



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: November 30, 2018

HCR18-101

SUBJECT: 2019 Procurement of Workers' Compensation Insurance Coverage

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Financial Services

CONTACT/PHONE NUMBER: Tracey McDermott, 619-578-7737

REQUESTED ACTION:

Approve the procurement of workers' compensation insurance coverage from the California Housing Workers' Compensation Authority in an amount not to exceed \$434,943 or 23.1% increase from last year's premium, with effective dates of January 1, 2019, to December 31, 2019.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Housing Commission staff is asking for authorization to procure workers' compensation insurance coverage from CHWCA in an amount not to exceed \$434,943 or 23.1% increase from last year's premium, with effective dates of January 1, 2019, to December 31, 2019.
- The Housing Commission currently procures its workers' compensation insurance coverage from the CHWCA insurance pool. The California Housing Workers' Compensation Authority (CHWCA) is a Joint Powers Authority (JPA) established in 1991 by public housing authorities in the state of California. CHWCA has 33 member agencies/Housing Authorities. A Joint Powers Authority (JPA) is a viable alternative to commercial insurance because it generally provides a more comprehensive coverage program than regular commercial insurance companies offer and is not profit-driven.
- The California Housing Workers' Compensation Authority (CHWCA) has met all of the stringent professional standards established by the California Association of Joint Powers Authorities (CAJPA) in the areas of governance, finance, claims control, safety and loss prevention, excess coverage, and risk management. CAJPA's accreditation process requires reviews by independent consultants in all of the foregoing areas, including accounting, claims management, and actuarial analysis. CHWCA is proud to have received an "Accreditation with Excellence," the highest designation possible from the California Association of Joint Powers Authorities.
- Due the fact that the policy was competitively marketed for the policy year beginning January 1, 2015 staff and its broker plans to conduct comprehensive marketing of SDHC Workers' Compensation Insurance Coverage for the policy year beginning January 1, 2020 to ensure the Commission has the most effective insurance program design, with the broadest terms and conditions, at the most competitive premium available.

REPORT

DATE ISSUED: November 21, 2018

REPORT NO: HCR18-094

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of November 30, 2018

SUBJECT: 2019 Procurement of Workers' Compensation Insurance Coverage

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve the procurement of workers' compensation insurance coverage (which is required under California Labor Code) from the California Housing Workers' Compensation Authority in an amount not to exceed \$434,943—a 23.1 percent increase from the 2018 premium—with effective dates of January 1, 2019, to December 31, 2019.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) approve the procurement of the Housing Commission's required workers' compensation insurance coverage from the California Housing Workers' Compensation Authority (CHWCA) in an amount not to exceed \$434,943—a 23.1 percent increase from the 2018 premium—with effective dates of January 1, 2019, to December 31, 2019.

SUMMARY

California law requires employers to have workers' compensation insurance. The Housing Commission currently procures its workers' compensation insurance coverage from the CHWCA insurance pool. CHWCA is a Joint Powers Authority (JPA) established in 1991 by public housing authorities in the state of California. Currently CHWCA has 33 member agencies/Housing Authorities. JPA is a viable alternative to commercial insurance because it generally provides a more comprehensive coverage program than regular commercial insurance companies offer and is not profit-driven. Benefits of a JPA include flexibility in determining coverage programs, risk control activities, funding levels, premium collection, and dividends. Additionally, members have greater control over claims and related costs and also experience more premium stability and less year-to-year rate fluctuations.

Attachment 1 is the 2019 budget model that was approved at the November 15, 2018, CHWCA Executive Committee Meeting. The Housing Commission's 2019 premium is set to be \$434,943—a 23.1 percent increase from the 2018 premium (Table 1).

This increase is due to the increased Experience Modification (Ex-Mod) from 0.678 to 0.928 (Table 2). Ex-Mod is a term used in the American insurance business and more specifically in workers' compensation insurance. It is the adjustment of annual premiums based on previous loss experience. Usually three years of loss experience are used to determine the experience modifier for a workers' compensation policy.

Table 1:

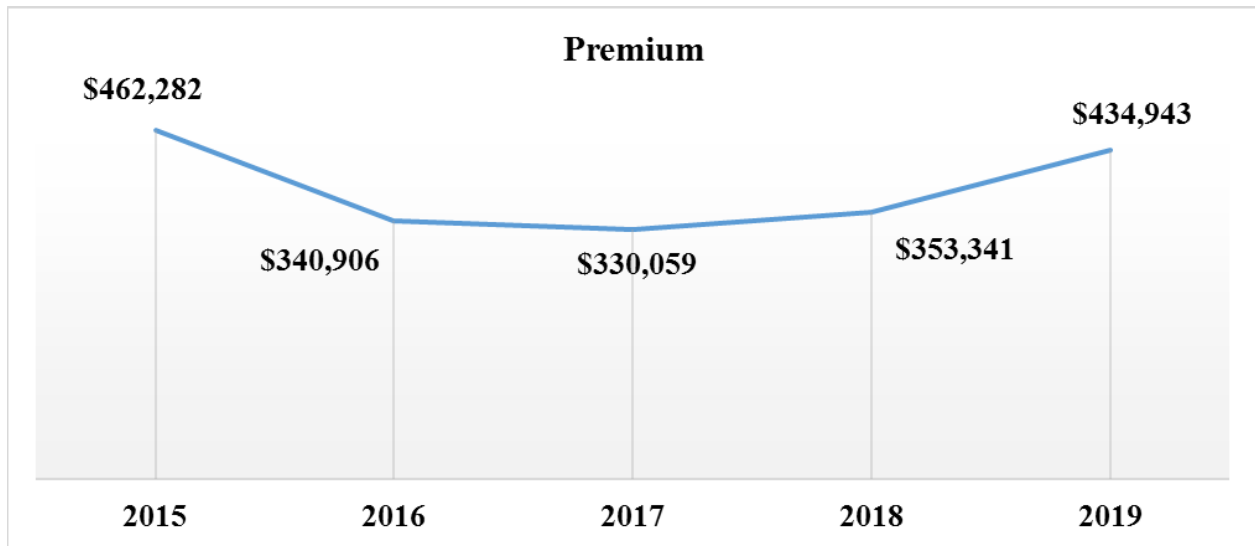


Table 2:

