highlight the importance of prevention, contractual risk transfer, timely reporting, and effective claims management.

Significant progress was also made in strengthening and modernizing university risk programs. Risk Management advanced the Enterprise Risk Management (ERM) framework, reviewed more than 60 higher-risk activities, implemented Ideal-Logic for Youth Protection, modernized Alcohol Service Requests, approved 2,160 drivers, and enhanced oversight of university drone operations. These initiatives improved compliance, efficiency, and centralized risk oversight.

In FY 2026–2027, priorities include advancing ERM, strengthening Youth Protection and Driver Safety, improving claims and insurance management, and continuing integration across both campuses. These efforts will support a safer, more resilient university while further embedding risk-informed decision-making into university operations and planning.

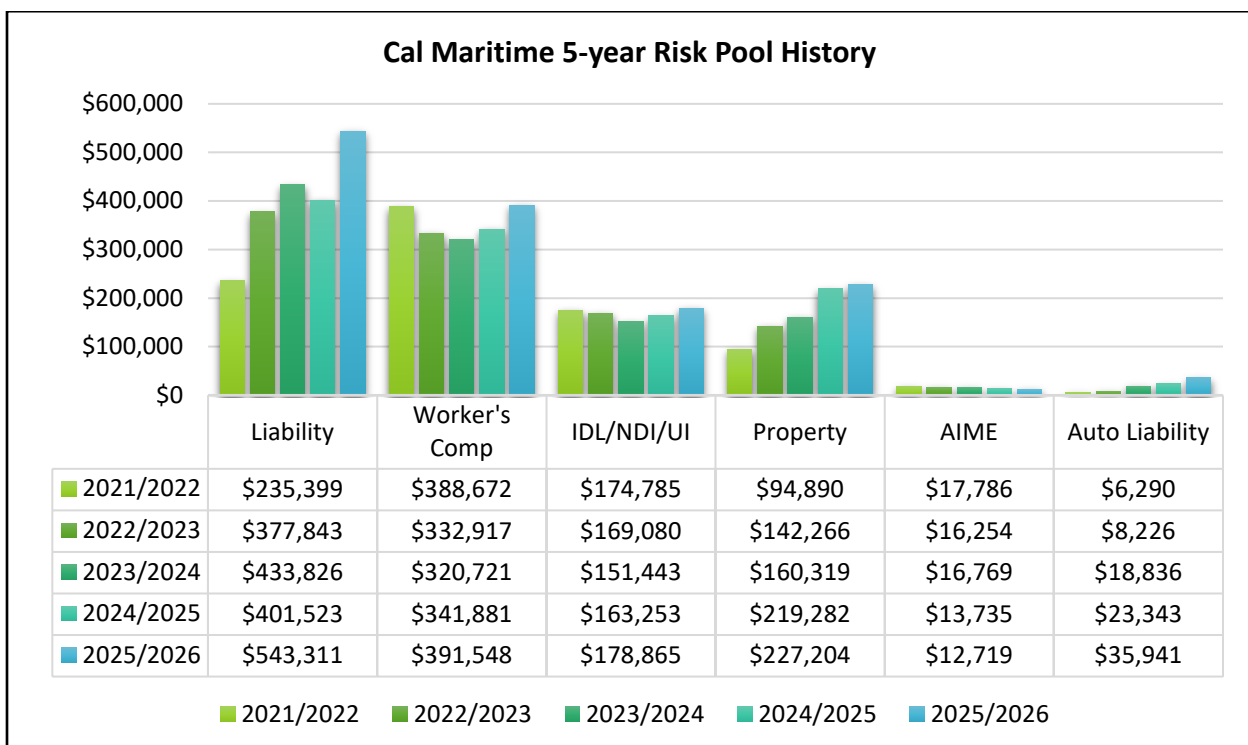
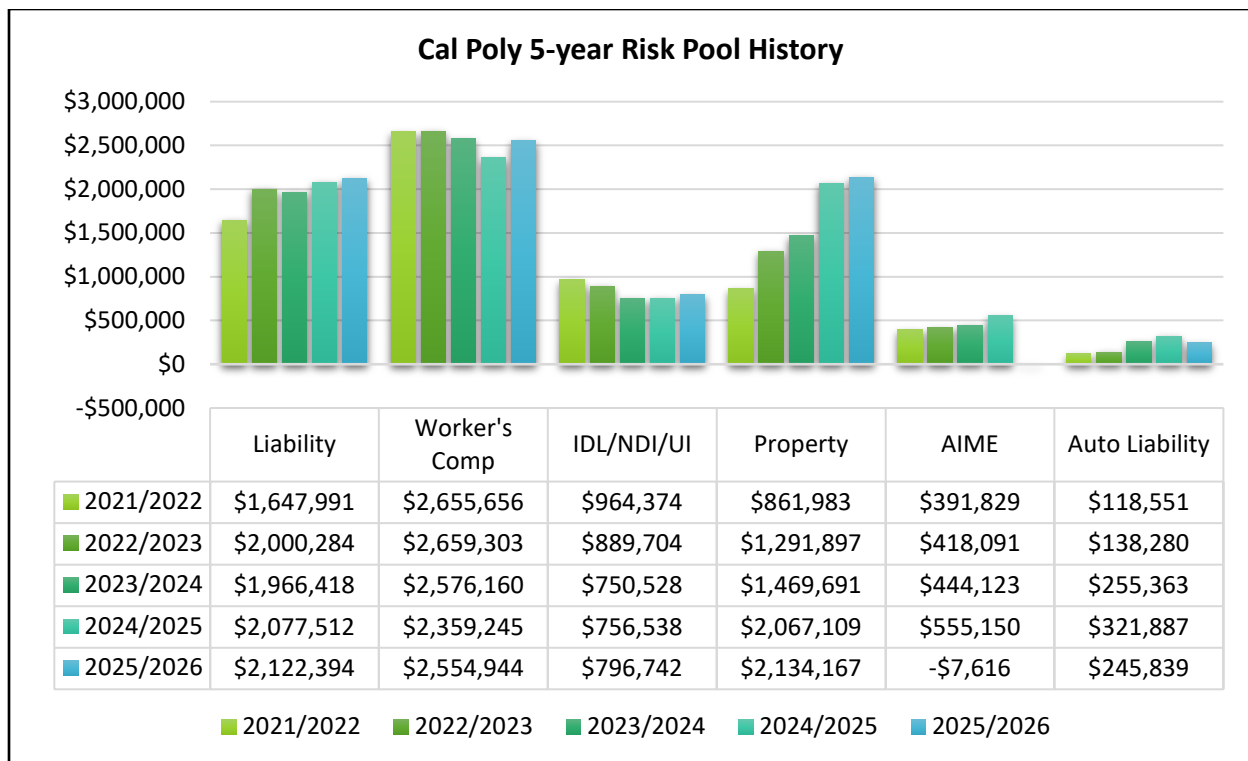
CSURMA Risk Pool and Insurance Costs

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, club sports, and inland marine.

Campuses select their self-insured retention (SIR) levels for Property and General Liability coverage. Cal Poly maintains a \$100,000 deductible for property claims, and a \$500,000 deductible for General Liability at both campuses. For eligible campus events, Cal Poly also recommends and facilitates the purchase of Special Event Liability insurance, which transfers covered event-related liability exposure from the University's General Liability program to a separate policy, reducing the campus's financial responsibility for those claims. The university's deductible and retention levels are reviewed periodically, with the next review scheduled for FY 2026–2027.

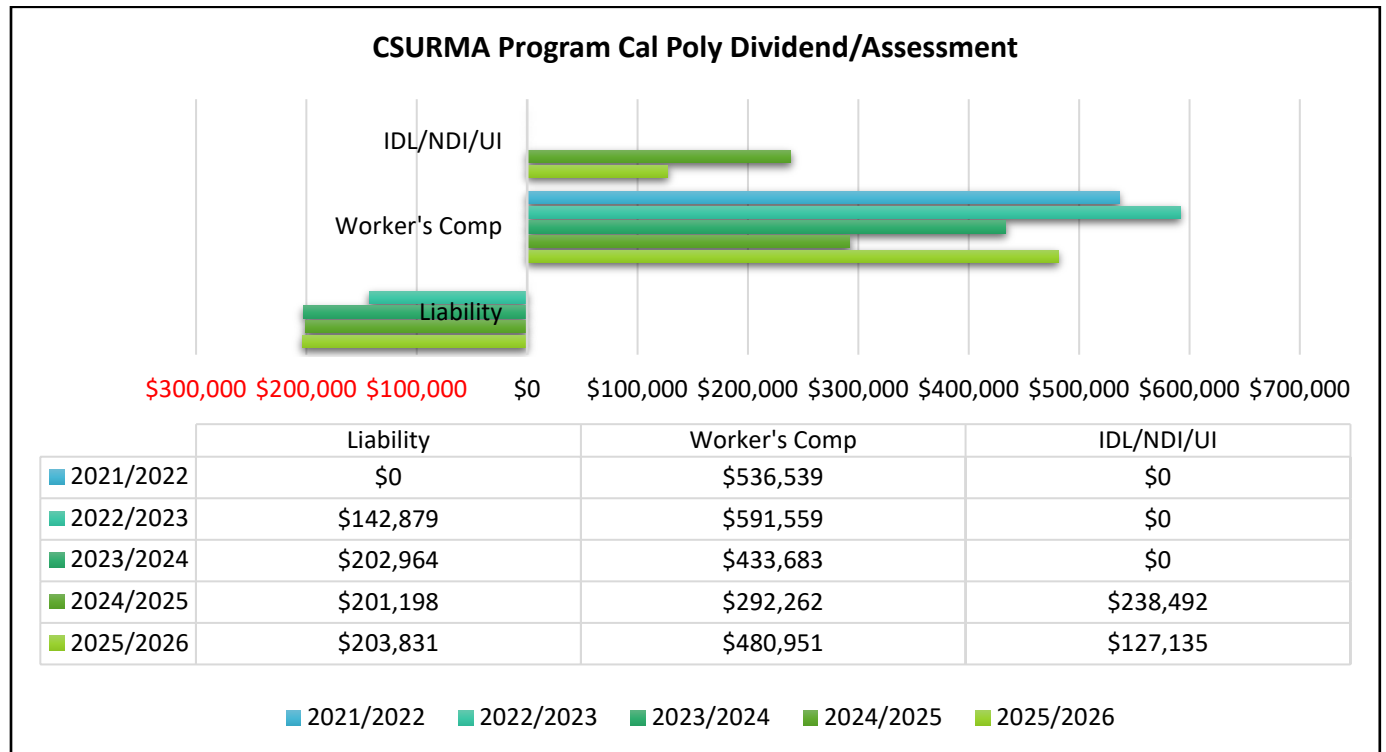
Premiums for General Liability and Workers' Compensation are influenced by each campus' Experience Modification Factor (X-Mod), which adjusts insurance costs based on loss history and actual claim payments over a rolling five-year period. In FY 2025–2026, Cal Poly San Luis Obispo's total cost for insurance and risk financing programs increased to \$8,723,507, a 7% increase (\$586,065) over the prior year. During the same period, Cal Maritime's (Solano) total cost increased to \$1,389,588, a 19% increase (\$226,571) from \$1,163,017 in FY 2024–2025. These costs include General Liability, Workers' Compensation, Industrial Disability Leave (IDL), Non-Industrial Disability Insurance (NDI), Unemployment Insurance (UI), Property, Athletic Injury Medical Expense (AIME), and Auto Liability programs.

