



INFORMATIONAL REPORT

DATE ISSUED: September 4, 2025

REPORT NO: HCR25-061

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of September 12, 2025

SUBJECT: Annual Insurance Report – Fiscal Year 2026

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The attached Fiscal Year (FY) 2026 Insurance Summary details the San Diego Housing Commission's (SDHC) insurance policies as of July 1, 2025. The report includes both summary and detailed information on all lines of insurance coverage for SDHC. The total insurance expense for FY2025 was \$3,526,464. The total insurance expense projected and budgeted for FY2026 is \$3,352,067.

	<u>FY2026</u>	<u>FY2025</u>	<u>Difference in \$</u>	<u>Difference in %</u>
Total Insurance Expense	*\$3,352,067	\$3,526,464	-\$174,397	5% decrease

* Estimated/Budgeted

The 5 percent insurance premium decrease represents a \$174,397 decrease in SDHC's overall policies. This reduction in property insurance expense is primarily due to a strategic policy change regarding earthquake insurance coverage for SDHC's affordable housing developments, offset by increases in SDHC's various liability policies. Based on a comprehensive review of risk management assessments, cost-benefit analyses, and benchmarking against practices adopted by other housing authorities and nonprofit affordable housing developers, SDHC reduced its level of earthquake insurance to align with industry practices. The increase in liability insurance policies was related to continued challenging market conditions as well as the addition of coverage for the Presidio Palms property in August 2024.

SDHC's comprehensive insurance coverage contains 11 insurance programs and 27 insurance policies (Table 1). Additional details are provided in Attachment 1 - 2026 Insurance Summary.

Table 1:

- 1. Property Insurance**
- 2. Master Crime Program**
- 3. Pollution Program**
- 4. Smart Corner Liability**
 - a. Smart Corner - Premises Liability
 - b. Smart Corner - Excess Liability #1

- c. Smart Corner - Excess Liability #2
- d. Smart Corner - Excess Liability #3
- 5. Fiduciary Liability**
- 6. General Liability**
 - a. General Liability – SDHC
 - b. General Liability – Kearny Vista, Valley Vista, Pacific Village and Presidio Palms
 - c. Excess General Liability – Kearny Vista, Valley Vista, Pacific Village and Presidio Palms.
 - d. General Liability – Homelessness Response Center
- 7. Auto Liability Program**
 - a. Primary Auto
 - b. Excess Auto
 - c. Excess Auto
- 8. Cyber Insurance Program**
 - a. Cyber Primary
 - b. Cyber Buy-up Options - BRB and BOOST
- 9. Flood Insurance (NFIP)**
 - a. Flood - 5077 1/2 Muir Ave.
 - b. Flood - 5071 Muir Ave.
 - c. Flood - 351 S. 33rd St.
 - d. Flood – 355 S. 33rd St.
- 10. Directors & Officers Liability**
 - a. Primary Directors & Officers
 - b. Excess Directors & Officers #1
 - c. Excess Directors & Officers #2
- 11. Workers' Compensation**
 - a. Primary Workers' Compensation Liability
 - b. Excess Workers' Compensation Liability

(1) Property Insurance

Property insurance provides SDHC coverage for damage to real and personal property and business income as a result of a covered peril, such as a fire. SDHC currently procures its property insurance coverage from Public Risk Innovation, Solutions, and Management (PRISM). The property insurance effective date was March 31, 2025. SDHC renews its property coverage annually.

(2) Master Crime Program

SDHC currently procures its crime insurance coverage from PRISM. The master crime insurance effective date was July 1, 2025. SDHC renews its crime coverage annually. The master crime program manages the loss exposures resulting from criminal acts, such as robbery, burglary and other forms of theft.

(3) Pollution Program

SDHC currently procures its pollution insurance coverage from PRISM. This policy provides coverage for pollution conditions and includes first- and third-party coverage. The effective date of pollution coverage was July 1, 2025. SDHC renews its pollution coverage annually.