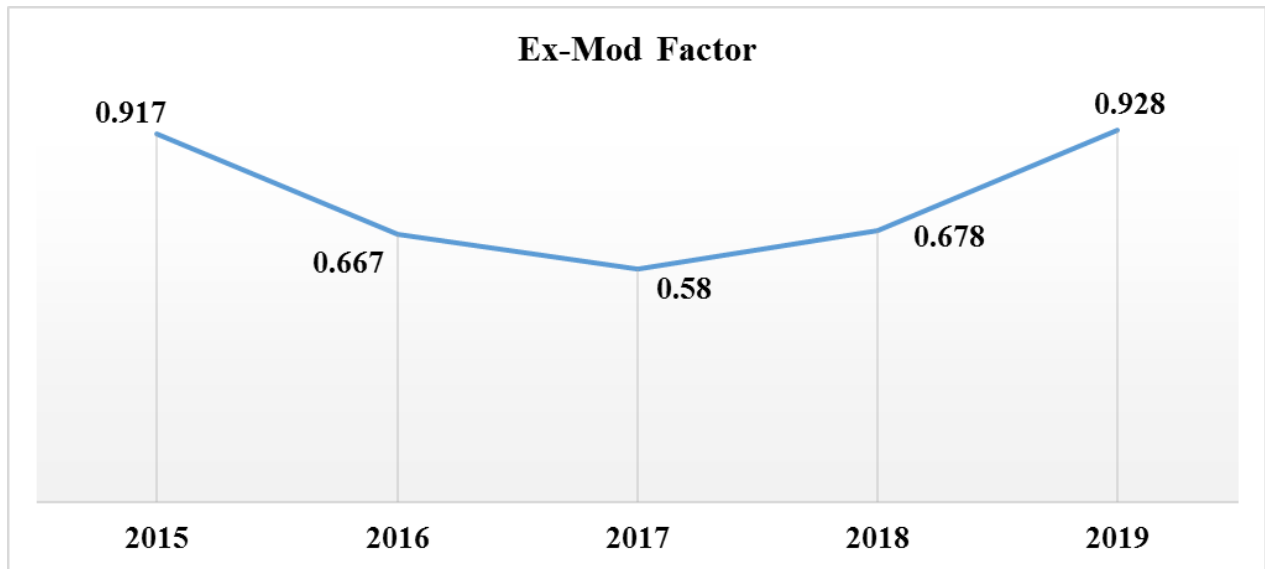


Table 3 below offers a comparison with other housing authorities with higher payrolls in the CHWCA insurance pool.

Table 3:

| | Payroll | Ex-Mod Factor | Premium |
|--------------------|----------------|----------------------|----------------|
| San Diego | \$21,891,239 | 0.928 | \$434,943 |
| Sacramento | \$14,634,801 | 1.000 | \$467,138 |
| Santa Clara | \$13,301,761 | 0.874 | \$251,559 |
| Fresno | \$12,181,656 | 1.264 | \$466,807 |

Even with the aforementioned 23.1 percent increase, the Housing Commission's overall premium is only 2 percent of the agency's payroll base, which is comparable to Santa Clara, which has a lower payroll base and ex-mod factor.

Generally, staff considers it a best practice to remarket its insurance coverages every five years to continue to obtain the most competitive pricing. Due to the fact that the policy was competitively marketed for the policy year beginning January 1, 2015, staff and its broker plan to conduct comprehensive marketing of the Housing Commission's Workers' Compensation Insurance Coverage for the policy year beginning January 1, 2020, to ensure the Housing Commission has the most effective insurance program design, with the broadest terms and conditions, at the most competitive premium available.

FISCAL CONSIDERATIONS

The proposed Fiscal Year (FY) 2019 funding sources and uses approved by this action were approved by the Housing Authority in the FY 2019 Budget. Approving this action will not change the FY 2019 Total Budget.

Funding sources for the portion of the policy year from July 1, 2019, to December 31, 2019, will be budgeted in FY 2020.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On November 17, 2017, the Housing Commission Board of Commissioners authorized the procurement of workers' compensation insurance coverage from CHWCA in an amount not to exceed \$353,341, with effective dates of January 1, 2018, to December 31, 2018.

ENVIRONMENTAL REVIEW

The purchase of insurance is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. This activity is also exempt from the National Environmental Policy Act (NEPA) pursuant to Section 58.34(a)(6) of the Title 24 Code of Federal Regulations.

Respectfully submitted,



Tracey McDermott
Vice President &
Chief Financial Officer
Financial Services Department

Approved by,



Jeff Davis
Executive Vice President &
Chief of Staff
San Diego Housing Commission

Attachments:

- 1) CHWCA Executive Committee Meeting 2019 Budget Model
- 2) 2018 Insurance Summary

