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San Diego Housing Commission (SDHC) 2024-2025 Procurement of Property Insurance Presentation to the SDHC Board of Commissioners March 15, 2024

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SDHC – 2024-2025 Procurement of Property Insurance Overview

- Public Risk Innovation, Solutions, and Management (PRISM) is a member-directed, risk-sharing pool of counties and public entities.
 - 55 of the 58 counties in California
 - Over 300 other public entities
- PRISM's Property Program is one of the largest public entity property placements worldwide, covering over \$101 billion Total Insured Values (TIV).
- SDHC covers over \$543 million in all risk TIV.
- PRISM has provided SDHC with a preliminary premium estimate of \$1,693,000 for the 2024-2025 policy year.



SDHC – 2024-2025 Procurement of Property Insurance

SDHC Premium

- The \$664,000 (65 percent) premium increase is a result of:
 - Increased frequency and severity of natural disasters, including hurricanes, wildfires and severe winter storms leading to unprecedented losses for primary layer of insurance.
 - Increased Total Insured Value (TIV) of 12.2% for All Risk
 - Includes trending and addition of Midway Drive property, to be known as Pacific Village, with 64 units in January 2024 which added \$46,000 to premium.
 - In PRISM Property Program, initial indicators in October 2023 projected a premium increase for most member in good standing up to 45 percent.
 - SDHC current plus five-year loss ratio of 113 percent of premiums is very high risk, resulting in a higher increase.



SDHC – 2024-2025 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 \$1,693,000 plus 5 percent as a contingency reserve, with effective dates of March 31, 2024, to March 31, 2025.



Questions & Comments