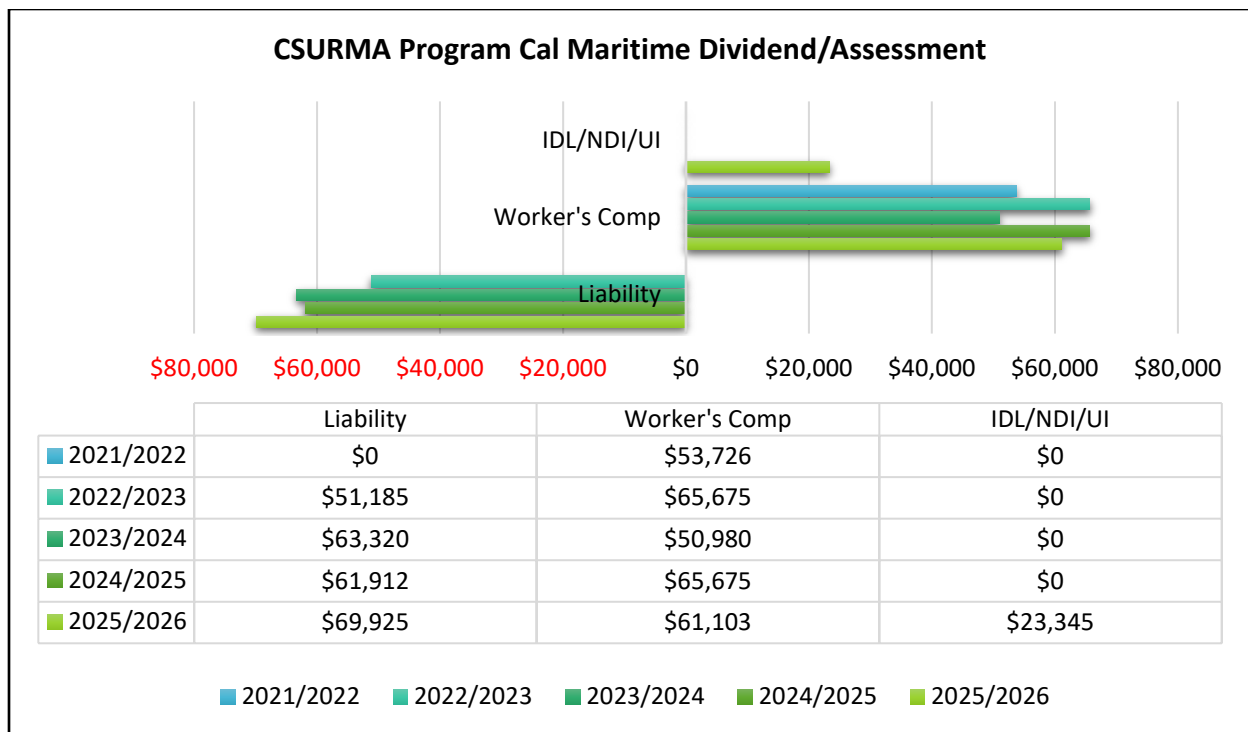


For FY 2025–2026, the Executive Committee of CSURMA approved a \$5 million assessment for the Liability Program. Cal Poly’s share of this assessment was \$285,663, consisting of \$208,000 for the San Luis Obispo campus and \$77,575 for the Solano campus. The assessment was

collected in November 2025. No dividends were issued for the Workers Compensation, IDL/NDI/UI, and AIME programs.

Over the past five fiscal years, insurance and risk financing costs have generally increased at both Cal Poly and Cal Maritime, with the most significant growth occurring in the Property, Liability, and Auto Liability programs. Workers' Compensation remains the largest cost category for both campuses, while IDL/NDI/UI and AIME contributions have remained relatively stable. Property insurance costs have risen substantially due to claims experience, increasing insured values and market conditions, while General Liability and Auto Liability costs have been influenced by claims experience and systemwide trends. These patterns highlight the continued importance of proactive risk management, loss prevention, and effective claims management as the university works toward the integration of risk financing programs across both campuses.



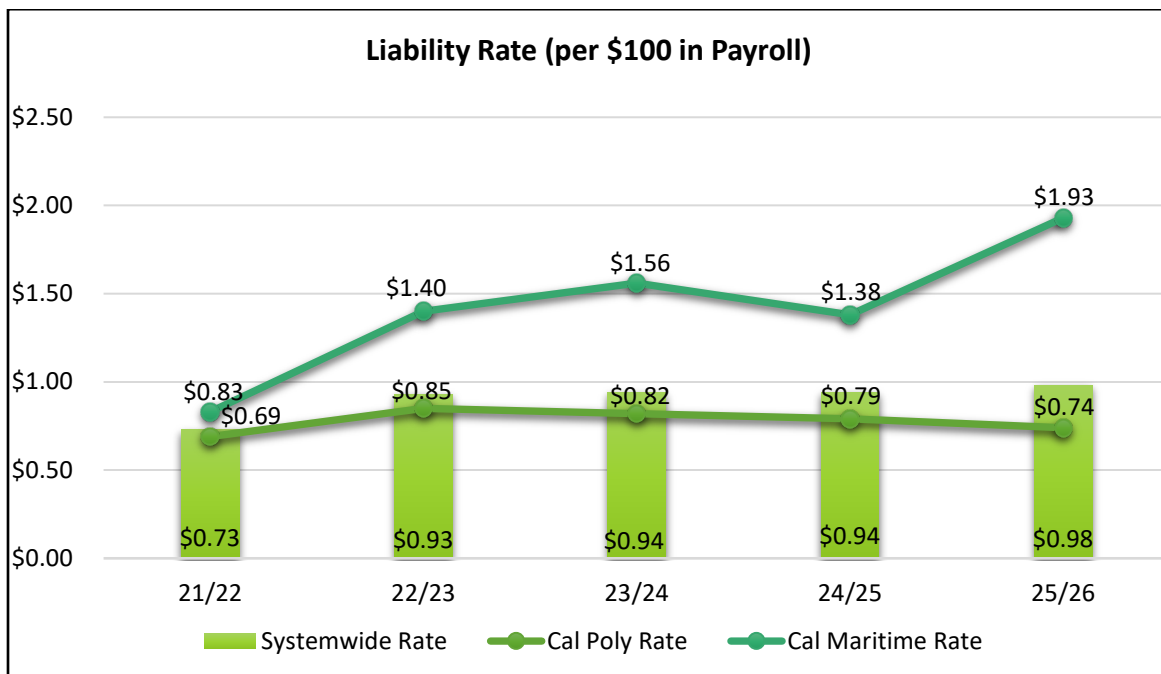
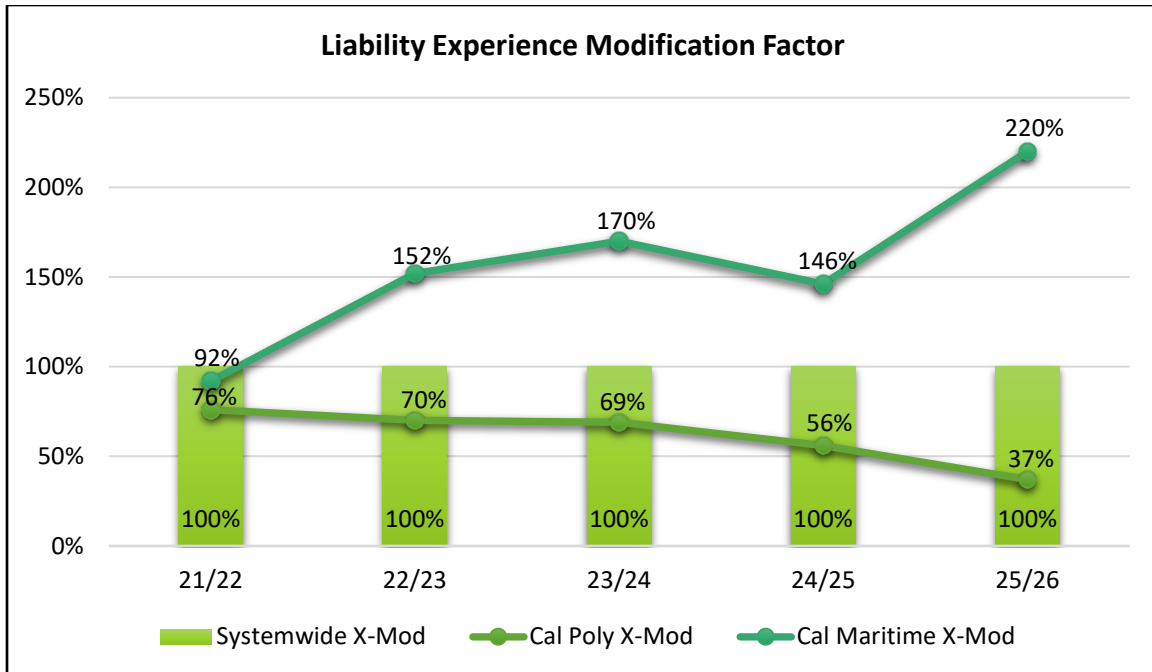


General Liability Program

The CSURMA General Liability Program provides coverage for General Liability and includes contributions for the Student Professional Liability Insurance Program (SPLIP), Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP), Club Liability Insurance Program (CLIP), Doctor's Medical Malpractice, and Trustees E&O/Fiduciary Liability. Program Liability premiums are calculated using each campus's actual payroll from FY 2023–2024, while the Experience Modification Factor (X-Mod) is based on indemnity and claim payments between \$50,000 and \$500,000. Beginning in FY 2026-2027 the X-Mod calculation will only apply to claims with payments excess of \$100,000 and capped at \$650,000. The X-Mod serves as a key indicator of a campus's historical loss experience and directly influences annual liability insurance costs.

For FY 2025–2026, Cal Poly continued to outperform systemwide liability trends, reflecting a favorable claims history. The Cal Poly X-Mod improved from 56% to 37%, and the liability rate decreased from \$0.79 to \$0.74 per \$100 of payroll, remaining well below the systemwide rate of \$0.98.

In contrast, Cal Maritime's (Solano) liability experience remained less favorable than systemwide trends, driven by significant historical losses. The Cal Maritime X-Mod increased from 146% to 220%, and the liability rate rose from \$1.38 to \$1.93 per \$100 of payroll, nearly double the systemwide rate of \$0.98. These increases reflect the impact of prior claims activity on the campus's risk profile and insurance costs.



Complementing the CSURMA Liability Program, Cal Poly's Special Event Liability Insurance Program provides an important layer of risk financing for university activities. During FY 2025–2026, approximately 50 events were insured under Special Event Insurance, covering more than 120,000 attendees. Insured events ranged from small departmental functions to major campus events, including Spring Commencement (60,000 attendees), St. Patrick's Day Concert (14,000), Mustang Family Weekend (10,000), Open House (7,000), and Week of Welcome (6,200).

The program has a General Liability deductible of \$0 for covered event-related claims, significantly reducing the university's retained financial exposure. Equally important, claims paid under the Special Event Liability Insurance Program are handled through the event-specific insurance policy and do not contribute to Cal Poly's CSURMA liability claims experience, or Experience Modification Factor (X-Mod). By insulating the university's liability program from eligible event-related claims, the Special Event Insurance Program helps preserve Cal Poly's favorable loss experience, supports long-term premium stability, and protects the campus from increases in future liability insurance costs.