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org

California Housing Workers' Compensation Authority

2019 Draft Operating Budget

At the 80% Confidence Level - \$250,000 SIR - 2.0% Discount Factor
 Mid-layer Pools to Fund Losses from \$250k - \$750k

| | Prior Year - 2018 | | 2019 Draft Budget | Incr/(Decr) Over P/Y Budget | % Change |
|---|---------------------|--------------------|-------------------------|-----------------------------------|-------------|
| | Projected Actual | Approved Budget | | | |
| Claims Expenses | | | | | |
| Pooled Losses: \$0-\$250k | \$2,949,900 | \$2,949,900 | \$2,960,600 | 10,700 | 0.4% |
| Excess Coverage: \$750K to Statutory limits | 522,738 | 506,800 | 571,570 | 64,770 | 12.8% |
| Claims Servicing | 383,258 | 383,260 | 340,890 | (42,370) | -11.1% |
| Dept. of Self-Insurance Assessment | 81,609 | 90,000 | 90,000 | - | 0.0% |
| Total Claims Expenses | 3,937,505 | 3,929,970 | 3,963,060 | 33,090 | 0.8% |
| Administrative Expenses | | | | | |
| General Administrative Expenses: | | | | | |
| Program Administration | 477,274 | 481,010 | 491,592 | 10,582 | 2.2% |
| Meetings & Conferences | 31,239 | 45,000 | 46,200 | 1,200 | 2.7% |
| <i>Annual Meeting</i> | 30,198 | 42,000 | 43,000 | | |
| <i>Executive & RMC Committee Meetings</i> | 1,041 | 3,000 | 3,200 | | |
| Financial Audit | 14,200 | 14,200 | 14,500 | 300 | 2.1% |
| Legal Services | 7,150 | 12,000 | 12,000 | - | 0.0% |
| Actuarial Study | 8,879 | 8,880 | 10,000 | 1,120 | 12.6% |
| Fidelity Bond/E & O | 2,564 | 3,000 | 3,000 | - | 0.0% |
| CAJPA Accreditation | - | 4,000 | 0 | (4,000) | 0.0% |
| Investment Services | 23,551 | 22,300 | 26,000 | 3,700 | 16.6% |
| Bank Fees | 5,156 | 4,800 | 5,300 | 500 | 10.4% |
| Miscellaneous | 664 | 3,000 | 3,000 | - | 0.0% |
| Safety and Loss Control: | | | | | |
| Safety Program Awards | 6,000 | 18,000 | 18,000 | - | 0.0% |
| Virtual Safety Manager Program | 59,400 | 59,400 | 60,000 | 600.00 | 1.0% |
| Total Administrative Expenses | 636,077 | 675,590 | 689,592 | 14,002 | 2.1% |
| Total Deposit Premium | \$4,573,582 | \$4,605,560 | \$4,652,652 | \$47,092 | 1.0% |

California Housing Workers' Compensation Authority

2019 Draft Operating Budget

Program Contribution by Member

At the 80% Confidence Level - \$250,000 SIR - 2.0% Discount Factor

| Member | Pooled Losses \$1-\$250k Note 1 | Excess Coverage \$750k - Statutory Note 2 | Claims Servicing Note 3 | DIR Assessment Note 4 | Allocation of Administration Costs | | | TOTAL DEPOSIT PREMIUM Note 7 | Prior Year Comparison | |
|-----------------------|---------------------------------------|---|----------------------------|--------------------------|------------------------------------|-------------------------|----------------------|---------------------------------|-------------------------|----------------|
| | | | | | 30% Equal Allocation | 70% Variable Allocation | Total Administration | | Prior Year Contribution | Percent Change |
| | | | | | Note 5 | Note 6 | Note 8 | | | |
| Alameda City | \$50,568 | \$9,763 | \$5,823 | \$1,537 | \$7,389 | \$14,723 | \$22,112 | \$89,803 | \$57,151 | 57.1% |