(4) Smart Corner Liability

The Smart Corner liability program is composed of five insurance policies: a) Smart Corner premises liability and b) four Smart Corner excess liabilities. Premises liability provides coverage for claims for damage or injury (caused by negligence or acts of omission) at the Smart Corner location. An example would be a “slip and fall” at the Smart Corner premises. Excess liabilities insurance provides excess coverage specific to Smart Corner and follows the primary liability placement. SDHC currently procures its Smart Corner liability insurance coverage from Liberty Mutual Fire Insurance Company. Excess coverage policies are with Liberty Mutual Fire Insurance Company, Trisura Specialty Insurance Company, Burlington Insurance and Capitol Specialty. The Smart Corner liability insurance effective date was July 1, 2025, and it is renewed annually.

(5) Fiduciary Liability

Since SDHC sponsors a retirement and health plan for its employees and is involved with the management of those plans, it is considered a "Fiduciary" and can be held personally liable for what happens to the plan. This insurance provides coverage for losses that arise as a result of alleged errors or omissions or breach of the fiduciary duties. SDHC currently procures its fiduciary insurance coverage from Hudson Insurance Company (Hudson). The fiduciary insurance effective date was July 1, 2025. SDHC renews its fiduciary coverage annually.

(6) General Liability

General liability provides third-party coverage for SDHC liabilities that occur as a result of alleged negligence or omissions. Coverage includes bodily injury, physical damage and personal injury. SDHC currently procures its general liability insurance coverage from the Housing Authority Risk Retention Group, Inc. (HARRG). In addition, SDHC also procures several separate insurance policies from HARRG, and Kinsale Insurance Company for Kearny Vista, Valley Vista, Pacific Village and Presidio Palms. The policy for the Homelessness Response Center was no longer needed in FY2026. SDHC renews each of its general liability coverages annually.

(7) Auto Liability Program

SDHC currently procures its auto insurance coverage from Liberty Mutual Fire Insurance Company. Excess coverage policies are with Liberty Mutual Fire Insurance Company and Trisura Specialty Insurance Company. The auto insurance effective date was July 1, 2025. SDHC renews its auto insurance coverage annually. The auto liability program is composed of three insurance policies: one primary auto and two excess auto policies. Primary coverage provides comprehensive and collision. “Any auto” applies to the liability and “Owned auto” applies to all other coverages, such as medical payments and physical damage. Excess coverage provides excess auto coverage following the primary auto placement.

(8) Cyber Insurance Program

SDHC procures its cyber insurance coverage from PRISM. The cyber insurance effective date was July 1, 2025. SDHC renews coverage annually. The cyber insurance program is composed of two insurance policies: a) cyber primary and b) cyber buy-up option. The cyber primary provides first- and third-party coverage for cyber incidents, such as liabilities that arise from, but are not limited to, a breach of secured data, the notification costs associated with a breach, and taxes and penalties. The cyber buy-up option provides dedicated “per life” coverage for notification costs associated to a cyber breach, and this coverage does not erode the limit of liability or program aggregate associated to the primary cyber placement. For example, if SDHC experienced a data breach and 900,000 individuals were affected, the cost to notify the individuals would be covered by this buy-up option.

(9) Flood Insurance - National Flood Insurance Program (NFIP)

The National Flood Insurance Program (NFIP), managed by the Federal Emergency Management Agency (FEMA), provides flood coverage for four SDHC properties in zoned flood prone areas. SDHC procures its flood insurance coverage for two of its properties from The Hartford Services Group, Inc. (5077 1/2 Muir Ave. and 5071 Muir Ave.) and two from Wright National Insurance Company (351 S 33rd St. and 355 S 33rd St.). SDHC renews its flood coverage annually.