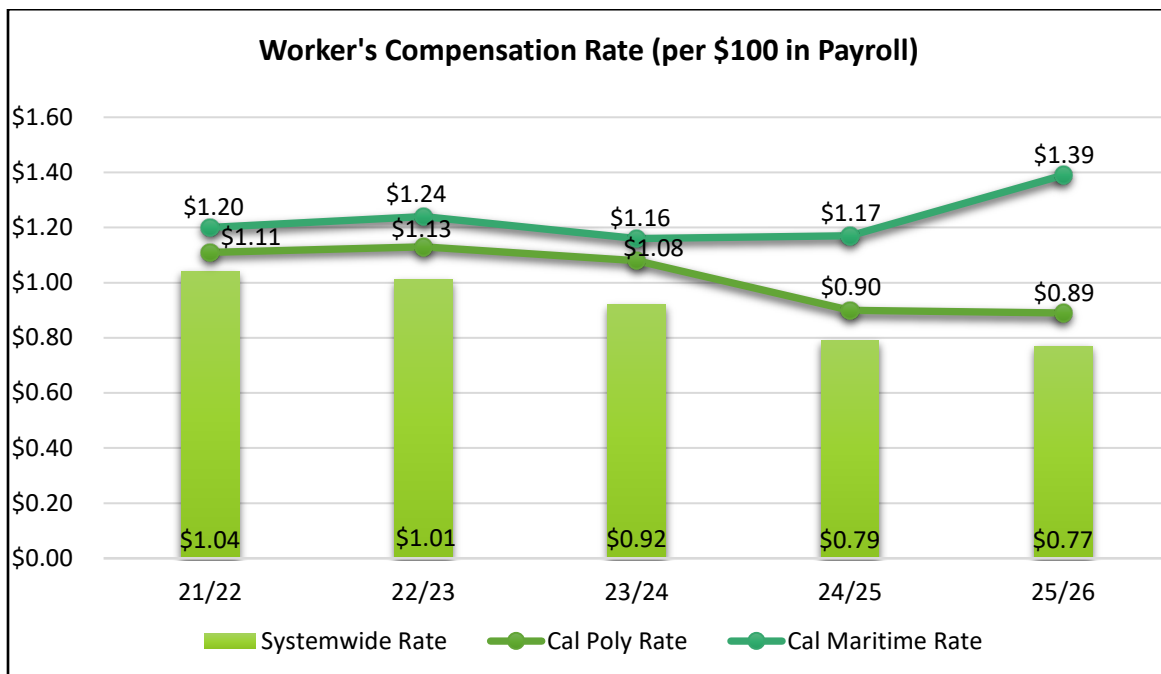
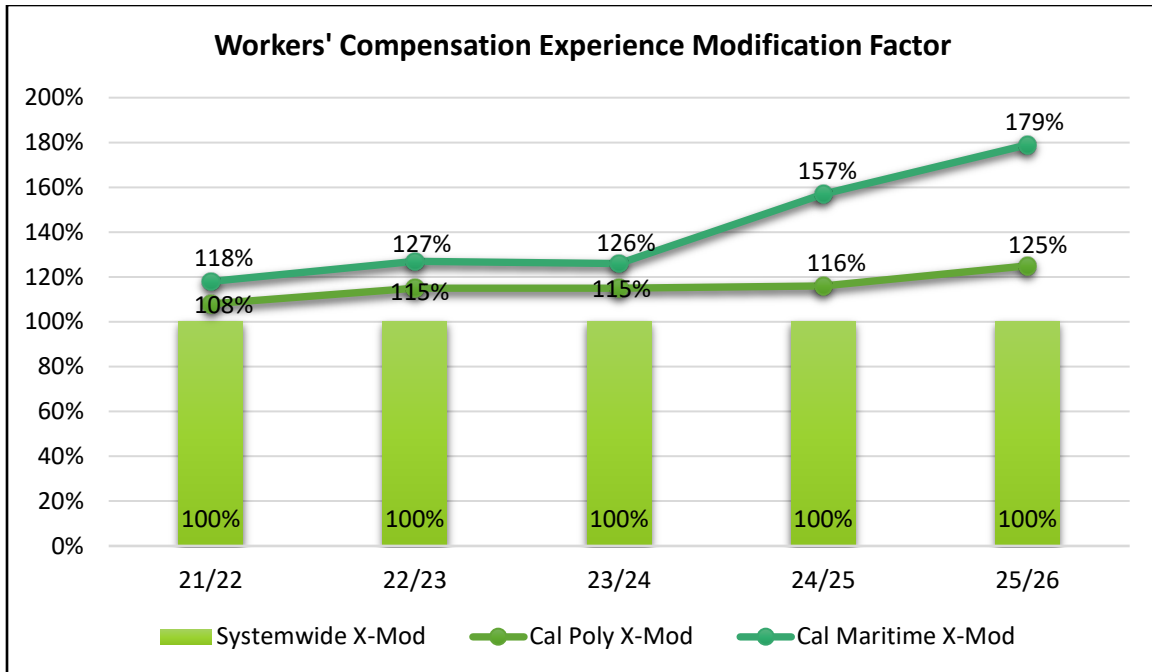
In FY 2025-2026 Special Event Insurance premiums ranged from approximately \$198 for small, low-risk events to nearly \$8,900 for Week of Welcome, reflecting event size and complexity. Most events required only standard General Liability coverage, with relatively few requiring Additional Insured endorsements or Liquor Liability coverage, and virtually none requiring exhibitor, concessionaire, or property damage coverage. These trends demonstrate effective event planning, contractual risk transfer, and disciplined risk management practices across the university while supporting Cal Poly's mission of education, research, and community engagement.

Workers Compensation Program

Workers' Compensation premiums are determined using campus payroll and claims history. The CSU self-insured risk pool retains the first \$2.5 million of each claim, while premium calculations consider only claim costs up to \$500,000 per occurrence. Annual loss funding is established at a 70% confidence level and is adjusted to reflect anticipated investment income.

For FY 2025–2026, Cal Poly contributed \$2,554,944 to the Workers' Compensation program, an 8.3% increase over the prior year. Cal Maritime (Solano) contributed \$391,548, representing a 15% increase from FY 2024–2025. As a result, Cal Poly's Experience Modification Factor (X-Mod) increased to 125%, indicating claims experience 25% above the CSU system average, while Cal Maritime's X-Mod increased to 179%, reflecting claims experience 79% above the system average. Although no new paid claims were reported during the rating period, claims from prior years continue to influence both campuses' experience ratings.

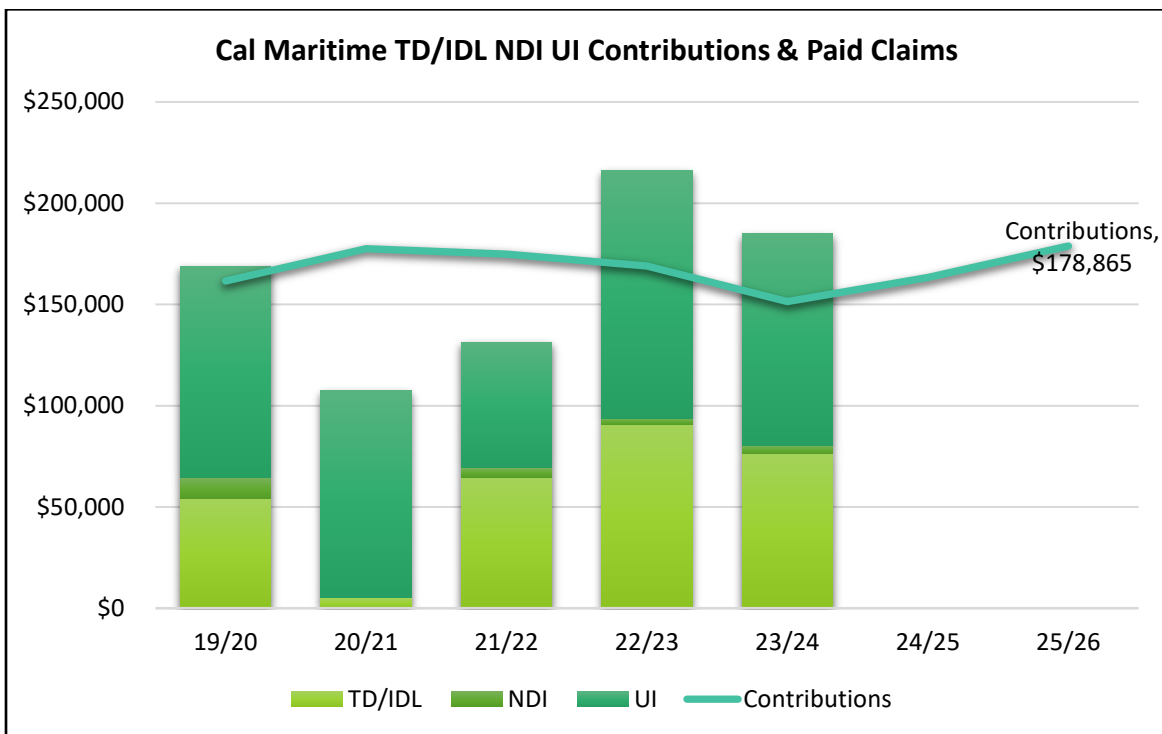
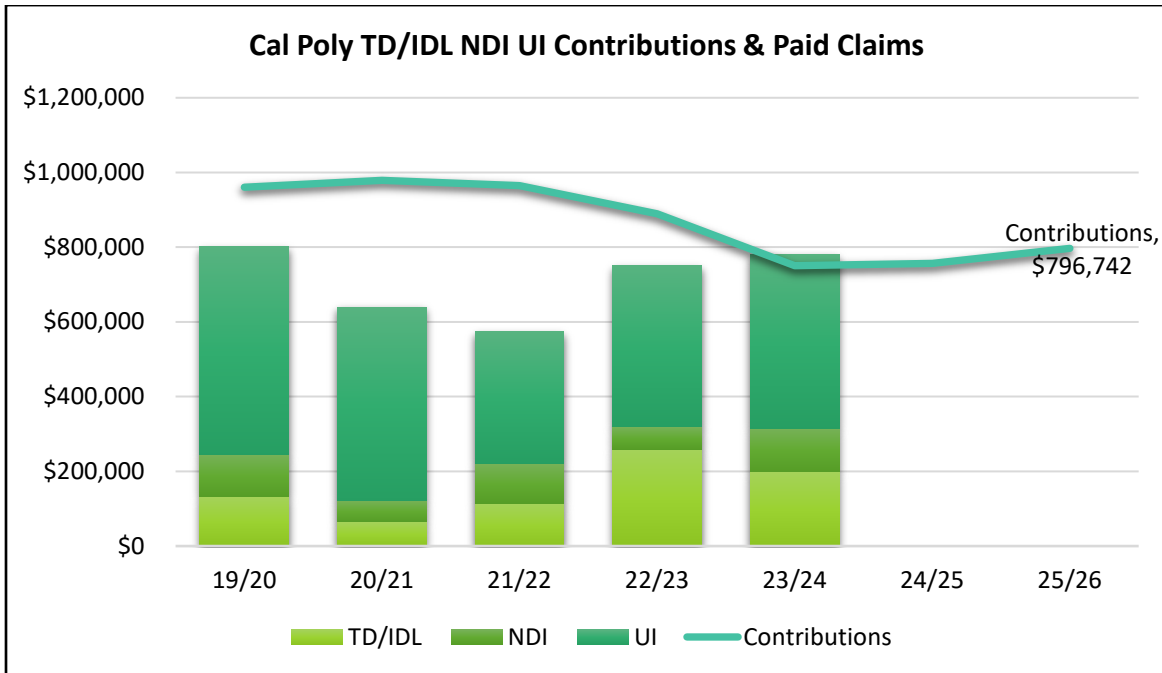
Cal Poly's Workers' Compensation rate decreased slightly from \$0.90 to \$0.89 per \$100 of payroll but remained above the CSU systemwide rate of \$0.77. Similarly, Cal Maritime's rate increased from \$1.17 to \$1.39 per \$100 of payroll, remaining significantly higher than the systemwide average. Both campuses have maintained Workers' Compensation X-Mods above the CSU average since FY 2021–2022, reflecting the continuing impact of historical claims experience on program costs.



