



EXECUTIVE SUMMARY

MEETING DATE: June 5, 2026

HCR26-032

SUBJECT: 2026-2027 Procurement of General Liability Insurance Coverage

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Financial Services

CONTACT/PHONE NUMBER: Christelle Van Der Windt (619) 578-7427

REQUESTED ACTION:

Authorize the San Diego Housing Commission to procure and bind general liability insurance coverage from Housing Authority Risk Retention Group, Inc., (HARRG) in an amount not to exceed \$444,655 plus a 5 percent contingency reserve, with effective dates of July 1, 2026, to July 1, 2027.

EXECUTIVE SUMMARY OF KEY FACTORS:

- SDHC procures its general liability insurance coverage from HARRG insurance pool through a contract awarded based on competitive marketing of SDHC's coverage by its insurance broker, Alliant Insurance Services, Inc. (Alliant).
- Alliant was re-selected to be SDHC's insurance broker in a comprehensive, competitive procurement process in January 2026.
- As SDHC's broker of record, Alliant provides support to all facets of brokerage services for SDHC, including the marketing of all lines of insurance coverage, as well as administrative support and servicing, loss control, and claims managements handling.
- The best practice is to market insurance coverage every four to five years to maintain bidding interest from insurance company underwriters. In 2024, Alliant marketed the general liability policy. Once again, HARRG was identified as the best option for SDHC, meeting the agency's policy requirements and competitive insurance premium.
- HARRG provides liability insurance to public housing authorities. Available coverages include general liability, public officials' errors and omissions, employment practices, law enforcement, lead-based paint, employee benefit, auto, hired and non-owned auto, mold, and terrorism.
- In May 2026, HARRG offered SDHC a renewal proposal estimated at \$444,655 for the 2026-2027 policy year, which is over \$88,000 higher than last year's renewal.
- This renewal covers SDHC's main policy and consolidates a secondary policy for "designated premises" that originated in November 2020 with SDHC's acquisition of Valley Vista and Kearny Vista, former hotel properties that SDHC acquired to create permanent affordable rental housing. Since then, Presidio Palms and Pacific Village were also added to this policy.
- SDHC acquired Starling Place in March 2026, and the prorated premium to include this property was approximately \$7,000.
- Additionally, premiums rose by nearly \$31,000 due to factors that include ongoing difficulties in the General Liability market as a whole, such as rising claim frequency and larger verdict awards.
- A benefit of Joint Powers Authorities (JPA), also known as self-insurance pooling, is that they have provided stability in turbulent markets. Therefore, the HARRG Program is expected to fare better than the market and better than public agencies trying to endure a hard market on their own.
- The funding sources and uses proposed to be approved by this action were included in the proposed SDHC Fiscal Year 2027 Budget, which the SDHC Board approved May 8, 2026, and which will be presented to Housing Authority of the City of San Diego for consideration and action on June 9, 2026.



REPORT

DATE ISSUED: May 28, 2026

REPORT NO: HCR26-032

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of June 5, 2026

SUBJECT: 2026-2027 Procurement of General Liability Insurance Coverage

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Authorize the San Diego Housing Commission to procure and bind general liability insurance coverage from Housing Authority Risk Retention Group, Inc., (HARRG) in an amount not to exceed \$444,655 plus a 5 percent contingency reserve, with effective dates of July 1, 2026, to July 1, 2027.

STAFF RECOMMENDATION

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) approve the procurement and binding of general liability insurance coverage from Housing Authority Risk Retention Group, Inc., (HARRG) in an amount not to exceed \$444,655 plus a 5 percent contingency reserve with effective dates of July 1, 2026, to July 1, 2027.

SUMMARY

SDHC procures its general liability insurance coverage from HARRG insurance pool through a contract awarded based on competitive marketing of SDHC's coverage by its insurance broker, Alliant Insurance Services, Inc. (Alliant).

Alliant was re-selected to be SDHC's insurance broker in a comprehensive, competitive procurement process in January 2026. As SDHC's broker of record, Alliant provides support to all facets of brokerage services for SDHC, including the marketing of all lines of insurance coverage, as well as administrative support and servicing, loss control, and claims managements handling. Alliant ensures that SDHC has the most effective insurance program design, with the broadest terms and conditions, at the most competitive premium available. As SDHC's risk consultant, Alliant is also responsible for keeping SDHC informed of any changes, trends and emerging risks within the public entity and commercial insurance industry.

The best practice is to market insurance coverage every four to five years to maintain bidding interest from insurance company underwriters. In 2024, Alliant marketed the general liability policy. Once again, HARRG was identified as the best option for SDHC, meeting the agency's policy requirements and competitive insurance premium.