(10) Directors & Officers' Liability

SDHC procures its primary directors' and officers' liability insurance coverage from the ACE American Insurance Company and excess liabilities from Ironshore Indemnity Inc. and Indian Harbor Insurance Company. The directors and officers' liability insurance effective date was December 8, 2024. SDHC renews this coverage annually. This program is composed of two insurance policies: a) primary directors and officers and b) excess directors and officers. Primary liability insurance is payable to the directors and officers of a company as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers a loss such as a legal action brought for alleged wrongful acts in their capacity as directors and officers. Examples could include liabilities that arise from allegations of poor management decisions. Excess directors' and officers' insurance provides excess coverage following the primary directors' and officers' placement.

(11) Workers' Compensation

Workers' Compensation provides wage replacement and medical benefits for employees injured during the course of employment. It also provides coverage for Employment Practice Liability, which includes wrongful termination. SDHC procures its primary workers' compensation insurance coverage from the California Housing Workers' Compensation Authority (CHWCA) and its excess coverage from Local Agency Workers' Compensation Excess Joint Powers Authority. SDHC renews this coverage annually.

Insurance Broker:

Alliant Insurance Services

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. Alliant ensures that SDHC has the most effective insurance program design, with the broadest terms and conditions, at the most competitive premium available. Additional details are provided in Attachment 2 - Alliant 2025 Stewardship Report. 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.

FISCAL CONSIDERATIONS

The FY2025 funding sources and uses were approved by the Housing Authority of the City of San Diego (Housing Authority) in SDHC's FY2025 Budget. The Housing Authority approved the FY2026 funding sources and uses in SDHC's FY2026 Budget.

Program	FY2026 Premium	FY2025 Premium	Inc/(dec) \$	Inc/(dec) %
Property	1,116,960	1,408,280	(291,320)	-21%
Master Crime (Primary & Excess)	14,812	15,704	(892)	-6%
Fiduciary Liability	7,141	6,943	198	3%
General Liability	356,447	316,477	39,970	13%
Smart Corner - Premises Liability	44,328	39,668	4,660	12%
Smart Corner - Excess Liability & Auto Liability	61,602	53,796	7,806	15%
Commercial Auto	65,116	55,180	9,936	18%
Additional Excess Auto & Smart Corner (5x5x5)	51,077	44,628	6,449	14%
Cyber	20,385	20,211	174	1%
Cyber Buy Up Option - BBR + BOOST	81,787	81,787	-	0%
Pollution	19,017	21,512	(2,495)	-12%
Flood NFIP (multiple locations)	11,873	10,624	1,249	12%
Directors & Officers	118,795	95,149	23,646	25%
Excess Directors & Officers	80,775	65,920	14,855	23%
General & Excess Liability - Hotels	110,342	82,377	27,965	34%
Workers Compensation (1)	1,116,610	1,133,208	(16,598)	-1%
Broker Fee	75,000	75,000	-	0%
Total	3,352,067	3,526,464	(174,397)	-5%
(1) WC FY25 actual, FY26 budget				

NONDISCRIMINATION ASSURANCE

Alliant is committed to equity and inclusion and promotes a diverse, equitable, and collaborative environment. They offer a diversity, equity and inclusion program across all levels of their organization to strengthen their business and culture.

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.

CONCLUSION

The market for insurance is cyclical. It fluctuates between the soft market (when premiums hold steady or decrease) and the hard market (when rates increase and coverage is more difficult to find). Unprecedented world events, in tandem with carriers not turning a profit, have resulted in the market remaining hard.

Before 2020, rate increases were largely tied to a soft market correction while factoring in increased attritional loss and adverse catastrophe loss development. In 2020, the pandemic, social unrest, rising reinsurance costs, financial market volatility, global recession, and more frequent and severe catastrophes greatly exacerbated the situation. Unlike previous hard markets, restricted capacity offered by carriers is a result of a reduced appetite rather than capital reduction. Lack of significant new capital flowing into the market (which would help drive competition) points to a sustained hard market.

Property insurance is one of SDHC's most significant insurance expenses. The property insurance market is challenging and has been challenging for the last several years. Catastrophic local, regional and worldwide events, such as wildfires and weather events, have driven reinsurance markets to double-digit rate increases and reduced capacity with the market. While the size of the PRISM Property Program brings leverage to negotiate with reinsurers, and SDHC's long-term relationships keep underwriters at the table, SDHC's losses, like the rest of the industry's, are also part of a renewal conversation to keep increases manageable.