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 2025–2026, Cal Poly’s IDL/NDI/UI premium increased by 5% and Cal Maritime’s premium increased by 10%, reflecting higher claims activity. Program costs for the year are based on actual FY 2022–2023 claims, with a 6% projected increase applied.



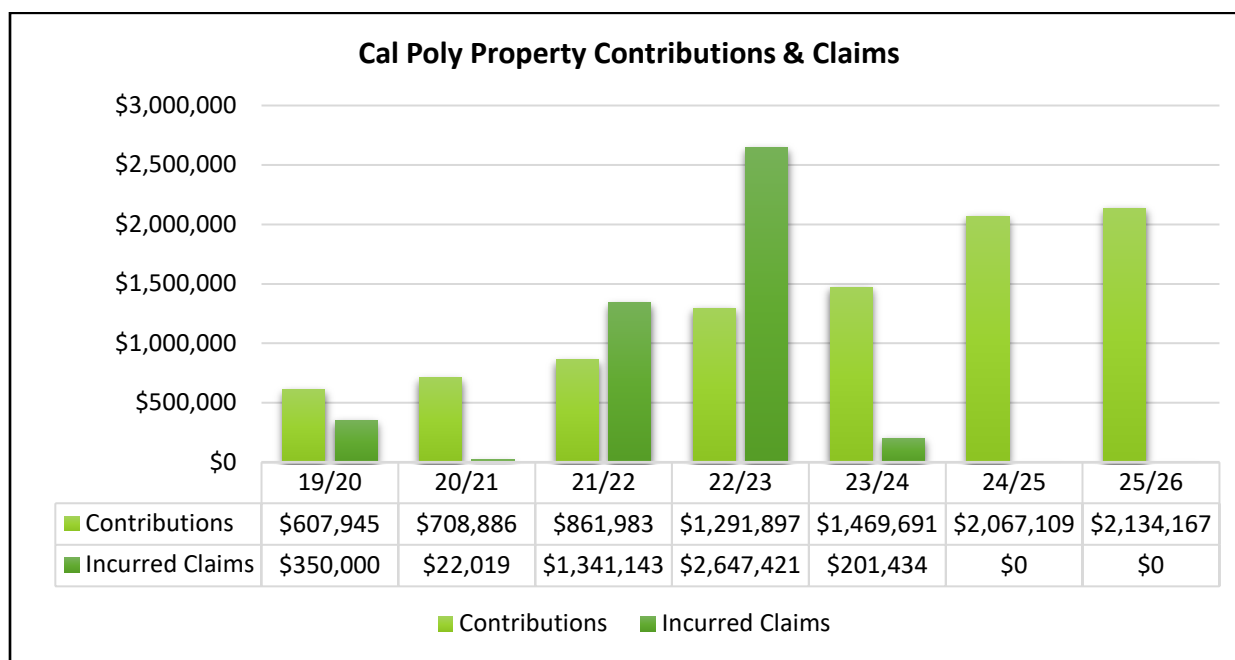
Property Program

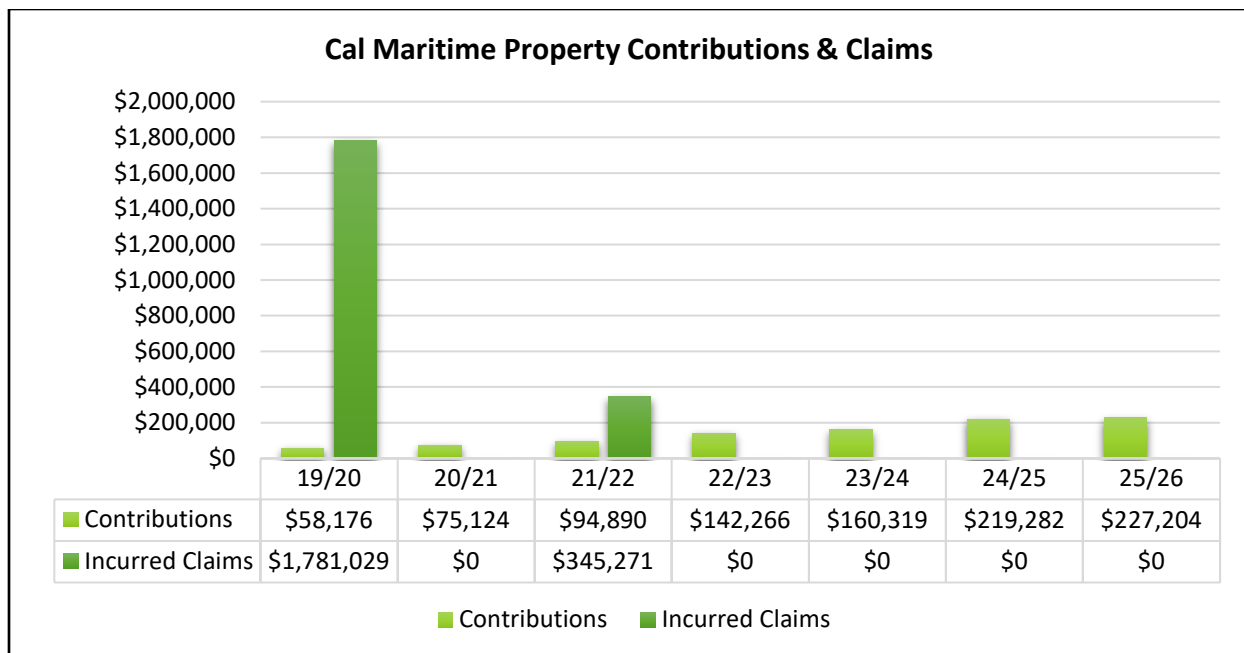
The CSURMA Property Program covers damage to buildings, scheduled structures, and business personal property, including contents and business interruption. It includes a \$2.5 million self-insured pool per occurrence, with a \$10 million annual aggregate. Cal Poly's deductible remains \$100,000.

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 2025–2026, Cal Poly incurred \$139,184 in surcharges from two Risk Pool claims and one Excess claim. Additionally, Cal Maritime incurred \$1,575 in surcharges from three Risk Pool claims.

In FY 2025–2026, Cal Poly's insured property values increased from \$1.20 billion to \$1.41 billion. Although the property insurance rate decreased from 0.1717 to 0.1513, the increase in insured values resulted in a 3% increase in premium costs, rising from \$2.06 million to \$2.13 million. Cal Maritime's insured property values increased from \$131 million to \$159 million during the same period. While the property insurance rate decreased from 0.1663 to 0.1423, the growth in insured values resulted in a 4% increase in premium costs, from \$219,282 to \$227,204. This continues a pattern of annual premium increases observed 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.



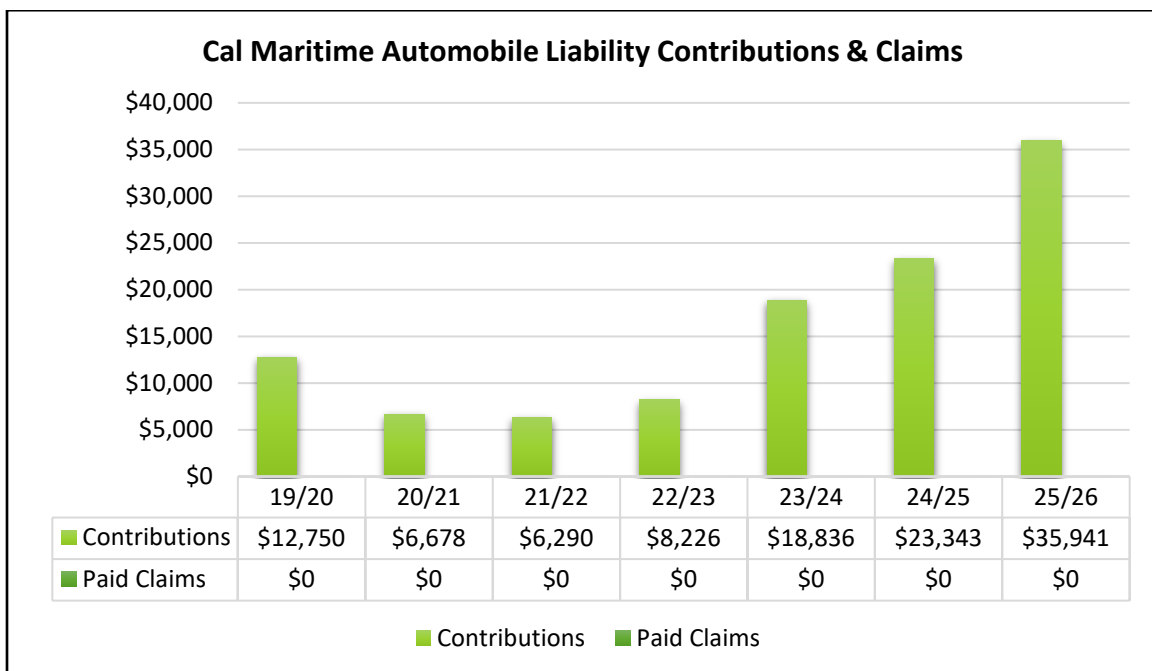
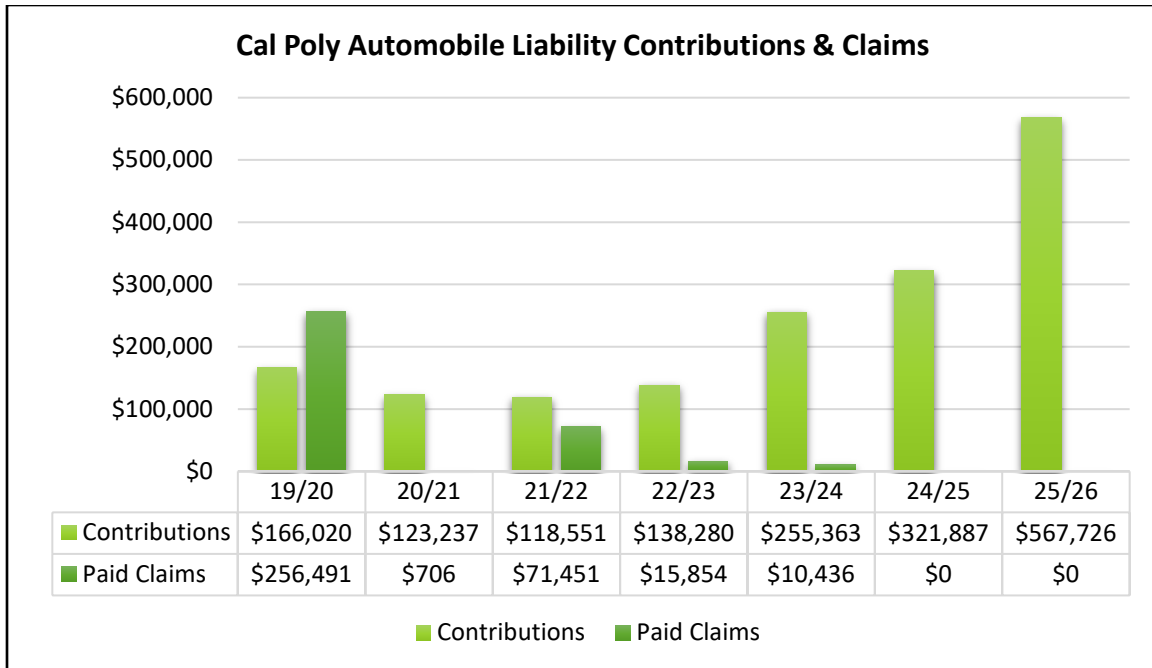


Auto Liability Program

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 2025–2026, Cal Poly's Auto Liability contribution increased to \$567,726, representing a 76% increase from the prior year. Cal Maritime's contribution increased to \$35,941, a 54% increase over FY 2024–2025. These increases were driven by overall CSU claims trends and the application of a claim-rating surcharge for campuses with paid Auto Liability claims exceeding \$50,000 within the previous five years. Cal Poly's rating was impacted by four new paid claims and five historical claims above the surcharge threshold, while Cal Maritime did not have any claims subject to the surcharge.

