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San Diego Housing Commission (SDHC) 2022-2023 Procurement of Property Insurance Presentation to the SDHC Board of Commissioners March 4, 2022

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SDHC – 2022-2023 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 \$927,000 for the 2022-2023 policy year.



SDHC – 2022-2023 Procurement of Property Insurance SDHC Premium

The \$206,000 (29 percent) premium increase directly corresponds to:

- Hardening of the insurance market – rates increasing with coverage harder to find
- Unprecedented natural disasters, including hurricanes, wildfires, severe flooding and tornados in the past few years
- COVID-19 pandemic, unprecedented civil unrest, and adverse loss development
- PRISM Property Program, like much of the industry, operating at a loss; claims payoffs exceeding premiums collected
- SDHC utilizing 47 percent of premium to cover claims
- Total insured values of the insured properties increasing by \$41.1 million for SDHC and \$10 billion for PRISM pool of 110 members



SDHC – 2022-2023 Procurement of Property Insurance Staff Recommendation

- Authorize the procurement and binding of property insurance coverage for the San Diego Housing Commission from Public Risk Innovation, Solutions, and Management (PRISM) in an amount not to exceed \$927,000 plus 5 percent as a contingency reserve with effective dates of March 31, 2022, to March 31, 2023.



Questions & Comments