HARRG provides liability insurance to public housing authorities. Available coverages include general liability, public officials' errors and omissions, employment practices, law enforcement, lead-based paint, employee benefit, auto, hired and non-owned auto, mold, and terrorism.

The HARRG Program is summarized below.

Commercial Liability Declarations

Limits of Coverage_____	\$15,000,000*
General Aggregate (each Policy Year)_____	\$15,000,000*
Deductible (Per Occurrence)_____	\$10,000

* Special limits apply to Designated Premises

HAI Group is the marketing name for a family of companies including HARRG

- Began operation on June 1, 1987, and was incorporated on March 20, 1987
- A nonprofit, tax-exempt captive mutual risk retention group, operating under the Federal Risk Retention Act, licensed and domiciled in Vermont
- Owned by the members it insures
- Long-time advocate for member housing agencies, their affiliates, and the housing industry as a whole
- Rated A (Excellent) by A.M. Best Company – affirmed October 2024
- More than \$82 billion in property values insured
- \$22 million in dividends declared in 2024
- Available in 48 states and the District of Columbia
- In-house claims handling and risk-control services
- Competitive pricing with flexible coverage options
- Hassle-free procurement with bid waiver from the US Department of Housing and Urban Development (HUD)

In May 2026, HARRG offered SDHC a renewal proposal estimated at \$444,655 for the 2026-2027 policy year, which is over \$88,000 higher than last year's renewal. The increase comes from several factors described below.

This renewal covers SDHC's main policy and consolidates a secondary policy for "designated premises" that originated in November 2020 with SDHC's acquisition of Valley Vista and Kearny Vista, former hotel properties that SDHC acquired to create permanent affordable rental housing. Since then, Presidio Palms and Pacific Village were also added to this policy. For the "designated premises," HARRG provides primary general liability coverage—\$1 million per incident and \$2 million in aggregate per year. For the four properties, the premium for the period from November 24, 2025, to November 24, 2026, was \$49,811. Coverage for these designated premises will remain unchanged. Previously, HARRG required separate policies for different terms, but this option is no longer available and the policies must now be combined.

SDHC acquired Starling Place in March 2026, and the prorated premium to include this property was approximately \$7,000.

Additionally, premiums rose by nearly \$31,000 due to factors that include ongoing difficulties in the General Liability market as a whole, such as rising claim frequency and larger verdict awards.

HARRG's Commercial General Liability Renewal Proposal is summarized in Table 1, and the five-year premium trend is in Table 2 below.

Table 1:

Commercial Liability Renewal Proposal	2026 - 2027
Commercial Liability	\$389,375
Mold, Other Fungi or Bacteria Liability -	12,755
Pesticide Liability	4,122
Terrorism Insurance Coverage	4,403
Third-Party Discrimination	34,000
Total Premium	\$444,655

Table 2:

Policy year	Limits of Coverage	Premium	Inc./Dec. (\$)	Inc./Dec. (%)
2022 - 2023	\$20 million	\$347,681	\$62,696	22%
2023 - 2024	\$20 million	\$354,130	\$22,723	7%
2024 - 2025	\$15 million	\$316,551	(\$37,579)	-11%
2025 - 2026	\$15 million	\$356,447	\$39,626	13%
2026 – 2027	*\$15 million	\$444,655	\$88,478	25%

**Special limits apply to Designated Premises*

A benefit of Joint Powers Authorities (JPA), also known as self-insurance pooling, is that they have provided stability in turbulent markets. Therefore, the HARRG Program is expected to fare better than the market and better than public agencies trying to endure a hard market on their own. Shopping as an individual entity is extremely difficult, especially in California. In addition, as a member of the JPA, SDHC enjoys the benefit of dividends when available. HARRG has declared SDHC’s dividends of \$41,735 for 2025.

FISCAL CONSIDERATIONS

The funding sources and uses proposed to be approved by this action were included in the proposed SDHC Fiscal Year 2027 Budget, which the SDHC Board approved May 8, 2026, and which will be presented to Housing Authority of the City of San Diego for consideration and action on June 9, 2026.

SDHC STRATEGIC PLAN

This item relates to the Core Value “Commit to transparency and being strong financial stewards” in SDHC’s Strategic Plan for Fiscal Year (FY) 2026-2030.

NONDISCRIMINATION ASSURANCE

At SDHC, we’re about people. We are committed to ensuring a compassionate, person-centered approach to SDHC’s programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The purchase of insurance is not a project as defined by the California Environmental Quality Act

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.

National Environmental Policy Act

The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,

Tracy Bryson

Tracy Bryson
Manager of Finance – Audit & Reporting
Financial Services Department

Approved by,

Azucena Valladolid

Azucena Valladolid
Chief Operating Officer
San Diego Housing Commission

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.