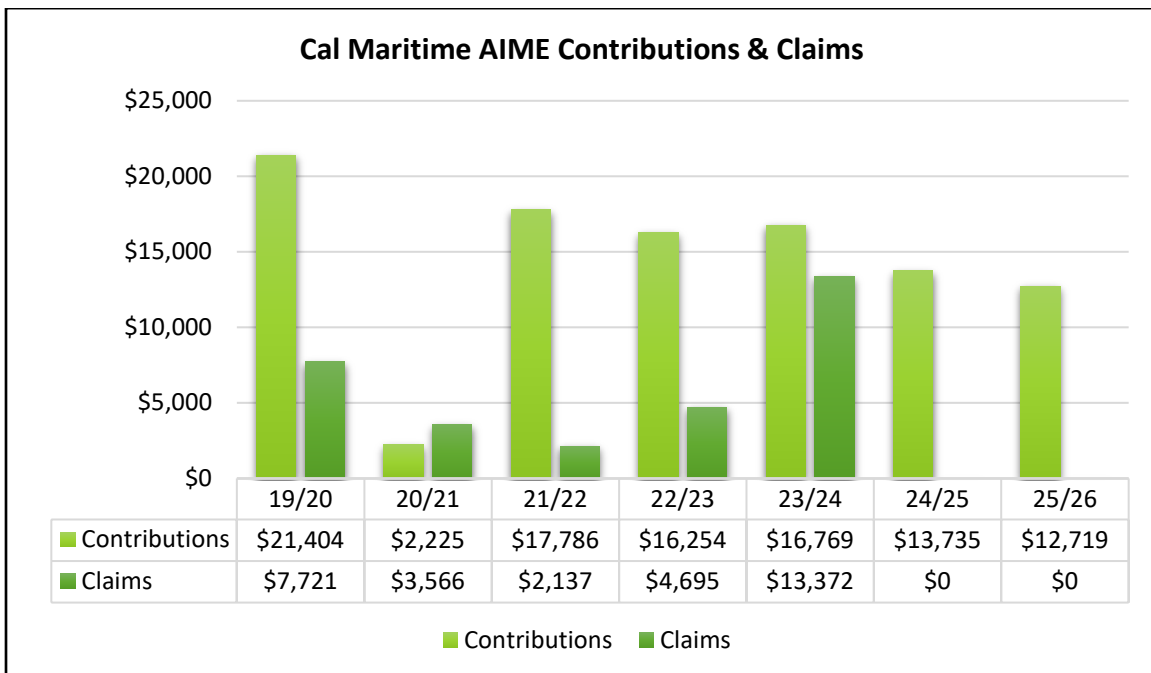
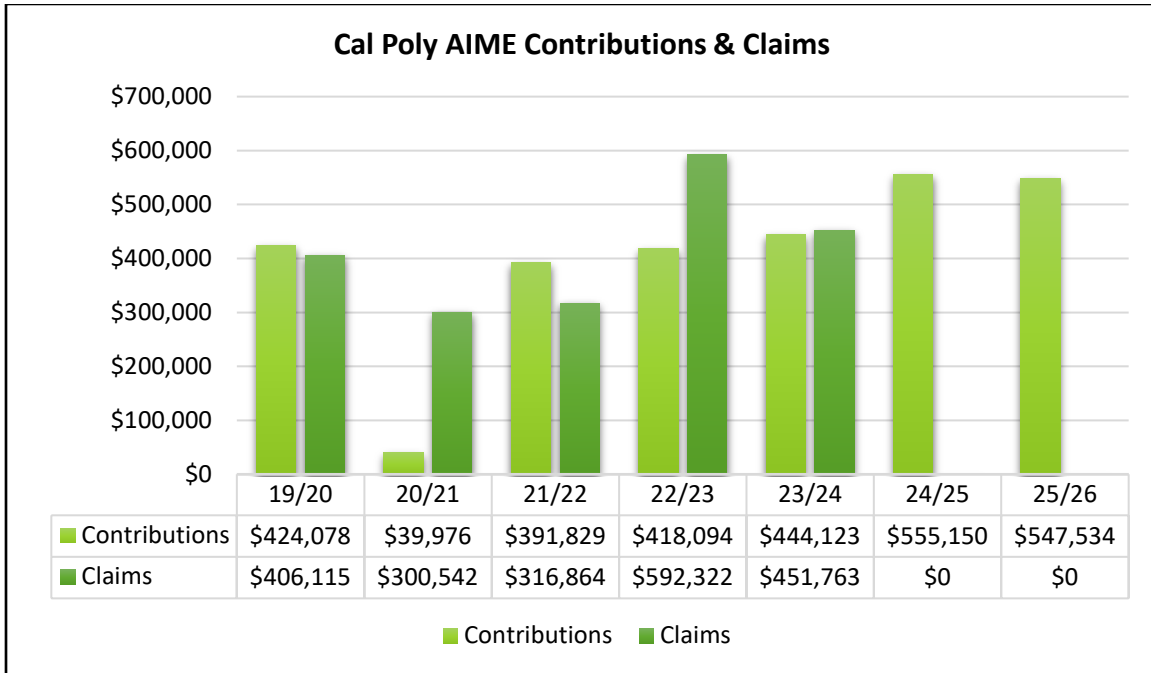
The per-vehicle rate increased from \$540.99 to \$949.38 for Cal Poly and from \$457.71 to \$678.13 for Cal Maritime. During the same period, Cal Poly's fleet grew slightly from 595 to 598 vehicles, while Cal Maritime's fleet increased from 51 to 53 vehicles. Auto Liability premiums continue to be influenced by both fleet size and historical claims experience.



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.

Funding for the AIME program is based on a five-year rolling average of each campus's claims experience, adjusted for reserve funding requirements and administrative costs. For FY 2025–2026, Cal Poly contributed \$547,534, representing a 1% decrease from the prior year's contribution of \$555,150. Cal Maritime contributed \$12,719, a 7% decrease from \$13,735 in FY 2024–2025. These reductions reflect favorable changes in the campuses' claims experience.



Foreign Travel Insurance Program Administration

The Foreign Travel Insurance Program (FTIP) continued to experience significant growth in FY 2025-2026, reflecting Cal Poly's expanding global engagement and increasing participation in international education, research, and professional development. Beginning in FY 2025-2026, FTIP premium reporting also reflects the integration of Cal Maritime into the Cal Poly system, with Cal Maritime international travel premiums now incorporated into the university's overall FTIP premium totals. This integration provides a more comprehensive view of international travel activity across the institution.

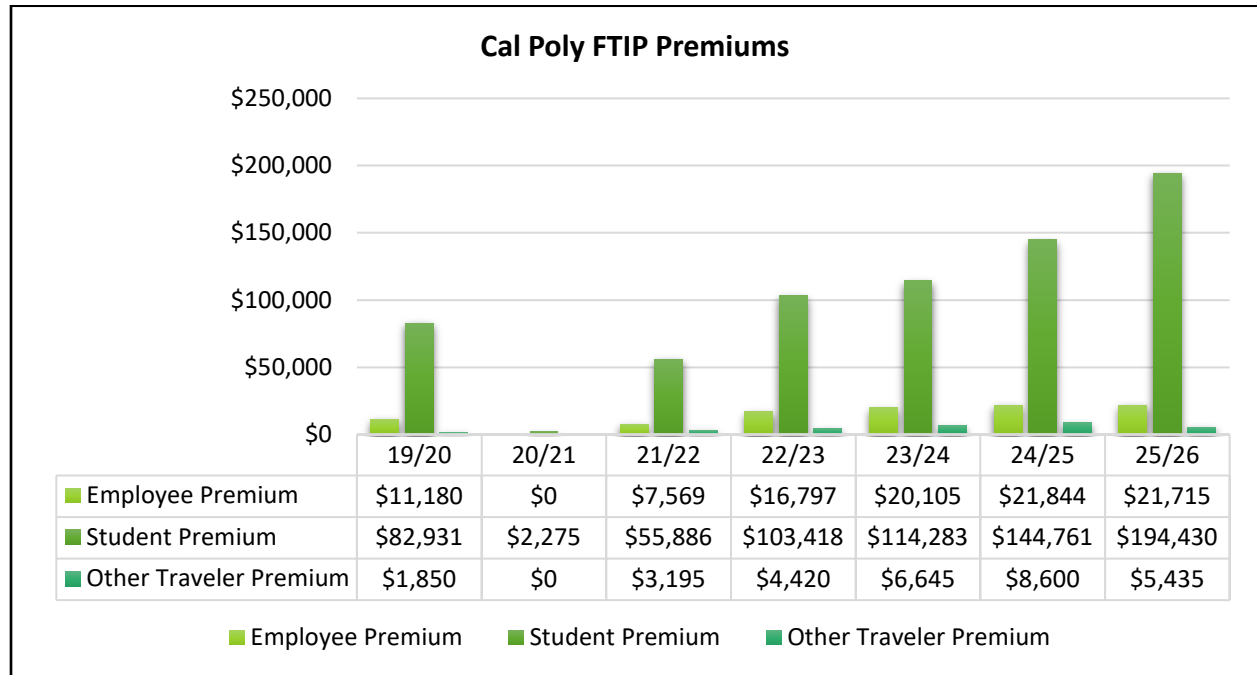
Total FTIP premiums reached a record \$221,580, representing a 26% increase over FY 2024-2025 and a 131% increase from the pre-pandemic level of \$95,961 in FY 2019-2020. While the continued increase reflects the sustained growth of international travel at Cal Poly, the FY 2025-2026 totals also include premiums associated with Cal Maritime travelers following the institutional integration.

