



EXECUTIVE SUMMARY

MEETING DATE: June 20, 2025

HCR25-034

SUBJECT: 2025-2026 Procurement of General Liability Insurance Coverage

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Financial Services

CONTACT/PHONE NUMBER: Suket Dayal (619) 578-7665

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 \$356,177 plus a 5 percent contingency reserve, with effective dates of July 1, 2025, to July 1, 2026.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (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 reselected to be SDHC's insurance broker in a comprehensive procurement process in January 2022.
- Alliant provides support to all facets of brokerage services for SDHC, including the marketing of all lines of insurance coverage, as well as the administrative support and servicing, loss control, and claims management 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.
- Last year, Alliant marketed the general liability policy and once again, HARRG was identified as the best option for SDHC, meeting SDHC'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, HARRG provided SDHC with an estimated renewal proposal of \$356,177 for the 2025-2026 policy year.
- The 13 percent premium increase corresponds to continued challenges in the General Liability market over the years. This continues to include increased frequency of claims and amounts awarded in verdicts.
- 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 proposed funding sources and uses proposed to be approved by this action are included in SDHC's Fiscal Year (FY) 2026 Budget, which the Housing Authority of the City of San Diego approved on June 10, 2025.



REPORT

DATE ISSUED: June 12, 2025

REPORT NO: HCR25-034

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of June 20, 2025

SUBJECT: 2025-2026 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 \$356,177 plus a 5 percent contingency reserve, with effective dates of July 1, 2025, to July 1, 2026.

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 \$356,177 plus a 5 percent contingency reserve with effective dates of July 1, 2025, to July 1, 2026.

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 procurement process in January 2022. 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 the administrative support and servicing, loss control, and claims management 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.

Last year, Alliant marketed the general liability policy and once again, HARRG was identified as the best option for SDHC, meeting SDHC'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

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
- \$131 million in dividends declared
- 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 U.S. Department of Housing and Urban Development (HUD)

In May, HARRG provided SDHC with an estimated renewal proposal of \$356,177 for the 2025-2026 policy year. The 13 percent premium increase corresponds to continued challenges in the General Liability market over the years. This continues to include increased frequency of claims and amounts awarded in verdicts.

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

Table 1:

Commercial Liability Renewal Proposal	2025 - 2026
Commercial Liability	\$320,290
Mold, Other Fungi or Bacteria Liability -	13,241
Pesticide Liability	3,137
Terrorism Insurance Coverage	3,529
Third-Party Discrimination	16,250
Total Premium	\$356,447

Table 2:

Policy year	Limits of Coverage	Premium	Inc./Dec. (\$)	Inc./Dec. (%)
2021 - 2022	\$20 million	\$284,985	\$76,617	37%
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%

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. In April 2024, SDHC received \$59,894 in dividends for 2024.

FISCAL CONSIDERATIONS

The proposed funding sources and uses proposed to be approved by this action are included in SDHC's Fiscal Year (FY) 2026 Budget, which the Housing Authority of the City of San Diego approved on June 10, 2025. Approving this action will not change the FY 2026 Total Budget.

SDHC STRATEGIC PLAN

This item relates to the Core Value "Believe in transparency and being good financial stewards" in SDHC's Strategic Plan for Fiscal Year (FY) 2022-2024. SDHC is in the process of developing a new Strategic Plan.

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.

HARRG is a nonprofit, member-directed, risk-sharing pool of public agencies. Staff has requested a workforce report for record-keeping purposes only. Staff has also requested HARRG's nondiscrimination Policy Statement that demonstrates that it does not discriminate based on race, color, religion, national origin, ancestry, gender, age, medical condition, sexual orientation, marital status, domestic partnership status, physical or mental disabilities, veterans, or any other consideration made unlawful by federal, state, or local laws for review.

ENVIRONMENTAL REVIEW

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. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not

appealable and a Notice of Right to Appeal (NORA) the environmental determination is not required. 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,



Suket Dayal
Executive Vice President of Business Administration and
Chief Financial Officer
San Diego Housing Commission

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

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