Crossover Part 1

Case Studies: Climate Losses from CSU SLO, Maritime, and San Bernardino

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Rain Loss Incidents – Cal Poly SLO

Fall 2021 Storms (3 occurrences)

• No EOC activation: impact isolated to two buildings under construction
• Frost Center: new construction
• University Union Building 19 (UU19): remodel/modernization of second level of 1960s building

January 9, 2023 Storm

• EOC activation prior to storm event
  • Proactive measures to mitigate ag waste pond overflow
• Widespread impact to buildings, artificial turf fields and infrastructure
• FEMA claims
Insurance Coverage

• Frost Center: BRIP

• UU19: primarily Property Program
  • BRIP for soft costs/delay in opening
    • $1M sublimit per project (not per claim)

• January 2023 Storm: primarily Property Program
  • Pollution/Environmental Policy
Claim Teams

CSU Team

• Campus risk management
• Campus facilities project management
• Campus finance/accounting
  • External forensic accounting/claim preparation vendor (Stout/Claro Group)
• Alliant
• CO/CPDC support
• Campus emergency management (where EOC activated)
Claims Teams (Continued)

Insurance Carrier Team

• Carrier representative
• Field adjuster (McLarens)
• Construction consultant (MKA)
• Forensic accountant (business interruption, delay in opening, etc.)
Claims Teams (Continued)

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Lessons Learned

Obstacles/Challenges

• Contracted project management for claims (not enough internal resources)
• Early engagement of experts
• Advance insurance payments and coordination of loss cost accounting
• Remodel projects to older buildings with aged MEP systems and outdated materials/assemblies
  • Complicated put back and potential scope creep
  • Code upgrades
• Challenges presented by general contractor partners
• Unscheduled infrastructure: insurance and FEMA claims
• Broker advocacy and guidance
• Managing reputation risk and media attention
Video Clip
Surface Flood Loss – San Bernardino

September 11, 2022- Tropical Storm Kay

• Flash flooding resulted in the flooding of more than 18 campus buildings and the closure of the campus on Monday, September 12, 2022.
• Flood waters entered most buildings through building doorways that were at or below grade causing the majority of the damage on campus.
• The heaviest rains began just after 6:00pm and lasted approximately 40 minutes and teams from Facilities were on campus by 7:00pm and the damage was already done.
Assessment Response

- Insurance Coverage Ground Assessment
- 225 remediation workers across 24/7 shifts.
- Wet/Dry Building Compartmentalization
- 5 Trailers for instructional space & online instruction
- Forensic Accountant Firm
- Security to keep people out and protect contents
Insurance Coverage

• State and Auxiliary Buildings
• Property/Content/Business Interruptions
• Academic Spaces largest loss
Teams

Facilities & Risk Management Led Campus Response
Lessons Learned

• We are one University
  • State, Auxiliaries, Self-Support

• Tell the Story Regularly
  • President's Cabinet, Campus, Weekly Stakeholder Meetings

• Like & Kind Is Not Well Understood

• Activate EOC
Lessons Learned

- Campus Closures
- Insurance
  - Some buildings over insured/underinsured
  - Knowledge of Contents
- Define Success
  - Safety, Resume Operations,
  - "Made Whole", Campus Standards
The Week Before the Fire

- Cal Maritime was notified by the Pacific Gas & Electric Company (PG&E) that power would be interrupted to the campus as part of a Public Safety Power Shut Off (PSPS) during the week of October 21, 2019.
- Cal Maritime’s Policy Group convened and made the decision to suspend campus activities, to reduce resident student population.

Sunday, October 27, 2019 – Fire Ignition

- The Glen Cove Fire (GCF) grew to approximately 140 acres.
- Fire jumped Highway 80, near the toll plaza of the ‘Al Zampa Bridge’
- Ignited a variety of fuel sources on campus
- EOC activated
Glen Cove Fire
Glen Cove Fire – Cal Maritime

Sunday, October 27, 2019 – Continued

- Initial Responders Included: Cal Maritime Police, Benicia Police, Vallejo Police, Vallejo Fire Department, Cal Fire, Solano County Sheriff’s Department, Cal Maritime Training Ship Golden Bear (TSGB) Cadets
- First-response police agencies initiated immediate evacuation of the campus.
- Very windy, so fire quickly engulfed area around the ‘bridge head,’ including campus property from the Facilities yard to an open field area near the TSGB
- Cadets on the TSGB initiated hasty fire-fighting plan near the port area
- Cal Maritime’s chief of police and president were on scene and managed the campus evacuation.
- Fire was contained and extinguished on October 28, 2019 – except for reoccurring spot fires).
Glen Cove Fire – Cal Maritime

Monday, October 28, 2019 – Notes

- Forest Fire Watch – Fire Department closed campus after fire due to smoldering Eucalyptus trees, which required a posted physical fire watch
- Campus Closure and Physical Shutdown – Policy patrol vehicle checkpoints
- No injuries or illnesses
Insurance - Risk Transfer Mechanism

- Property Program (Alliant Property Insurance Program)
- Contents
- Business Interruption
- Motor Vehicle – Physical Damage
- Workers’ Compensation and Industrial Disability Leave (IDL)
Assessment, Restoration and Claim Teams

- First Responders, Facilities, Capital Planning, EHS, Risk Management, Student Affairs, Academic Affairs, Advancement, Public Affairs/Communications, TSGB, EOC, Procurement, Finance, Budget Office…
- Chancellor’s Office Risk Management – Jody Van Leuven, Zachary Gifford
- Alliant – Bob Frey, Amy Lightner, Dan Howell
- McClarens – Jim McGovern
- Forensic Accountants – J.S. Held – Tim Gillihan
- Independent Investigators – Fire Cause & Origin – Grotefeld Hoffmann
- Construction Consultants - MKA
- Belfor – Steve Starr and team
Assessment, Restoration and Claim Teams

- Envirocheck – Environmental
- Otto Construction
- Geotech – Hillside stabilization
- Cal Maritime Corporation
- Sodexo
- Enterprise Fleet Management
- Ironshore
- Insurers
- Legal – General Counsel’s Office
- DOF
- FEMA
Lessons Learned

Some Things We Did Well!!

- Quick Emergency Response by First-Responders
- EOC ‘All Hazards’ approach; Locate, Isolate, Evacuate
- Quick and systematic area searches (located and recovered a person trapped in an elevator)
- Team Support, Communication and Morale
- Project Management
- HAZMAT response, buildings expeditiously surveyed, tested, and cleaned
- Expanded purchasing power allowing for quick ‘stop gap’ recovery purchases
Lessons Learned

Some Things We Can Do Better

- Forest Management
- Campus-wide response by critical personnel
- ‘Roll Call’
- Contracting process can seem cumbersome at times
- Initial tracking of expenses
- Risk of physically centralized critical equipment/resources
Lessons Learned

Some Items that Need Improvement

- Back-up power sources
- Alternative ‘Rally Points’ for evacuees
- ICS Training for all critical personnel
- EOC position training for critical personnel
- IT infrastructure protection plan
Fire Losses – Some Final Thoughts

- Fires = Heat, Flames, Smoke and Ash
- What caused fire? – importance of thorough investigation
- Remember, often you can mitigate secondary damage - Water Damage (drilling weep holes, dehumidification), Undetected Spread of Smoke (turning off HVAC timely)
- Cleaning ash and addressing smoke damage