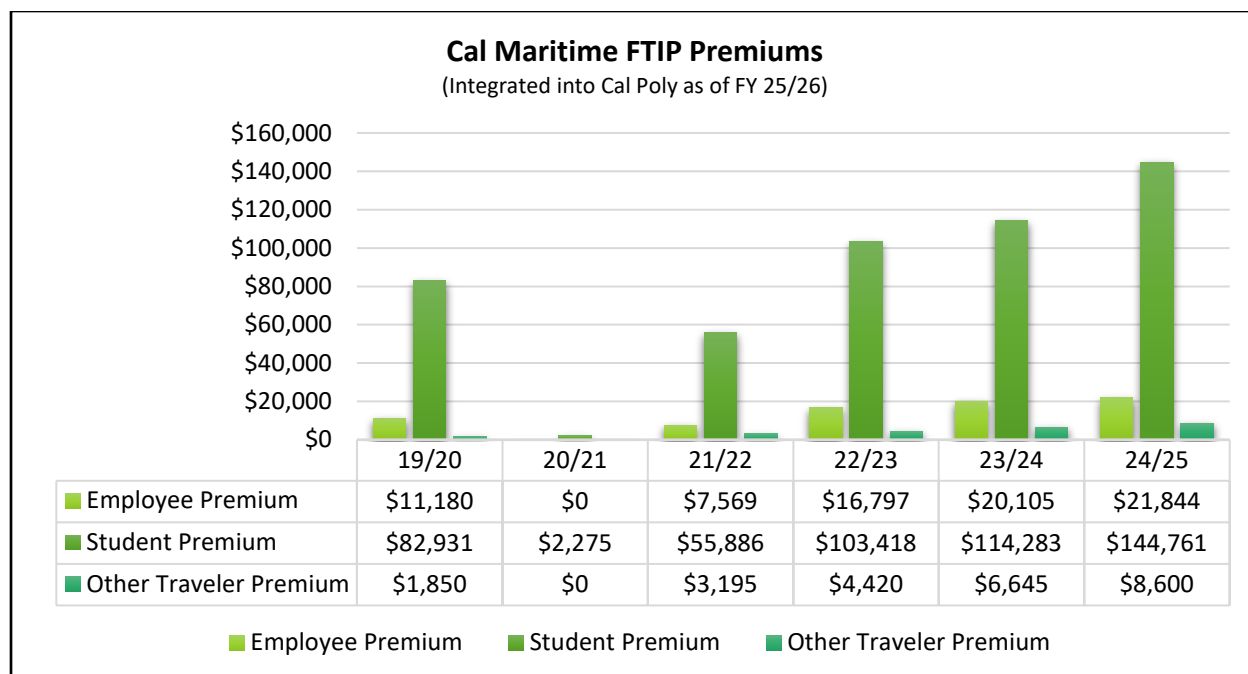
Student travel remained the primary driver of program growth, accounting for \$194,430 (88%) of total premiums. The continued increase in student premiums reflects strong participation in study abroad programs, faculty-led international experiences, service-learning, research, and academic field courses. Employee premiums remained relatively stable at \$21,715, while premiums for other authorized travelers totaled \$5,435, demonstrating consistent faculty and staff engagement in international teaching, research, conferences, and operational support.

Following the sharp decline in travel activity during FY 2020-2021 due to the COVID-19 pandemic, FTIP has experienced four consecutive years of growth, with premium totals increasing from \$66,650 in FY 2021-2022 to \$221,580 in FY 2025-2026. This sustained upward trend indicates that international travel has fully recovered and now exceeds pre-pandemic activity levels by more than twofold. The inclusion of Cal Maritime travel activity further reflects the expanded scope of the university's international programs and risk management responsibilities.

During the reporting period, FTIP supported university-sponsored travel for students, faculty, staff, and authorized travelers to destinations across North America, South America, Europe, Asia, Africa, and Oceania. The majority of travel supported study abroad programs, while additional travel included research collaborations, international conferences, faculty-led instruction, service-learning, recruiting, partnership development, and professional meetings. High-volume destinations included Japan, Spain, Brazil, Canada, the United Kingdom, Germany, French Polynesia, South Africa, Costa Rica, and the Czech Republic, demonstrating the breadth of Cal Poly's global partnerships and academic programs.

The continued expansion of the Foreign Travel Insurance Program highlights the university's growing international footprint and reinforces the importance of comprehensive travel risk management. As international participation continues to increase, FTIP remains a critical component of Cal Poly's Risk Management program by providing travelers with access to medical insurance, emergency assistance, evacuation, and security resources while abroad. The integration of Cal Maritime into the FTIP further strengthens a unified, systemwide approach to international travel risk management, ensuring consistent insurance coverage and support for all university-sponsored travelers while advancing Cal Poly's global mission.





Claims Activity

This is the first Risk Management Annual Report to include both the Cal Poly San Luis Obispo (SLO) and Cal Maritime (Solano) campuses.

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. For liability claims, the SLO campus has had 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. The Solano campus has had a less favorable liability claim trend, resulting in a higher experience modification (X-Mod), however, historically, the Solano campus has had more favorable loss history for Property and Auto Liability claims than the SLO campus.

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.

Prior to merging the campuses, the SLO campus had a favorable X-Mod trend, declining each year from 70% in FY 2022-2023 to 37% in FY 2025-2026, compared to a 100% systemwide X-Mod. Likewise, the SLO campus liability rate (per \$100 in payroll) trend was favorable, declining

each year from \$0.91 in FY 2022-2023 to \$0.85 in FY 2025-2026, consistently below the systemwide rate.

Historically, through the CSURMA projections for FY 2025-2026, the Solano campus had unfavorable X-Mod and rate trends. The X-Mod ranged from 92% in FY 2022-2023 to 220% in FY 2025-2026. The liability rate ranged from \$0.83 in FY 2022-2023 (compared to a systemwide rate of \$0.73) to \$1.93 in FY 2025-2026 (compared to a systemwide rate of \$0.98).

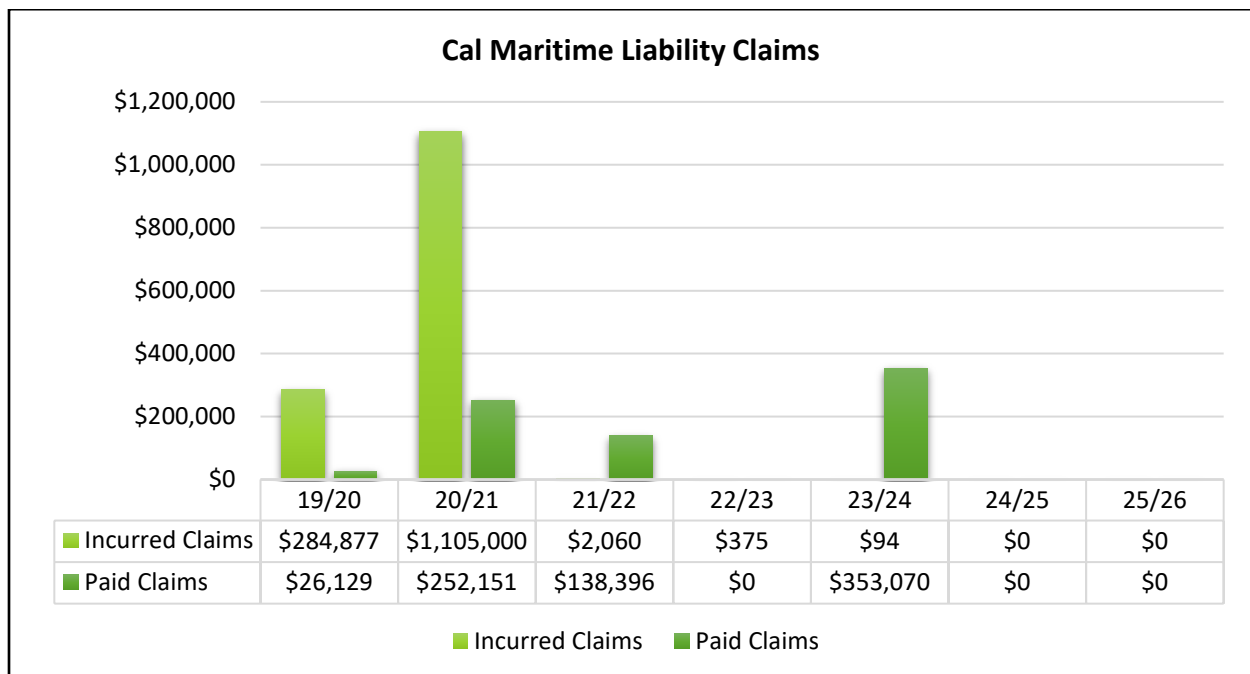
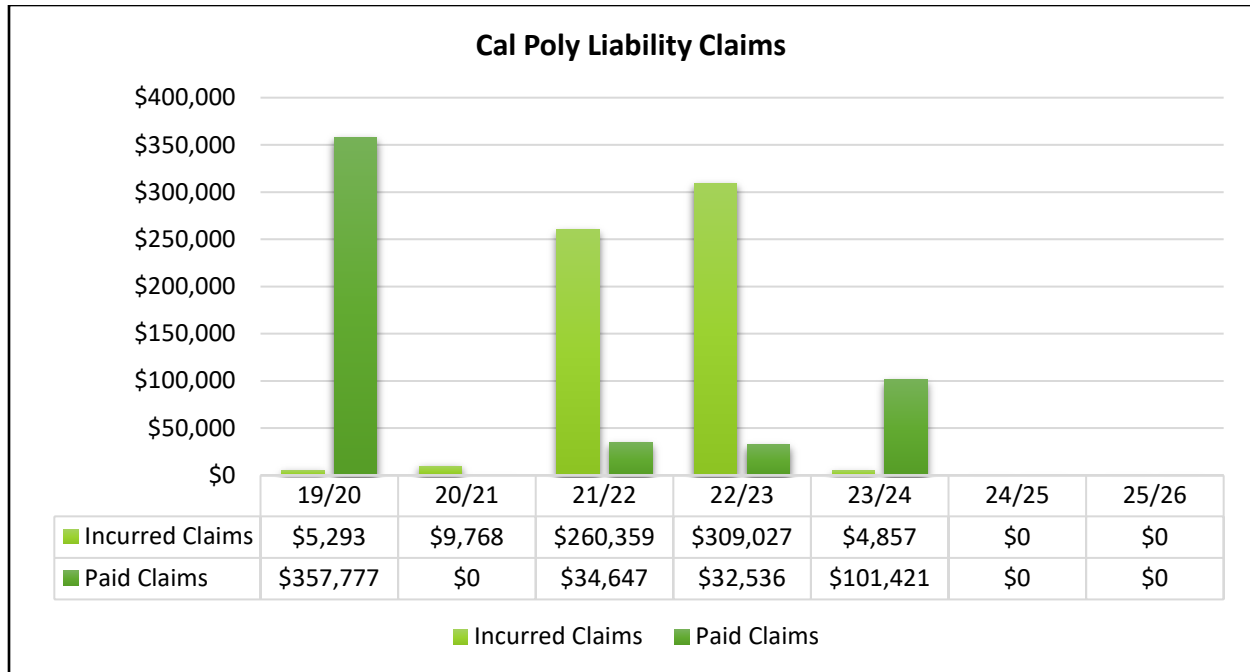
It is important to note that many claims are not paid in the same fiscal year the associated incident occurs. As claims develop and payments are issued over time, the aggregated cost data for recent years becomes more accurate. Payments for incidents reported during this period will be reflected in future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

Cal Poly opens incident files proactively when an event occurs, in anticipation of a potential claim; however, many 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.

