



SAN DIEGO  
HOUSING  
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# San Diego Housing Commission (SDHC) 2021-2022 Procurement of Property Insurance Presentation to the SDHC Board of Commissioners March 5, 2021

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# 2021-2022 Procurement of Property Insurance Overview

- Public Risk Innovation, Solutions, and Management (PRISM) is a member-directed, risk-sharing pool of counties and public entities.
  - Committed to providing risk coverage programs and risk management services
- PRISM's Property Program is one of the largest public entity property placements worldwide.
  - Sole purpose is finding cost-effective insurance solutions and risk management services for its 110 members
- 95 percent of counties and 60 percent of cities in California participate.
- SDHC has been a long-time member of PRISM's Property Program, joining in conjunction with San Diego County on June 13, 1993.
- PRISM has provided SDHC with a preliminary premium estimate of \$659,000 for the 2021-2022 policy year.



# 2021-2022 Procurement of Property Insurance SDHC Premium

The \$230,000, 53%, 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. COVID-19 pandemic, unprecedented civil unrest, and adverse loss development
4. PRISM Property Program, like much of the industry, operating at a loss; claims payoffs exceeding premiums collected
5. SDHC utilizing 65 percent of premium to cover claims
6. Total insured values of the insured properties increasing by \$66.2 million for SDHC and \$6 billion for PRISM pool of 110 members





# 2021-2022 Procurement of Property Insurance Staff Recommendation

- Authorize the procurement and binding of property insurance coverage for the Housing Commission from Public Risk Innovation, Solutions, and Management (PRISM) in an amount not to exceed \$659,000 plus 5 percent as a contingency reserve with effective dates of March 31, 2021, to March 31, 2022.



# Questions & Comments