| Alameda County | 71,891 | 13,879 | 8,278 | 2,185 | 7,389 | 16,907 | 24,296 | 120,529 | 143,843 | -16.2% |
| Benicia | 19,023 | 3,673 | 2,190 | 578 | 7,389 | 2,413 | 9,802 | 35,266 | 35,135 | 0.4% |
| Butte | 36,254 | 6,999 | 4,174 | 1,102 | 7,389 | 7,458 | 14,847 | 63,376 | 62,830 | 0.9% |
| Contra Costa | 120,677 | 23,297 | 13,895 | 3,668 | 7,389 | 18,638 | 26,027 | 187,564 | 176,202 | 6.4% |
| Eureka | 30,404 | 5,870 | 3,501 | 924 | 7,389 | 4,518 | 11,907 | 52,606 | 51,927 | 1.3% |
| Fresno | 311,786 | 60,192 | 35,900 | 9,478 | 7,389 | 42,062 | 49,451 | 466,807 | 519,087 | -10.1% |
| Kern | 237,435 | 45,838 | 27,339 | 7,218 | 7,389 | 21,866 | 29,255 | 347,085 | 407,380 | -14.8% |
| Kings | 37,847 | 7,307 | 4,358 | 1,151 | 7,389 | 3,240 | 10,629 | 61,292 | 73,272 | -16.4% |
| Madera | 31,187 | 6,021 | 3,591 | 948 | 7,389 | 4,376 | 11,765 | 53,512 | 36,241 | 47.7% |
| Marin | 37,944 | 7,325 | 4,369 | 1,153 | 7,389 | 9,904 | 17,293 | 68,084 | 51,676 | 31.8% |
| Merced | 59,921 | 11,568 | 6,900 | 1,822 | 7,389 | 6,135 | 13,524 | 93,735 | 84,635 | 10.8% |
| Monterey | 108,507 | 20,948 | 12,494 | 3,299 | 7,389 | 16,698 | 24,087 | 169,335 | 127,436 | 32.9% |
| Paso Robles | 9,050 | 1,747 | 1,042 | 275 | 7,389 | 2,074 | 9,463 | 21,577 | 21,055 | 2.5% |
| Plumas | 13,196 | 2,548 | 1,519 | 401 | 7,389 | 2,765 | 10,154 | 27,818 | 19,870 | 40.0% |
| Sacramento | 306,402 | 59,153 | 35,280 | 9,314 | 7,389 | 49,600 | 56,989 | 467,138 | 540,000 | -13.5% |
| San Bernardino | 138,923 | 26,820 | 15,996 | 4,223 | 7,389 | 26,237 | 33,626 | 219,588 | 217,807 | 0.8% |
| San Diego | 262,935 | 50,762 | 30,275 | 7,993 | 7,389 | 75,589 | 82,978 | 434,943 | 353,341 | 23.1% |
| San Joaquin | 119,791 | 23,126 | 13,793 | 3,642 | 7,389 | 15,118 | 22,507 | 182,859 | 167,432 | 9.2% |
| San Luis Obispo | 62,395 | 12,046 | 7,184 | 1,897 | 7,389 | 9,808 | 17,197 | 100,719 | 97,177 | 3.6% |
| San Mateo | 51,772 | 9,995 | 5,961 | 1,574 | 7,389 | 12,359 | 19,748 | 89,050 | 89,480 | -0.5% |
| Santa Barbara | 74,469 | 14,377 | 8,575 | 2,264 | 7,389 | 15,864 | 23,253 | 122,938 | 90,448 | 35.9% |
| Santa Clara | 148,095 | 28,591 | 17,052 | 4,502 | 7,389 | 45,930 | 53,319 | 251,559 | 176,472 | 42.5% |
| Stanislaus | 181,242 | 34,990 | 20,869 | 5,510 | 7,389 | 16,415 | 23,804 | 266,415 | 320,137 | -16.8% |
| Sutter | 53,145 | 10,260 | 6,119 | 1,616 | 7,389 | 7,343 | 14,732 | 85,872 | 86,755 | -1.0% |
| Tulare | 282,041 | 54,450 | 32,475 | 8,574 | 7,389 | 18,032 | 25,421 | 402,961 | 397,120 | 1.5% |
| Ventura | 51,221 | 9,889 | 5,898 | 1,557 | 7,389 | 8,728 | 16,117 | 84,682 | 77,391 | 9.4% |
| Yolo | 52,480 | 10,132 | 6,043 | 1,595 | 7,389 | 7,914 | 15,303 | 85,553 | 61,676 | 38.7% |
| Total | \$2,960,600 | \$571,570 | \$340,890 | \$90,000 | \$206,892 | \$482,714 | \$689,606 | \$4,652,666 | \$4,542,976 | 2.4% |
| Prior Year Budget | \$2,949,900 | \$506,800 | \$383,260 | \$90,000 | \$202,677 | \$472,910 | \$675,586 | \$4,605,560 | | |
| Incr./((Decr.) | \$10,700 | \$64,770 | (\$42,370) | \$0 | \$4,215 | \$9,804 | \$14,020 | \$47,106 | | |
| % Increase/(Decrease) | 0.36% | 12.78% | -11.06% | 0.00% | 2.08% | 2.07% | 2.08% | 1.02% | | |

