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San Diego Housing Commission (SDHC) 2023-2024 Procurement of Property Insurance Presentation to the SDHC Board of Commissioners March 17, 2023

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SDHC – 2023-2024 Procurement of Property Insurance Overview

- Public Risk Innovation, Solutions, and Management (PRISM) is a member-directed, risk-sharing pool of counties and public entities.
- PRISM's Property Program is one of the largest public entity property placements worldwide.
- 55 of the 58 counties in California participate in addition to over 300 other public entities.
- 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 \$1,029,000 for the 2023-2024 policy year.



SDHC – 2023-2024 Procurement of Property Insurance SDHC Premium

- The \$219,000 (27 percent) premium increase is a result of:
 - Hardening of the insurance market – rates increasing with coverage harder to find
 - Unprecedented natural disasters, including hurricanes, wildfires and severe winter storms
 - PRISM Property Program, like much of the industry, operating at a loss; claims payoffs exceeding premiums collected
 - SDHC five-year loss ratio of 99 percent of premiums is high risk.
 - Total insured values of the insured properties increasing by \$34.6 million for SDHC and \$10 billion for PRISM pool of 110 members.



SDHC – 2023-2024 Procurement of Property Insurance Staff Recommendation

That the SDHC Board of Commissioners take the following action:

- Authorize the procurement and binding of property insurance coverage for SDHC from Public Risk Innovation, Solutions, and Management (PRISM) in an amount not to exceed \$1,029,000 plus 5 percent as a contingency reserve, with effective dates of March 31, 2023, to March 31, 2024.



Questions & Comments