During FY 2025-2026, San Luis Obispo experienced higher claim activity and substantially greater unresolved exposure than Solano. SLO opened 10 claims, compared with two at Solano, and maintained a portfolio of 32 claims with total incurred costs (including open case reserves) of approximately \$3.04 million. Of that amount, \$2.14 million remained outstanding, reflecting several high-severity bodily injury and personal injury matters. Although many new SLO claims involved low-dollar property damage or incident reports, proactive risk management supports continued emphasis on safety, maintenance, incident reporting, and documentation.

Solano's claim volume remained lower, with three claims in its portfolio and \$771,863 in total incurred costs. Its primary FY exposure was an open employment claim valued at \$150,000. Solano also closed a significant legacy personal injury claim from 2021 with incurred costs of approximately \$611,863, demonstrating the long-term nature of serious liability claims. Overall, Solano's remaining outstanding exposure of \$136,212 was substantially lower than SLO's.

Across both campuses, the data shows that a small number of complex bodily injury, personal injury, and employment matters drive the majority of financial exposure. Continued focus on early reporting, thorough documentation, prompt corrective action, and targeted loss-prevention efforts in higher-risk operational areas will remain important.



Workers Compensation Claims

During FY 2025-2026, the available San Luis Obispo Workers' Compensation data includes 71 claims with dates of injury occurring during the fiscal year. At the reporting snapshot, 47 claims (66%) were listed as closed and 24 claims (34%) remained open. Five claims, or approximately 7% of the total, involved temporary total disability.

Claim activity varied throughout the year, with the highest monthly volumes occurring in October (11 claims), June (10 claims), and April (eight claims). The fourth quarter, April 1 through June 30, accounted for 25 claims, or approximately 35% of the annual total.

Facilities Management and Development accounted for 18 claims (25%), followed by University Housing with 10 claims (14%) and the College of Agriculture, Food and Environmental Sciences with nine claims (13%). Together, these areas represented 52% of the claims reflected in the available data.

Available claim-payment information reflects approximately \$102,475 in recorded payments during the reporting period. Strains or tears had the highest aggregate recorded payout, totaling \$72,238.76 across four paid claims, and the highest average recorded payout by injury category, at \$18,059.69 per paid claim. The highest individual recorded payout was \$32,500.28 for a strain or tear claim. Facilities Management and Development had the highest aggregate recorded payout by unit, totaling \$54,645.39.

Most claims with usable payment information reflected no payment at the reporting snapshot, while seven claims reflected payments greater than zero. The available payment data reflects claims at different stages of development and does not represent the ultimate cost or outcome of individual matters.

During FY 2025-2026, Cal Maritime Academy reported nine new Workers' Compensation claims, compared with seven in FY 2024-2025 and 11 in FY 2023-2024. The FY 2025-2026 new-claim mix included four indemnity claims (44%) and five medical-only claims (56%).

New-claim incurred costs totaled \$65,939, a 27% decrease from FY 2024-2025. Average incurred cost per new claim declined 43%, from \$12,884 to \$7,327. Five of the nine new claims had incurred values of \$2,500 or less, while two claims exceeded \$10,000. Medical costs represented 56% of new-claim incurred costs, followed by indemnity costs at 31% and expense costs at 13%.

Cal Maritime closed 12 claims during FY 2025-2026, compared with 11 claims in the prior year. The resulting closing ratio was 133%, reflecting that the campus closed more claims than it opened during the fiscal year. Closed claims included seven indemnity claims and five medical-only claims. Total incurred costs for closed claims were \$876,815, including two claims in the \$100,000 to \$1 million incurred range.

The number of pending claims declined from 11 at June 30, 2025, to eight at June 30, 2026. Outstanding reserves declined approximately 51%, from \$733,871 to \$361,292. Four pending claims had been open for more than two years and represented a substantial portion of the remaining pending incurred value.

Total net payments during FY 2025-2026 were \$271,601, a 35% decrease from the prior year. Medical payments totaled \$132,212, indemnity payments totaled \$93,562, and expense payments totaled \$45,827.

Vehicle Claims

During FY 2025–2026, Cal Poly and Cal Maritime reported a combined 23 automobile-related liability claims through the state's Department of General Services (DGS) Office of Risk and Insurance Management (ORIM). The University's overall automobile claims experience remained stable, with the majority of incidents involving low-severity vehicle damage and requiring limited financial expenditures. Of the total claims reported during the fiscal year, 17 claims (74%) were closed, five remained open pending investigation or resolution, and one claim was reopened for continued handling.

The distribution of claims reflects the University's continued emphasis on reporting all vehicle-related incidents, regardless of severity. Incident Only claims represented the largest category with 11 claims, demonstrating that many reported events resulted in no liability exposure or claim payments but were appropriately documented to support risk monitoring and regulatory compliance. The remaining claims included eight Auto Liability claims, involving property damage or potential third-party liability, and four Auto Subrogation claims, which focused on recovering costs from responsible third parties.

Known financial activity associated with these claims remained modest. Property damage payments totaled approximately \$8,064.89, while successful subrogation efforts recovered \$1,682.79, reducing the University's net known paid losses to approximately \$6,382.10. These recoveries underscore the importance of actively pursuing reimbursement opportunities to minimize the University's financial exposure and preserve insurance program resources.

The claims data indicates that the University's fleet operations continue to experience relatively few high-severity events. Most reported claims involved minor vehicle damage, parking lot incidents, or other low-impact collisions rather than significant bodily injury or catastrophic losses. Additionally, the high percentage of closed claims demonstrates effective coordination between campus departments, ORIM, and claims administrators to investigate incidents promptly, document losses accurately, and resolve claims in a timely manner.

Although the University's FY 2025–2026 automobile claims experience remained favorable, it is important to recognize that insurance costs are increasingly influenced by claims severity rather than claim frequency. Effective July 1, 2023, the CSU implemented a claims rating surcharge within the automobile liability premium structure. Under this methodology, any automobile liability claim paid within the previous five years that exceeds \$50,000 results in a 10% increase to the campus's per-vehicle insurance rate for each qualifying claim. This rating approach places

greater emphasis on preventing high-severity losses, as a single significant claim can have a lasting impact on insurance costs across the University's fleet. As a result, continued investment in driver safety, defensive driving education, accident prevention strategies, and proactive fleet risk management remains essential to controlling long-term insurance expenditures.

Several open liability claims will continue to be monitored during the upcoming fiscal year to ensure appropriate resolution and financial stewardship. Risk Management will also continue evaluating claims data to identify recurring trends, common contributing factors, and opportunities for targeted loss prevention initiatives.

Looking ahead, the University remains committed to strengthening its vehicle safety program through continued emphasis on defensive driver education, timely incident reporting, supervisor accountability, routine vehicle inspections, and proactive fleet risk management. Ongoing analysis of automobile claims will support data-informed decision-making, enhance operational safety, and reduce both the frequency and severity of future losses. By minimizing high-cost claims, the University can better manage its exposure to the CSU's claims rating surcharge while protecting institutional resources. Overall, the FY 2025–2026 automobile claims experience reflects a mature and effective risk management program that continues to protect University personnel, assets, and financial resources while supporting the institution's educational mission.

Property Claims

During FY 2025-2026, Risk Management processed one property claim at the San Luis Obispo campus and coordinated response to four additional property-damage incidents, two at each campus. These incidents involved third party vehicles, a student resident, and a vendor employee and resulted in damage to State-owned property.

At San Luis Obispo, a student resident left electrical devices charging during winter break, resulting in a minor fire on December 14, 2025. In a separate incident on March 10, 2026, an ITS vendor caused building damage while installing an uninterruptible power supply. At Solano, a cadet operating a personal vehicle struck a light pole on September 12, 2025, and a vehicle backed into a light pole on April 14, 2026. The vehicle-related damage involved unscheduled infrastructure and was subject to a \$500,000 deductible. The San Luis Obispo incidents were below the applicable \$100,000 deductible. Accordingly, these matters did not result in formal property insurance claims. Risk Management notified the responsible parties and is pursuing recovery of applicable repair costs.

The San Luis Obispo property claim arose from a September 17, 2025 water-damage incident in Room 503 of the Huasna Building at Poly Canyon Village. The incident resulted in water damage affecting multiple floors, with total repair costs of \$109,288.11. Risk Management is working

with University Housing to obtain supporting documentation needed to finalize the claim submission. Recovery options are under review, including potential recovery from responsible parties, as appropriate.

Builder's Risk Claims

During FY 2025-2026, San Luis Obispo submitted three Builders Risk claims related to stormwater intrusion at Student Housing Building A. The loss events occurred in December 2025, February 2026, and May 2026 and are identified as Rain Events 1, 2, and 3, respectively. No Builders Risk claims were reported at the Solano campus during the fiscal year.

The Builders Risk policy includes a \$150,000 per-occurrence deductible. Under the applicable construction-contract provisions, the general contractor's deductible responsibility increases for subsequent occurrences arising from a similar cause. The deductible allocation was \$150,000 for Rain Event 1, \$300,000 for Rain Event 2, and \$600,000 for Rain Event 3.

As of June 2026, the projected claim amounts were \$4,463,537 for Rain Event 1, \$2,243,607 for Rain Event 2, and \$1,637,695 for Rain Event 3. An insurance payment of \$2,289,396.51, net of the applicable deductible, was received on June 1, 2026 for Rain Event 1. Insurance payments for Rain Events 2 and 3 remained under review as of the reporting date.

Risk Management Programs

Enterprise Risk Management

In FY 2025–2026, Risk Management continued advancing Cal Poly's Enterprise Risk Management (ERM) program by developing key foundational elements needed to support a more structured and strategic approach to risk management across the university. Significant progress was made in creating an ERM Framework, ERM Policy, governance structure, implementation roadmap, and supporting documentation designed to align with ISO 31000 principles and CSU best practices while reflecting Cal Poly's unique operational environment.

A key milestone during the year was a presentation to senior leadership in October 2025, which provided an overview of the proposed ERM framework, governance structure, implementation approach, and long-term vision for the program. This presentation highlighted the foundational work completed to date and established a basis for future discussion regarding the university's ERM journey.

In May 2026, Risk Management also provided an informational presentation to representatives from the CSU Chancellor's Office to showcase the documentation, processes, governance model, and planning efforts developed at Cal Poly to support the establishment of an Enterprise Risk Management program. The presentation served as an opportunity to share the university's

approach to building an ERM foundation and demonstrate progress toward a more coordinated and risk-informed decision-making framework.

These efforts have positioned the university to continue building ERM capabilities over time while strengthening its ability to identify, evaluate, and monitor strategic, operational, financial, compliance, and reputational risks. Risk Management will continue supporting campus-wide risk management efforts in collaboration with Environmental Health & Safety and other campus partners as the university advances toward the long-term goal of developing a comprehensive campus-wide risk register and integrating risk-informed decision-making into university operations and planning.

Risk Assessments

In FY 2025–2026, Risk Management continued to support safer campus operations and informed decision-making through event-driven risk assessments and consultation services. During the year, the department reviewed more than 60 high-risk events, programs, and activities across the university, providing guidance on risk mitigation strategies, compliance requirements, emergency planning, and operational controls.

A significant area of focus was supporting major campus events and special programs, including activities involving large crowds, alcohol service, youth participation, travel, and elevated operational risks. Risk Management worked closely with event organizers, campus partners, and public safety personnel to identify potential hazards, evaluate controls, and implement measures designed to reduce risk while supporting successful event execution. Major Events included Morning on the Green, Week of Welcome, Cal Poly Rodeo, and more than 60 other medium to high-risk events.