Excess coverage: Budgeted LAWXCX premium includes 5.5% increase at 7/1/2019.

California Housing Workers' Compensation Authority

2019 Draft Operating Budget

Funding for Pooled Losses at the 80% Confidence Level - \$250,000 SIR

| Member | Payroll by Class Code | | | | | Funding for Losses Note 3 | 2019 | | Funding Adjusted for Ex-Mod Note 5 | Funding Adjusted for Off-Balance** Note 6 |
|-----------------|-----------------------|---------------------|---------------------|------------------------|----------------------|------------------------------------|---|--------------------|---|--|
| | Clerical 8810 | Out-Sales 8742 | Maintenance 9033 | Carpentry 5645/5403 | Total Payroll | | Final Experience Modification Note 4 | | | |
| | Note 2 | Note 2 | Note 2 | | Note 2 | | | | | |
| Alameda City | \$2,420,100 | \$1,051,969 | \$791,797 | \$0 | \$4,263,866 | \$101,531 | 0.514 | \$52,231 | \$50,568 | |
| Alameda County | 3,018,232 | 1,649,394 | 228,872 | 0 | 4,896,498 | 68,490 | 1.084 | 74,255 | 71,891 | |
| Benicia | 330,954 | 166,040 | 201,737 | 0 | 698,731 | 21,429 | 0.917 | 19,649 | 19,023 | |
| Butte | 700,000 | 1,160,000 | 300,000 | 0 | 2,160,000 | 40,130 | 0.933 | 37,446 | 36,254 | |
| Contra Costa | 2,579,810 | 1,949,839 | 868,201 | 0 | 5,397,850 | 115,117 | 1.083 | 124,645 | 120,677 | |
| Eureka | 694,471 | 317,176 | 296,858 | 0 | 1,308,505 | 34,750 | 0.904 | 31,404 | 30,404 | |
| Fresno | 5,237,480 | 4,995,346 | 1,948,830 | 0 | 12,181,656 | 254,697 | 1.264 | 322,039 | 311,786 | |
| Kern | 2,216,156 | 2,231,627 | 1,884,960 | 0 | 6,332,743 | 192,564 | 1.274 | 245,243 | 237,435 | |
| Kings | 344,785 | 283,710 | 240,468 | 69,389 | 938,352 | 36,126 | 1.082 | 39,092 | 37,847 | |
| Madera | 630,496 | 204,407 | 432,529 | 0 | 1,267,432 | 43,975 | 0.733 | 32,213 | 31,187 | |
| Marin | 0 | 2,469,010 | 399,279 | 0 | 2,868,289 | 46,477 | 0.843 | 39,192 | 37,944 | |
| Merced | 557,288 | 576,419 | 643,058 | 0 | 1,776,765 | 61,921 | 1.000 | 61,892 | 59,921 | |
| Monterey | 2,105,563 | 1,808,169 | 922,090 | 0 | 4,835,822 | 112,185 | 0.999 | 112,075 | 108,507 | |
| Paso Robles | 354,873 | 142,863 | 103,055 | 0 | 600,791 | 13,785 | 0.678 | 9,348 | 9,050 | |
| Plumas | 27,295 | 546,551 | 227,004 | 0 | 800,850 | 21,646 | 0.630 | 13,630 | 13,196 | |
| Sacramento | 10,946,032 | 1,384,074 | 2,034,695 | 0 | 14,364,801 | 316,333 | 1.000 | 316,478 | 306,402 | |
| San Bernardino | 4,584,623 | 1,768,696 | 1,245,060 | 0 | 7,598,379 | 170,779 | 0.840 | 143,491 | 138,923 | |
| San Diego | 12,691,258 | 8,279,291 | 920,690 | 0 | 21,891,239 | 292,749 | 0.928 | 271,582 | 262,935 | |
| San Joaquin | 2,970,693 | 279,517 | 1,092,624 | 35,373 | 4,378,207 | 133,602 | 0.926 | 123,730 | 119,791 | |
| San Luis Obispo | 829,436 | 1,529,470 | 481,460 | 0 | 2,840,366 | 58,471 | 1.102 | 64,447 | 62,395 | |
| San Mateo | 1,797,597 | 1,399,473 | 382,382 | (158) | 3,579,294 | 62,783 | 0.852 | 53,475 | 51,772 | |
| Santa Barbara | 2,000,713 | 1,798,251 | 795,391 | 0 | 4,594,355 | 100,674 | 0.764 | 76,918 | 74,469 | |
| Santa Clara | 11,966,361 | 1,243,702 | 91,698 | 0 | 13,301,761 | 175,083 | 0.874 | 152,965 | 148,095 | |
| Stanislaus | 3,010,762 | 789,288 | 954,001 | 0 | 4,754,051 | 120,732 | 1.551 | 187,202 | 181,242 | |
| Sutter | 435,807 | 1,098,046 | 592,885 | 0 | 2,126,738 | 59,444 | 0.923 | 54,893 | 53,145 | |
| Tulare | 2,129,802 | 974,528 | 2,046,845 | 70,956 | 5,222,131 | 207,678 | 1.403 | 291,316 | 282,041 | |
| Ventura | 1,559,397 | 916,276 | 51,983 | 0 | 2,527,656 | 30,516 | 1.734 | 52,905 | 51,221 | |
| Yolo | 1,371,803 | 333,144 | 587,061 | 0 | 2,292,008 | 66,935 | 0.810 | 54,206 | 52,480 | |
| Total | \$77,511,787 | \$41,346,276 | \$20,765,513 | \$175,560 | \$139,799,136 | \$2,960,602 | Average 0.987 | \$3,057,962 | \$2,960,601 | |