SDHC staff make every effort to obtain the most comprehensive and lowest-price coverage available for the agency. SDHC is a member of several directed insurance risk-sharing pools, and with its insurance broker, Alliant, has developed effective risk management solutions to help proactively control losses and prepare for different exposures.

Respectfully submitted,



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

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments:

1. 2026 Insurance Summary
2. Alliant 2025 Stewardship Report

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.



2026 Insurance Summary

Attachment 1

Policy	Carrier	Effective Date	Premium	Limits	Deductibles/Retention	Description of Coverage
Property	PRISM	3/31/2025	\$1,116,960	\$10,000,000	\$25,000	Provides coverage for damage to real estate and personal property, and business income because of a covered peril such as a fire for scheduled locations.
Fiduciary Liability	Hudson Ins. Co.	7/1/2025	\$7,141	\$2,000,000	\$25,000/Indemnifiable \$100,000/Class Action	Provides coverage for losses that arise because of alleged errors or omissions or breach of fiduciary duties.
Pollution	PRISM	7/1/2025	\$19,017	\$10,000,000	\$250,000	Provides coverage for pollution conditions and includes 1st and 3rd party coverages.
Master Crime	PRISM	7/1/2025	\$14,812	\$10M/Occurrence \$5M Excess/Occurrence	\$2,500	Coverage that manages the loss exposures resulting from criminal acts such as robbery, burglary and other forms of theft.
General Liability	HARRG	7/1/2025	\$356,447	\$15,000,000 (reduced from \$20m to \$15m 7.1.2024)	\$10,000	Provides third party coverage for SDHC liabilities that occur as a result of negligence or omissions. Coverage includes bodily injury, physical damage and personal injury. There are separate policies for Smart Corner, hotel properties and HRC.
Hotels-General Liability	HARRG	11/24/2024	\$47,337	\$1M Coverage A & B \$500,000 3rd party discrimination	\$15,000 Deductible Coverage A, B & 3 rd party discrimination	Provides general liability insurance for the Hotel locations: Kearny Vista, Valley Vista, Pacific Village-Midway, Presidio Palms
Hotels-General Liability Excess	Kinsale Ins. Co.	11/24/2024	\$63,005	\$5,000,000	\$0 Deductible at \$1,000,000 attachment point	Provides excess coverage following the primary general liability placement for the Hotel locations: Kearny Vista, Valley Vista, Pacific Village-Midway, Presidio Palms
Smart Corner--Commercial General Liability	Liberty Mutual Fire Ins. Co.	7/1/2025	\$44,328	\$2,000,000	\$5,000	Provides coverage for claims from SDHC's liability to damage or injury during performance of business. Premises liability coverage only, as operations are excluded.
Commercial Auto	The First Liberty Ins. Corp.	7/1/2025	\$65,116	\$1,000,000 \$5,000 Medical	\$5,000	Provides comprehensive and collision. Liability and all other coverages such as medical payments and physical damage.
Smart Corner & Auto - Umbrella Liability	Liberty Ins. Corp.	7/1/2025	\$61,602	\$4,000,000	\$10,000 Deductible at \$1,000,000 attachment point	Provides excess auto coverage and Smart Corner liability following the primary Liberty Mutual policy.
Smart Corner--Excess Liability 5Mx5M	Trisura Specialty Ins. Co.	7/1/2025	\$34,374	\$5,000,000	\$0 at \$5,000,000 attachment point	Provides excess coverage to auto and specific to the Smart Corner location and follows the primary liability placement.
Smart Corner--Excess Liability 5Mx10M	Burlington Ins.	7/1/2025	\$10,287	\$5,000,000	\$0 at \$10,000,000 attachment point	Provides excess coverage specific to the Smart Corner location and follows the primary liability placement.
Smart Corner--Excess Liability 5Mx15M	Capital Specialty	7/1/2025	\$6,416	\$5,000,000	\$0 at \$15,000,000 attachment point	Provides excess coverage specific to the Smart Corner location and follows the primary liability placement.
HRC- General Liability (Homeless Repsonse Center)	HARRG	2/18/2025	\$5,050	\$2,000,000	\$10,000	Provides general liability insurance for the Homelessness Response Center. (policy no longer needed in FY2026)