The department also continued to support Recognized Student Organizations (RSOs), Instructionally Related Activities (IRA) clubs, and academic departments by reviewing high-risk activities, off-campus travel, competitions, and special events. These consultations helped student leaders, faculty, and staff better understand potential exposures, implement appropriate safeguards, and comply with university policies and insurance requirements.

Additional risk assessments and consultations were conducted for youth-serving programs, camps, and outreach activities, with a focus on participant safety, supervision, transportation, facility use, and emergency preparedness. Through these efforts, Risk Management helped departments proactively identify and address risks, strengthen operational planning, and foster a culture of safety and prevention across the university.

Youth Protection Program

As chair of the Youth Protection Committee during FY 2025–2026, Risk Management continued implementing Cal Poly's Youth Protection Program through the development of compliance processes, new policies, and improved oversight to support the safety of youth participating in university-affiliated programs.

A major milestone during the year was the campus-wide implementation of Ideal-Logic in September 2025. The system serves as the centralized platform for youth program registration and compliance management, including Live Scan tracking, behavioral interview verification, identification of care, custody, and control roles, reference check documentation, Code of Conduct acknowledgments, and volunteer forms. The system also includes a public-facing incident reporting form, providing an accessible method for participants, families, and staff to report concerns.

Since implementation, 39 youth programs have been registered in Ideal-Logic, with registration activity increasing throughout the year as departments prepared for summer camps and youth programming.

Compliance monitoring began during the third quarter after reporting and tracking processes were established within Ideal-Logic. During the reporting period, 710 individuals were entered into the compliance system, with 495 completing all required compliance activities. The resulting compliance rate of approximately 70 percent was affected by programs entering prospective staff before final staffing needs were determined. In several cases, individuals who ultimately did not participate remained in the system and continued to be reflected in compliance reporting.

Several factors contributed to lower compliance rates, including programs registering fewer than 60 days before their start date, delays in onboarding and completing compliance requirements, delays associated with the California Department of Justice Youth Protection Live Scan process as the Care, Custody, and Control (CCC) designation was being implemented, and departments overestimating staffing needs during program registration.

One example was the Polycultural Weekend program, which entered 215 staff members into Ideal-Logic. Of those individuals, 115 completed all compliance requirements before the program began. Because staffing projections were based on anticipated participant registration and roommate assignments, actual staffing needs were significantly lower than originally estimated. Individuals who were no longer needed remained in the system and reduced the overall compliance rate. Future efforts will focus on improving registration timelines, strengthening staffing forecasts, removing inactive personnel from the system, and initiating compliance activities earlier in the planning process to improve reporting accuracy.

In addition to managing compliance documentation, Risk Management conducts comprehensive reviews of youth program applications and provides Youth Protection training through CSU Learn for university-operated programs. Third-party youth programs continue to be managed through Conference and Event Planning (CEP), with compliance verified through contractual requirements, insurance documentation, and program agreements rather than individual tracking within Ideal-Logic.

Several program enhancements were completed during the fiscal year. A new Medication Administration Policy was adopted into the Campus Administrative Policies (CAP), providing consistent guidance for programs responsible for administering medication to youth participants. The Youth Protection website was also expanded to provide departments and external organizations with centralized access to policies, procedures, forms, training resources, and program requirements.

Another significant accomplishment was the transition of several Cal Poly Athletics youth programs from third-party operators to university-managed programs. This transition increased institutional oversight and ensured these programs met CSU and university Youth Protection requirements. Because many programs were scheduled to begin within 30 days of the transition, Risk Management worked closely with Athletics coaches and program staff to complete program reviews, training, and compliance requirements within a condensed timeframe.

As the Youth Protection Program continues to mature, Risk Management has benchmarked Cal Poly's policies, screening requirements, and training practices against peer institutions and national best practices. While the university has established a comprehensive policy and compliance framework, future efforts will focus on strengthening implementation, monitoring, verification, and continuous improvement to ensure consistent application across all youth-serving programs.

Key priorities for the coming year include increasing campus awareness of Youth Protection requirements, improving program registration timelines, expanding engagement with external organizations using university facilities, and continuing collaboration with Conference and Event Planning and Housing to establish consistent expectations and risk controls for overnight youth programs.

Alcohol Service Requests

In FY 2025–2026, Risk Management continued to provide oversight of Alcohol Service Requests (ASRs) to ensure compliance with CSU policies, state regulations, and campus safety standards.

A major milestone during the fiscal year was the successful integration of the Alcohol Service Request process into the campus Event's Slate system in January 2026. The transition replaced

the legacy Eforms process and significantly improved visibility into the approval workflow for both reviewers and campus partners. By incorporating alcohol service reviews into the broader event planning process, the new system has increased coordination among stakeholders and provided a more centralized approach to event management.

As with any major system transition, implementation has presented challenges as campus users adapt to a platform that is new to many departments. In addition, Slate currently does not provide automated notifications to requesters when an alcohol service request receives final approval or denial, requiring Risk Management to manually communicate final decisions. Despite these challenges, the new process has proven to be a substantial improvement over the legacy Eforms platform by providing greater transparency, improved workflow management, and enhanced visibility into event-related risks.

In alignment with California's Responsible Beverage Service (RBS) requirements, Risk Management continued to support training and certification efforts for faculty, staff, and volunteers involved in alcohol service at university events. These certifications help ensure compliance with state requirements while promoting responsible alcohol service practices and safer campus events.

Driver Safety

During FY 2025–2026, the Driver Safety Program approved 2,160 driver applications, averaging 180 approvals each month. Application volume peaked in September 2025 due to the increased number of drivers needed to support Week of Welcome (WOW) activities at the start of the academic year.

A significant milestone this year was the successful integration of the Cal Poly Maritime Academy into the Driver Safety Program. Beginning in July 2025, the Maritime campus transitioned to Cal Poly San Luis Obispo's centralized Driver Safety program, creating consistent driver authorization standards, training requirements, and oversight across both campuses. Driver Safety also partnered with Maritime leadership to rapidly onboard student and third-party drivers responsible for transporting cadets to and from the Training Ship, ensuring transportation operations were in place within a compressed implementation timeline.

The program continued to strengthen partnerships with Fleet Services and the Disability Resource Center (DRC) to improve transportation support and customer service. Automated courtesy reminders were also implemented for faculty and staff whose driver authorizations are approaching expiration, helping departments maintain compliance and reduce lapses in authorization.

To further improve efficiency and consistency, Driver Safety selected Ideal-Logic as its new driver management platform. The system will manage driver applications, training records,

approval letters, and supporting documentation within a single platform. Implementation is scheduled to begin in Summer 2026, with full deployment anticipated in Spring 2027. The new system is expected to streamline administrative processes, improve the user experience, and enhance reporting and record management.

The Driver Safety Program continues to focus on operational excellence by improving business processes, strengthening campus partnerships, and modernizing technology to support a safe, efficient, and compliant driver authorization program for the Cal Poly community.

Unmanned Aircraft Systems

In FY 2025–2026, Risk Management fully implemented and operationalized the Risk and Safety Solutions (RSS) Drone Application, providing a centralized, efficient, and compliant platform for managing unmanned aircraft system (UAS) activities across the university. The system has streamlined the approval process by capturing pilot certifications, aircraft registrations, project information, flight plans, and operational details while ensuring compliance with FAA regulations, CSU requirements, and university policies.

The RSS platform has significantly improved administrative efficiency through automated workflows and notifications to both UAS Committee members and pilots, reducing processing times and increasing visibility into drone operations. The system has also strengthened oversight and risk management by providing a centralized repository for project approvals, flight requests, pilot qualifications, and aircraft records.

During the fiscal year, the university maintained records for 34 registered aircraft, including 15 university-owned aircraft and third party operated aircraft supporting university activities. A total of 31 pilots were registered in the system, including 27 pilots certified to operate small, unmanned aircraft systems (sUAS). Risk Management processed 56 UAS projects and reviewed 48 flight requests. Four flight requests were denied because they were submitted as flight requests when a project request was required; pilots were provided guidance and instructed to resubmit through the appropriate process.

One challenge encountered during the year involved the integration of the Solano (Maritime) campus. Because the Maritime campus had not previously purchased the RSS Drone Application module, its users were unable to utilize the system prior to full campus integration. This issue is expected to be resolved with the July integration, which will allow both campuses to operate under a single UAS management platform and support consistent oversight of drone operations across the university.

By leveraging RSS, Risk Management has improved compliance, enhanced operational visibility, and established a scalable framework that supports the safe and responsible use of drone technology in teaching, research, and university operations.

Looking Ahead to Fiscal Year 2026-2027

As Cal Poly enters FY 2026–2027, Risk Management will continue advancing its mission to support a safer, more resilient campus through proactive risk identification, mitigation, and education. Building on the progress made over the past year, the department will focus on strengthening core risk management operations, enhancing service delivery, and supporting strategic university priorities through collaboration, innovation, and continuous improvement.

Risk Management will continue supporting the university's Enterprise Risk Management (ERM) efforts by advancing foundational work completed to date. Following engagement with campus leadership and stakeholders, the department will continue identifying opportunities to integrate risk considerations into university planning and operations. Risk Management will continue supporting Environmental Health & Safety's departmental risk assessment workshops, helping departments identify and evaluate risks while contributing to the long-term development of a comprehensive campus-wide risk register.

A major priority for FY 2026–2027 will be transitioning the Youth Protection Program from implementation to long-term execution and continuous improvement. Building on the successful rollout of the Ideal-Logic compliance management system and adoption of the CSU Youth Protection Policy, Risk Management will continue advancing the Youth Protection Program by moving from policy development to program execution, ensuring that established standards, training requirements, and compliance processes are effectively integrated into departmental operations.

Risk Management will also continue modernizing its Driver Safety Program through the transition to the Ideal-Logic platform. This effort will provide greater automation, streamline driver authorization and compliance processes, improve record management, and enhance the user experience for employees and departments. The transition will support more efficient program administration while strengthening oversight and compliance with university and CSU driver safety requirements.

Looking ahead, Risk Management will also begin implementing a multi-year staffing and organizational development strategy designed to support increasing program demands and ensure long-term sustainability. During FY 2026–2027, efforts will focus on expanding student employee hours and responsibilities, allowing student staff to support high-volume administrative functions under the oversight of Risk Management professionals. Additional emphasis will be placed on student employee development, accountability, and performance management. Future phases of the plan include evaluating a dedicated Youth Protection position and exploring additional leadership capacity to support program growth, succession planning, and operational resilience.

Following the integration of Cal Maritime into the Cal Poly system, Risk Management will continue working toward full operational integration of risk management functions across both campuses. This includes evaluating and addressing the unique risks associated with maritime education, training, vessel operations, and specialized academic programs. The department will also continue reviewing and refining insurance strategies and coverage requirements specific to the Maritime Academy to ensure appropriate protection of university assets, operations, students, and personnel while maintaining compliance with applicable maritime regulations and industry standards.

Other key areas of focus will include participation in the university's Internships and Service-Learning Task Force, conducting a comprehensive review of state property schedules across both campuses to ensure accurate asset valuations and insurance coverage, and enhancing claims management processes. Risk Management will explore opportunities to improve claims tracking, financial reporting, and communication with campus leadership to provide more timely and meaningful information throughout the year rather than relying solely on annual reporting cycles.

By emphasizing communication, collaboration, prevention, and continuous improvement, Risk Management will continue to build a durable foundation for risk-informed decision-making and a culture of safety throughout the Cal Poly community.