| Actuarial Rates at the Discounted 80% Confidence Level (\$1 - \$250K SIR) | | | | |
|---|--------|--------|--------|---------|
| Class Code | 8810 | 8742 | 9033 | 5403 |
| Current Year Rate - Disc. 2.0% | \$1.34 | \$0.60 | \$7.93 | \$15.47 |
| Prior Yr Rate @ \$250k SIR; 80% CL; Disc. 2.0% | \$1.38 | \$0.62 | \$8.04 | \$15.70 |
| Percentage Change | -2.90% | -3.23% | -1.37% | -1.46% |

Memo
Only

** - Off balance Factor:
0.968

California Housing Workers' Compensation Authority
PAYROLL, EXPERIENCE MODIFICATION FACTOR AND CONTRIBUTION CHANGES
FROM 2018 to 2019

2019 Funding for Pooled Losses at the 80% Confidence Level - \$250,000 SIR

| MEMBER | PAYROLL* | | | | EX MOD FACTOR | | | | CONTRIBUTION | | | |
|-----------------|----------------------|----------------------|--------------------|-------------|---------------|-------------|-------------------|-------------|--------------------|--------------------|------------------|-------------|
| | | | CHANGES | | | | CHANGES | | | | CHANGES | |
| | 2018 | 2019 | AMOUNT | PERCENTAGE | 2018 | 2019 | AMOUNT | PERCENTAGE | 2018 | 2019 | AMOUNT | PERCENTAGE |
| Alameda City | \$4,098,485 | \$4,263,866 | \$165,381 | 4.04% | 0.264 | 0.514 | 0.25 | 94.54% | \$57,151 | \$89,803 | \$32,652 | 57.13% |
| Alameda County | 4,730,588 | 4,896,498 | 165,910 | 3.51% | 1.334 | 1.084 | (0.25) | -18.74% | 143,843 | 120,529 | (23,314) | -16.21% |
| Benicia | 698,348 | 698,731 | 383 | 0.05% | 0.918 | 0.917 | (0.00) | -0.16% | 35,135 | 35,266 | 131 | 0.37% |
| Butte | 2,160,000 | 2,160,000 | 0 | 0.00% | 0.897 | 0.933 | 0.04 | 4.07% | 62,830 | 63,376 | 546 | 0.87% |
| Contra Costa | 5,487,195 | 5,397,850 | (89,345) | -1.63% | 0.937 | 1.083 | 0.15 | 15.61% | 176,202 | 187,564 | 11,362 | 6.45% |
| Eureka | 1,184,423 | 1,308,505 | 124,082 | 10.48% | 0.898 | 0.904 | 0.01 | 0.64% | 51,927 | 52,606 | 679 | 1.31% |
| Fresno | 11,055,521 | 12,181,656 | 1,126,135 | 10.19% | 1.514 | 1.264 | (0.25) | -16.51% | 519,087 | 466,807 | (52,280) | -10.07% |
| Kern | 5,825,745 | 6,332,743 | 506,998 | 8.70% | 1.524 | 1.274 | (0.25) | -16.41% | 407,380 | 347,085 | (60,295) | -14.80% |
| Kings | 1,039,884 | 938,352 | (101,532) | -9.8% | 1.332 | 1.082 | (0.25) | -18.8% | 73,272 | 61,292 | (11,980) | -16.4% |
| Madera | 1,134,308 | 1,267,432 | 133,124 | 11.7% | 0.483 | 0.733 | 0.25 | 51.8% | 36,241 | 53,512 | 17,271 | 47.7% |
| Marin | 2,644,090 | 2,868,289 | 224,199 | 8.5% | 0.593 | 0.843 | 0.25 | 42.1% | 51,676 | 68,084 | 16,408 | 31.8% |
| Merced | 1,696,534 | 1,776,765 | 80,231 | 4.7% | 0.901 | 1.000 | 0.10 | 11.0% | 84,635 | 93,735 | 9,100 | 10.8% |
| Monterey | 4,444,132 | 4,835,822 | 391,690 | 8.8% | 0.749 | 0.999 | 0.25 | 33.4% | 127,436 | 169,335 | 41,899 | 32.9% |
| Paso Robles | 696,208 | 600,791 | (95,417) | -13.7% | 0.428 | 0.678 | 0.25 | 58.4% | 21,055 | 21,577 | 522 | 2.5% |
| Plumas | 801,610 | 800,850 | (760) | -0.1% | 0.380 | 0.630 | 0.25 | 65.8% | 19,870 | 27,818 | 7,948 | 40.0% |
| Sacramento | 13,655,363 | 14,364,801 | 709,438 | 5.2% | 1.173 | 1.000 | (0.17) | -14.7% | 540,000 | 467,138 | (72,862) | -13.5% |
| San Bernardino | 7,527,807 | 7,598,379 | 70,572 | 0.9% | 0.804 | 0.840 | 0.04 | 4.4% | 217,807 | 219,588 | 1,781 | 0.8% |
| San Diego | 21,891,239 | 21,891,239 | 0 | 0.0% | 0.678 | 0.928 | 0.25 | 36.9% | 353,341 | 434,943 | 81,602 | 23.1% |
| San Joaquin | 4,342,834 | 4,378,207 | 35,373 | 0.8% | 0.841 | 0.926 | 0.08 | 10.1% | 167,432 | 182,859 | 15,427 | 9.2% |
| San Luis Obispo | 2,913,394 | 2,840,366 | (73,028) | -2.5% | 0.980 | 1.102 | 0.12 | 12.5% | 97,177 | 100,719 | 3,542 | 3.6% |
| San Mateo | 3,469,330 | 3,579,294 | 109,964 | 3.2% | 0.850 | 0.852 | 0.00 | 0.2% | 89,480 | 89,050 | (430) | -0.5% |
| Santa Barbara | 4,529,709 | 4,594,355 | 64,646 | 1.4% | 0.514 | 0.764 | 0.25 | 48.6% | 90,448 | 122,938 | 32,490 | 35.9% |
| Santa Clara | 11,544,876 | 13,301,761 | 1,756,885 | 15.2% | 0.624 | 0.874 | 0.25 | 40.1% | 176,472 | 251,559 | 75,087 | 42.5% |
| Stanislaus | 4,545,510 | 4,754,051 | 208,541 | 4.6% | 1.801 | 1.551 | (0.25) | -13.9% | 320,137 | 266,415 | (53,722) | -16.8% |
| Sutter | 2,127,754 | 2,126,738 | (1,016) | 0.0% | 0.901 | 0.923 | 0.02 | 2.5% | 86,755 | 85,872 | (883) | -1.0% |
| Tulare | 5,121,710 | 5,222,131 | 100,421 | 2.0% | 1.405 | 1.403 | (0.00) | -0.1% | 397,120 | 402,961 | 5,841 | 1.5% |
| Ventura | 2,154,213 | 2,527,656 | 373,443 | 17.3% | 1.984 | 1.734 | (0.25) | -12.6% | 77,391 | 84,682 | 7,291 | 9.4% |
| Yolo | 2,115,783 | 2,292,008 | 176,225 | 8.3% | 0.560 | 0.810 | 0.25 | 44.7% | 61,676 | 85,553 | 23,877 | 38.7% |
| Total | \$133,636,593 | \$139,799,136 | \$6,162,543 | 4.6% | 0.94 | 0.99 | (Averages) | 5.3% | \$4,542,976 | \$4,652,666 | \$109,690 | 2.4% |