2026 Insurance Summary

Attachment 1

Policy	Carrier	Effective Date	Premium	Limits	Deductibles/Retention	Description of Coverage
Cyber	PRISM	7/1/2025	\$20,385	\$2,000,000-Aggregate for all coverages combined	\$100,000 per claim. 8 hour waiting period for 1st party claims	Provides first and third-party coverage for cyber incidents such as liabilities that arise from but not limited to a breach of secured data, taxes and penalties.
Cyber- BBR (Beazley Breach Response)	PRISM	7/1/2025	\$81,787	1M Notified Individuals	100 Notified Individuals	Provides dedicated “per life” coverage for notification costs associated to a cyber-breach, and this coverage does not erode the limit of liability or program aggregate associated to the primary cyber placement.
Director's & Officers-Primary	ACE American Ins. Co.	12/8/2024	\$118,795	\$3,000,000	\$0 Coverage A \$250,000 Coverage B \$250,000 Coverage C	Liability insurance payable to the directors and officers of a company as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss because of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Director's & Officers-1st Layer	Indian Harbor Ins. Co.	12/8/2024	\$67,318	\$4,000,000	\$0 Deductible at \$3,000,000 attachment point	Provides excess coverage following the primary Director's & Officers placement.
Director's & Officers-2nd Layer	Ironshore Indemnity	12/8/2024	\$13,457	\$1,000,000	\$0 Deductible at \$7,000,000 attachment point	Provides excess coverage following the primary Director's & Officers placement.
Flood - 351 S. 33rd Street	Wright Flood	2/21/2025	\$2,925	\$500,000 building \$100,000 contents	\$10,000 building and contents	Provides mandated flood (NFIP) coverage for the 351 S. 33rd Street location.
Flood - 355 S. 33rd Street	Wright Flood	2/21/2025	\$5,561	\$500,000 building \$100,000 contents	\$10,000 building and contents	Provides mandated flood (NFIP) coverage for the 355 S. 33rd Street location.
Flood - 5071 Muir Ave	Hartford Ins. Co.	11/30/2024	\$1,676	\$250,000 building \$14,000 contents	\$2,000 building and contents	Provides mandated flood (NFIP) coverage for the 5071 Muir Ave location.
Flood - 5071 1/2 Muir Ave	Hartford Ins. Co.	10/5/2024	\$1,711	\$250,000 building N/A contents	\$2,000 building N/A contents	Provides mandated flood (NFIP) coverage for the 5077 ½ Muir Ave location.
Workers' Compensation	CHWCA	1/1/2025	\$1,116,610	\$5,000,000	First Dollar	Form of insurance that provides wage replacement and medical benefits for employees that are injured during employment. Also provides coverage for Employment Practice Liability to include wrongful termination.

2025 Stewardship Report

FOR

San Diego Housing Commission

August 2025



SAN DIEGO

H O U S I N G

COMMISSION

PRESENTED BY

ALLIANT INSURANCE SERVICES, INC.

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Insurance License No. 0C36861

EXECUTIVE SUMMARY

We are honored to have served San Diego Housing Commission as your broker and risk advisor for the many years.

We have formulated a Stewardship Report summarizing how Alliant has directly impacted SDHC's total cost of risk and we appreciate the continued partnership. This stewardship report also offers Alliant the opportunity to reflect on areas for improvement in providing program management services for San Diego Housing Commission.

