



SAN DIEGO
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San Diego Housing Commission (SDHC) 2020-2021 Procurement of Property Insurance Presentation to the SDHC Board of Commissioners March 6, 2020

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2020-2021 Procurement of Property Insurance Recommendation

- Approve the procurement and binding of property insurance coverage from the California State Association of Counties Excess Insurance Authority (CSAC EIA) in an amount not to exceed \$500,000 plus a 10 percent contingency reserve, with effective dates of March 31, 2020, to March 31, 2021.



2020-2021 Procurement of Property Insurance Overview

- CSAC EIA is a member-directed, risk-sharing pool of counties and public entities committed to providing risk coverage programs and risk management services.
- CSAC EIA's Property Program is one of the largest public entity property placements worldwide, and its sole purpose is finding cost-effective insurance solutions and risk management services for its 115 members.
- Today, 95 percent of counties and 60 percent of cities in California participate.
- SDHC has been a long-time member of the CSAC EIA's Property Program, joining in conjunction with San Diego County on June 13, 1993.



2020-2021 Procurement of Property Insurance SDHC Premium

The premium increase directly corresponds to:

1. Hardening of the insurance market, rates increasing with coverage harder to find.
2. Unprecedented natural disasters, including hurricanes, wildfires, severe flooding and tornados in the past few years.
3. Increase in size and frequency of non-catastrophe related claims such as fire and water damage.
4. CSAC EIA Property Program, like much of the industry, operating at a loss; claims payoffs exceeding premiums collected.
5. SDHC utilizing 81 percent of premium to cover claims.
6. Total insured values of the insured properties increased by \$3.6 million for SDHC and \$9 billion for CSAC EIA pool of 115 members.



Questions & Comments