For 2019, Reported actual payroll from 4Q 2017- 3Q 2018, inflated by 5%

California Housing Workers' Compensation Authority

2019 Ex MOD Calculation

Losses Limited to \$100K

Exmod capped between 0.75 and 1.5 - change of 0.25

~ Data: 2015-2017 ~ Losses valued as of 9/30/18 ~

| MEMBER | TRADITIONAL EX MOD CALCULATION COMPONENTS | | | | | | | FINAL CALCULATION: Comparison to Prior Year and Capped at a 0.25 Change | | | | |
|-----------------|---|----------------------------|-----------------------|-------------------|---|------------------------------|-------|---|----------------------------|-------------------|------------------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | | (8) | (9) | (10) | (11) |
| | 3 YEAR EXPECTED LOSS | 3 YEAR ACTUAL LOSS LIMITED | INDEXED RAW EXMOD | INDEXED RAW EXMOD | DEVIATION FROM NORM MULTIPLIED By CREDIBILITY CREDIBILITY | FACTORED EXPERIENCE MODIFIER | | MEMBER | CAPPED EXPERIENCE MODIFIER | 2018 CAPPED EXMOD | DIFFERENCE (Over 0.25 Highlighted) | 2019 INDEXED/CAPPED EX MOD |
| Alameda City | 311,910 | 3,591 | 0.012 | 0.028 | 0.188 | (0.183) | 0.817 | Alameda City | 0.817 | 0.264 | 0.55 | 0.514 |
| Alameda County | 207,435 | 32,153 | 0.155 | 0.373 | 0.153 | (0.096) | 0.904 | Alameda County | 0.904 | 1.334 | (0.43) | 1.084 |
| Benicia | 60,869 | - | - | - | 0.083 | (0.083) | 0.917 | Benicia | 0.917 | 0.918 | (0.00) | 0.917 |
| Butte | 118,459 | 20,794 | 0.176 | 0.423 | 0.116 | (0.067) | 0.933 | Butte | 0.933 | 0.897 | 0.04 | 0.933 |
| Contra Costa | 378,023 | 219,670 | 0.581 | 1.400 | 0.207 | 0.083 | 1.083 | Contra Costa | 1.083 | 0.937 | 0.15 | 1.083 |
| Eureka | 105,323 | 5,196 | 0.049 | 0.119 | 0.109 | (0.096) | 0.904 | Eureka | 0.904 | 0.898 | 0.01 | 0.904 |
| Fresno | 698,911 | 439,446 | 0.629 | 1.515 | 0.281 | 0.145 | 1.145 | Fresno | 1.145 | 1.514 | (0.37) | 1.264 |
| Kern | 535,369 | 115,524 | 0.216 | 0.520 | 0.246 | (0.118) | 0.882 | Kern | 0.882 | 1.524 | (0.64) | 1.274 |
| Kings | 104,685 | 1,284 | 0.012 | 0.030 | 0.109 | (0.106) | 0.894 | Kings | 0.894 | 1.332 | (0.44) | 1.082 |
| Madera | 105,681 | 7,268 | 0.069 | 0.166 | 0.109 | (0.091) | 0.909 | Madera | 0.909 | 0.483 | 0.43 | 0.733 |
| Marin | 142,782 | 47,286 | 0.331 | 0.798 | 0.127 | (0.026) | 0.974 | Marin | 0.974 | 0.593 | 0.38 | 0.843 |
| Merced | 186,738 | 77,270 | 0.414 | 0.997 | 0.145 | (0.000) | 1.000 | Merced | 1.000 | 0.901 | 0.10 | 1.000 |
| Monterey | 356,798 | 268,932 | 0.754 | 1.816 | 0.201 | 0.164 | 1.164 | Monterey | 1.164 | 0.749 | 0.42 | 0.999 |
| Paso Robles | 58,603 | 31,611 | 0.539 | 1.299 | 0.082 | 0.024 | 1.024 | Paso Robles | 1.024 | 0.428 | 0.60 | 0.678 |
| Plumas | 68,397 | 12,143 | 0.178 | 0.428 | 0.088 | (0.050) | 0.950 | Plumas | 0.950 | 0.380 | 0.57 | 0.630 |
| Sacramento | 926,950 | 385,346 | 0.416 | 1.001 | 0.324 | 0.000 | 1.000 | Sacramento | 1.000 | 1.173 | (0.17) | 1.000 |
| San Bernardino | 545,100 | 80,837 | 0.148 | 0.357 | 0.249 | (0.160) | 0.840 | San Bernardino | 0.840 | 0.804 | 0.04 | 0.840 |
| San Diego | 976,312 | 594,169 | 0.609 | 1.466 | 0.333 | 0.155 | 1.155 | San Diego | 1.155 | 0.678 | 0.48 | 0.928 |
| San Joaquin | 387,395 | 104,114 | 0.269 | 0.647 | 0.210 | (0.074) | 0.926 | San Joaquin | 0.926 | 0.841 | 0.08 | 0.926 |
| San Luis Obispo | 204,281 | 141,755 | 0.694 | 1.672 | 0.152 | 0.102 | 1.102 | San Luis Obispo | 1.102 | 0.980 | 0.12 | 1.102 |
| San Mateo | 193,862 | - | - | - | 0.148 | (0.148) | 0.852 | San Mateo | 0.852 | 0.850 | 0.00 | 0.852 |
| Santa Barbara | 283,977 | 14,537 | 0.051 | 0.123 | 0.179 | (0.157) | 0.843 | Santa Barbara | 0.843 | 0.514 | 0.33 | 0.764 |
| Santa Clara | 469,138 | 136,419 | 0.291 | 0.700 | 0.231 | (0.069) | 0.931 | Santa Clara | 0.931 | 0.624 | 0.31 | 0.874 |
| Stanislaus | 344,830 | 153,821 | 0.446 | 1.075 | 0.198 | 0.015 | 1.015 | Stanislaus | 1.015 | 1.801 | (0.79) | 1.551 |
| Sutter | 180,028 | 34,680 | 0.193 | 0.464 | 0.143 | (0.077) | 0.923 | Sutter | 0.923 | 0.901 | 0.02 | 0.923 |
| Tulare | 597,308 | 631,704 | 1.058 | 2.548 | 0.260 | 0.403 | 1.403 | Tulare | 1.403 | 1.405 | (0.00) | 1.403 |
| Ventura | 77,691 | 15,175 | 0.195 | 0.471 | 0.094 | (0.050) | 0.950 | Ventura | 0.950 | 1.984 | (1.03) | 1.734 |
| Yolo | 193,960 | 87,025 | 0.449 | 1.081 | 0.148 | 0.012 | 1.012 | Yolo | 1.012 | 0.560 | 0.45 | 0.810 |
| | \$ 8,820,815 | \$ 3,661,748 | 0.415 | 0.768 | | | 0.980 | | | | | |
| | | | Total (2) / Total (1) | | | | | | 1.021 | 0.930 | | 0.987 |

| | | | | | | | | | | |
|--------------------------|-----|-----|-----------------|-----------------------|--------------------------------|---------------|---------|-------------------------------------|-----------|--|
| Row Calculations: | (1) | (2) | (3) = (2) / (1) | (4) = (3) / Total (3) | (5) = SQRT ((1) / Total (1)) | (1-"4") * "5" | 1 + "6" | '(7) unless capped from 0.75 to 1.5 | (8) - (9) | (8) Unless capped at a 0.25 change from prior year |
|--------------------------|-----|-----|-----------------|-----------------------|--------------------------------|---------------|---------|-------------------------------------|-----------|--|