Over the past year, the insurance marketplace has experienced significant shifts—particularly within the **Cyber, Property, and Excess Casualty** sectors. These changes have been driven by a combination of increased natural catastrophes (such as floods, wildfires, and hurricanes), continued economic and social inflation, and a persistent rise in cyber incidents. The impact of **CAT losses**, including major events like **Hurricane Ian**, along with a surge in claims following the pandemic—particularly from **public entities**—has placed sustained pressure on insurers. As a result, the market has responded with notable premium increases, tightened underwriting, and reduced capacity—levels not seen in several years. Despite these challenging conditions, we are pleased to report that our **renewal outcome was strong**, especially in comparison to broader market trends affecting the Public Entity sector.

Overall, this stewardship report provides:

- Overview of the Property and Casualty Market as it stands today
- San Diego Housing Commission with updated information pertaining to your insurance program which we service
- An overview of key accomplishments and milestones within the last several years
- An outline of Alliant's goals and objectives for the remainder of the year and strategy to better serve the Commission
- An opportunity for Alliant to learn about San Diego Housing Commission's goals and objectives for the remainder of the year.

Throughout this report we will elaborate on the above points, and address various pertinent key issues, future ideas and objectives for discussion.

Alliant remains committed to further enhancing our risk advisory and insurance brokerage relationship with San Diego Housing Commission. We intend to accomplish this through our continued responsiveness to San Diego Housing Commission's diverse insurance requirements and risk management objectives. Our objective is to further solidify our partnership with your team through our on-going service related to your risk management and insurance program. The best way we can do this is by maintaining a strong line of communication between the Housing Commission, your professional advisor(s), and Alliant. We want to know whether something is or is not working for you. We are flexible in our approach and can make the necessary modifications to best serve the Housing Commission and look forward to expanding upon our partnership in the second half of 2025.

PREMIUM COMPARISON

Alliant reviewed the coverage that we had placed in 2024 and felt that the best decision for the Housing Commission was to market several lines of insurance for San Diego Housing Commission's 2025 renewal. This was due to a hardening market and continued impacts of a global pandemic and catastrophic losses.

Coverage	2023-2024	2024-2025	% Change in Premium
	Annual	Annual	
General Liability- HRC	\$ 5,050	\$ 5,050	Flat
Flood- 355 33 rd Street	\$ 3,203	\$ 3,780	15.26%
Flood- 351 33 rd Street	\$ 1,615	\$ 1,907	15.31%
Property	\$ 1,028,569	\$ 1,408,280	26.96%
Master Crime (Primary & Excess)	\$ 15,620	\$ 12,470	-25.26%
Fiduciary Liability	\$ 6,894	\$ 6,943	0.71%
Master General Liability	\$ 354,130	\$ 316,477	-11.90%
Premises Liability- Smart Corner	\$ 34,530	\$ 39,668	12.95%
Auto Liability	\$ 50,443	\$ 55,180	8.58%
Excess Auto & Smart Corner Liability	\$ 47,757	\$ 53,796	11.23%
Excess Auto & Smart Corner Liability (5x5)	\$ 27,250	\$ 30,625	11.02%
Excess Auto & Smart Corner Liability (5x10)	\$ 9,000	\$ 9,750	7.69%
Excess Auto & Smart Corner Liability (5x15)	\$ 4,285	\$ 5,470	21.66%
Cyber Liability	\$ 27,609	\$ 20,211	-36.60%
Cyber- Breach Response	\$ 68,873	\$ 81,787	15.79%
Pollution Liability	\$ 18,694	\$ 21,512	13.10%
Flood- 5077 ½ Muir	\$ 1,170	\$ 1,198	2.34%
General Liability- Hotels	\$ 25,691	\$ 47,337	45.73%
Excess Liability- Hotels	\$ 48,762	\$ 65,828	22.93%
Flood- 5071 Muir	\$ 1,170	\$ 1,169	-0.09%
Director's & Officers	\$ 95,149	\$ 118,795	19.90%
Excess Director's & Officers	\$ 53,000	\$ 65,000	18.46%
Excess Director's & Officers	\$ 13,311	\$ 16,311	18.39%
Broker Fee (less commissions received)	\$73,593.18	\$73,422.40	Flat
Total	\$2,015,368	\$2,461,966	22.16%

Premiums include Surplus Lines Taxes where applicable

INSURANCE PROGRAM

General Liability- Homeless Response Center (HRC)

Written with HARRG in 2021 on a stand-alone basis since it could not be added to the Master General Liability policy. This policy is subject to minimum premium with an aggregate policy limit of \$4,000,00. It as advised in July of 2025 that this policy was no longer needed and, therefore, cancelled effective 7/15/25.

Flood/NFIP- 4 Standalone Policies

NFIP policies for the following locations: 355 33rd Street, 351 33Rd Street, 5077 ½ Muir, 5071 Muir; written with the Hartford and Wright Flood. Policies are contractually required by the lenders which is why they have been written on a stand-alone basis. Lender (Midland) advised that PRISM's deductible is higher the maximum allowable deductible.

PRISM Property Program

Property coverage is placed through Public Risk Innovation, Solutions, and Management (PRISM). With over the past 40+ years, PRISM is a recognized pioneer in the pooling and risk management community in California and nationwide. The sole purpose of this JPA is finding cost-effective insurance solutions and risk management services for members.

We submitted the marketing to AmWins for renewal as promised last year. We received a rough indication that the rate would be more than double with an AOP deductible starting at \$100K.

PRISM Master Crime Program

Crime coverage is placed in the PRISM Master Crime Program. The program provides blanket employee theft coverage, including faithful performance at \$15M limit. On average, housing authorities purchase between \$2,000,000 to \$5,000,000 and coverage and the Commission's program exceeds the average. However, we are seeing a lot of criminal activities among public agencies and always encourage our clients to invest in greater limits to reduce this costly exposure.

PRISM markets the Master Crime Program to ensure they remain competitive. AIG, who is their current insurer, maintains the title of the top insurer for crime coverage across the country. In fact, some of Alliant's largest crime programs are with AIG including our master crime program called the Alliant Crime Insurance Program.

Fiduciary Liability

San Diego Housing Commission participates in Alliant's Fiduciary Liability Insurance Program (FLIP). Coverage is written through Hudson Insurance Company. Unlike Property and Crime, FLIP is a group purchase and not a pool thus participants do not share risk. Each participating entity has its own limits of liability and choices of deductibles or self-insured retentions. This is not a policy that is readily procured as many public entities are not aware that they have fiduciary exposures that are uncovered.

Last marketed in 2017 where Alliant negotiated favorable terms with Hudson Insurance (Euclid) for that renewal. Hudson's form provided term and coverage enhancements compared to what RLI provided. Hudson provides \$2,000,000 in limits subject to a \$25,000 retention.

Master General Liability

The above policy is placed through HARRG. Established in 1987, HARRG is a nonprofit, tax-exempt captive mutual risk retention group that provides liability insurance to public housing authorities. SDHC has

participated in this program for over twenty-nine (29) years and has benefited from HARRG's dividend program which has returned over \$760,000 in dividends since 1991. A significant amount of housing authorities participate in the HAI Group programs (including HARRG) and limits and coverage types are standardized as well.

Marketed in 2024 but did not return any competitive options so coverage was renewed with HARRG.

General Liability & Excess- Smart Corner

Premises only Liability policy for 1122 Broadway. Coverage placed with Liberty Mutual in 2022. Due to the Trolley exposure and Easement Agreement, it was a difficult risk to find a new home for this risk in 2022. The policy is written with a \$1,000,000 per occurrence limit and \$2,000,000 aggregate on the primary layer and an Excess policy with a \$4,000,000 limit.

Auto Liability & Excess

Placed with Liberty Mutual in 2022. The primary policy carries a limit of \$1,000,000 and the Excess policy has an additional \$4,000,000 limit.