**SAN DIEGO HOUSING COMMISSION
FY2019 INSURANCE SUMMARY**

| Policy | Carrier | Effective Date | Premium | Limits | Deductible/ Retention | Description of Coverage |
|---------------------|----------------|-----------------------|----------------|--|------------------------------|--|
| Property | CSAC EIA | 3/31/2018 | \$ 298,963 | \$25,000,000 | \$ 25,000 | Provides coverage for damage to Real and Personal property, and Business Income as a result of a covered peril such as a fire. |
| Fiduciary Liability | FLIP | 7/01/2018 | \$ 5,614 | \$ 2,000,000 aggregate | - | If your company sponsors a retirement or health plan for the employees and if you are involved in any way with the management of that plan, you are likely considered a "Fiduciary" and can be held personally liable for what happens to the plan. This provides coverage for losses that arise as a result of alleged errors or omissions or breach of the fiduciary duties. |
| Pollution | CSAC EIA | 7/1/2018 | \$ 2,037 | \$10,000,000 per Pollution Condition; \$10,000,000 per member aggregate | \$75,000 | Provides coverage for pollution conditions and includes 1 st and 3 rd party coverages. This is a three year policy with a premium of \$8,022 for the entire term (6/30/2015-6/30/2018) |
| Master Crime | CSAC EIA | 6/30/2018 | \$ 7,508 | \$15,000,000 | \$ 2,500 | Coverage that manages the loss exposures resulting from criminal acts such as robbery, burglary and other forms of theft. |
| | | | | | | |

| Policy | Carrier | Effective Date | Premium | Limits | Deductible/ Retention | Description of Coverage |
|----------------------------------|-----------|----------------|------------|--------------|---------------------------|---|
| Smart Corner- Premises Liability | Travelers | 7/1/2018 | \$ 19,818 | \$5,000,000 | - | Provides coverage for claims from SDHC's liability to damage or injury (caused by negligence or acts of omission) during performance of business. Premises liability coverage only, as operations are excluded. Example would be a "slip and fall" in the Smart corner premises. |
| Smart Corner- Excess Liability | Travelers | 7/1/2018 | \$ 17,086 | \$20,000,000 | - | Provides excess coverage specific to the Smart Corner location and follows the primary liability placement. |
| General Liability | HARRG | 7/1/2018 | \$ 214,837 | \$20,000,000 | \$ 10,000 | Provides third party coverage for SDHC liabilities that occur as a result of negligence or omissions. Coverage includes bodily injury, physical damage and personal injury. |
| Commercial Auto | Travelers | 7/1/2018 | \$ 38,703 | \$1,000,000 | \$1000 Comp and Collision | Provides comprehensive and collision. "Any auto" applies to the Liability and "Owned auto" applies to all other coverages such as medical payments and physical damage. Example includes an employee gets in an accident while driving a SDHC owned vehicle during the scope of work. |

| Policy | Carrier | Effective Date | Premium | Limits | Deductible/ Retention | Description of Coverage |
|----------------------------|-----------|----------------|-----------|---|-------------------------------|--|
| Excess Auto | Travelers | 7/1/2018 | \$ 9,594 | \$9,000,000 | - | Provides excess auto coverage following the primary auto placement. |
| Cyber | CSAC EIA | 7/1/2018 | \$ 2,311 | \$20,000,000 with \$2,000,000 Aggregate for each Member | \$ 50,000 | Provides first and third party coverage for cyber incidents such as liabilities that arise from but not limited to a breach of secured data, the notification costs associated with a breach, and taxes and penalties. |
| Flood - 355 S. 33rd Street | Wright | 2/21/2018 | \$ 4,876 | | | Provides flood (NFIP) coverage for the 355 S. 33rd Street location. |
| Cyber Buy Up Option | CSAC EIA | 7/1/2018 | \$ 28,665 | 1M Notified Individuals | - | Provides dedicated “per life” coverage for notification costs associated to a cyber breach, and this coverage does not erode the limit of liability or program aggregate associated to the primary cyber placement. For example: If SDHC experiences a data breach and \$800,000 lives were effected, the cost to notify the individuals would be covered by this buy up option. |
| Flood- 3051 54th Street | Hartford | 8/7/2018 | \$ 765 | \$300,000 building / \$12,000 contents | \$1,250 building and contents | Provides flood (NFIP) coverage for the 3051 54 th Street location. |

| Policy | Carrier | Effective Date | Premium | Limits | Deductible/ Retention | Description of Coverage |
|------------------------------|---------------|----------------|------------|---|--|---|
| Workers' Compensation | CHWCA | 1/1/2018 | \$ 363,088 | Statutory for WC and \$5,000,000 for EPLI | First Dollar | Form of insurance that provides wage replacement and medical benefits for employees that are injured during the course of employment. Also provides coverage for Employment Practice Liability to include wrongful termination. |
| Flood- 5077 1/2 Muir Ave | Hartford | 10/4/2018 | \$ 3,168 | \$250,000 building | \$ 2,000 building | Provides flood (NFIP) coverage for the 5077 ½ Muir Ave location. |
| Flood- 5071 Muir Ave | Hartford | 11/30/2018 | \$ 3,322 | \$250,000 building / \$10,200 contents | \$2,000 building and contents | Provides flood (NFIP) coverage for the 5071 Muir Ave location. |
| Director's & Officers | Western World | 12/8/2017 | \$ 99,989 | \$5,000,000 | \$ 150,000 | Liability insurance payable to the directors and officers of a company as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers. Examples could include liabilities that arise from poor management decisions. |
| Excess Director's & Officers | Ironshore | 12/8/2017 | \$ 32,000 | \$3,000,000 | \$0 Deductible at \$5,000,000 attachment point | Provides excess coverage following the primary Director's & Officers placement. |