PRISM Cyber Liability Program & Beazley Breach Response

The Housing Commission participates in the PRISM Cyber Program and the program provides "Information Security & Privacy" insurance with electronic media liability in the amount of \$2,000,000 with several sublimits. However, the Commission also has dedicated coverage for Breach Response Services through the CEO 1 program and have 1,000,000 in notified lives coverage. This coverage fits in line with what other housing authorities purchase. The policy ranges from \$2,000,000 to \$5,000,000 and we would like the Commission to consider increasing this figure in the next renewal.

The CSAC EIA Cyber programs with Beazley continue to be the best option for Cyber risk. We market the program every couple of years and no other market has been able to provide similar coverage at the current premium, especially because of the "notified lives" structure and dedicated breach services offered by the "Buy Up Option" with the SDHC is a participant of.

Given the soft state of the cyber market, we regularly market the Master Cyber Program in the CSAC EIA. This program continuously proves to provide the broadest coverage (such as providing notified live coverage for first party breach response), competitive pricing and effective pre and post mitigation services. In fact, the Commission has access to a library of loss control resources specific to privacy and security as well as assistance by a dedicated team of cyber experts known as the BBR team.

PRISM Pollution Program

Pollution coverage is placed with PRISM. The program provides public entities with \$5M per pollution incident; \$10M aggregate sublimit; and \$50M program aggregate for bodily injury, property damage and cleanup costs caused by pollution conditions at scheduled sites, owned or leased, or arising from certain operations. Pollution is a necessary coverage for housing authorities and the amount purchased by the Commission fits in line with other entities across the country. Limits purchased differ based on the size of the organization but on average range between \$1,000,000 and \$10,000,000.

PRISM markets the Master Pollution Program to ensure they remain competitive.

General Liability & Excess Liability- Hotels

Primary Liability was written with HARRG in 2020 on a stand-alone basis since it could not be added to the Master General Liability policy. Two new hotel locations were added (Pacific Village and Presidio Palms). The primary GL policy is written with a \$1,000,000 per occurrence limit and \$2,000,000

aggregate with one Excess policy over it. The Excess policy is written with Kinsale Insurance Company with a \$5,000,000 policy limit.

Directors & Officers Liability & Excess

Comprised of three (3) policies: primary written with ACE American Insurance Company and excess policies with Indian Harbor Insurance Company and Ironshore Indemnity Inc. Combined policies provide a total limit of \$8,000,000. Modified the primary and first excess layer to increase sublimits for non-monetary defense and breach of contract.

Workers' Compensation

Coverage effective 1/1/24 with CHWCA. Performed due diligence marketing in 2023 which resulted in staying with the incumbent. Most of the markets declined to quote due to class code 9033. Alliant approached: Liberty, AmTrust, KeyRisk, Bitco, Chubb, Applied Underwriters, Zurich and CNA.

GOALS & OBJECTIVES FOR 2025/2026

Our primary goal for going into 2026 is to ensure that we continue to provide SDHC with the necessary guidance and resources to meet your needs and fulfill the necessary scope of work. With respect to this, we will do the following:

- Maintain Open Communication with regards to our marketing strategy that addresses the following:
 - Which programs, if any, should be marketed for the 2026 renewals
 - A set timeline with deliverables including the renewal meeting
 - Give expectations of Renewal rates and expected premium increases
- Provide timely Administrative Services such as responding to a Certificate of Insurance request within 24 hours from receipt
- Review loss experience and determine whether alternative deductible structures will bring value to SDHC's risk transfer program
- Provide SDHC with a clear renewal narrative that summarizes all renewal options and our recommendations (in the case there are more favorable alternative options). Per the scope of work, Alliant will provide this report at least 60 days prior to the renewal dates
- Continue to monitor carrier ratings to ensure they have a strong financial position.
- Continue to report claims when needed
- Continue to properly serve and advise SDHC with respect to risk management including emerging risks and insurance requirements in contracts
- Provide SDHC with state of the market reports
- Host necessary meetings with insurers when necessary
- Strive to continuously improve and evolve as needs change for the SDHC

We appreciate the opportunity to expand upon our partnership and look forward to an impactful 2026 year.