



Board Letter

Agenda Date: May 27, 2025

Agenda #: 10

Authorization to purchase insurance coverage for CHA's Property Managers' Insurance Program and Commercial Property.

Presenter: Dominick Maniscalco, Deputy Chief Human Resources

Recommendation

The Interim Chief Executive Officer ("CEO") of the Chicago Housing Authority ("CHA") recommends that the CHA Board of Commissioners ("Board") authorize the purchase of insurance coverage for CHA's Property Managers' Insurance Program and Commercial Property for an aggregate not-to-exceed amount \$8,067,630. The coverages being purchased are for the one-year policy term of May 31, 2025 through May 30, 2026, under a fixed rate contract comprised of the following: (1) A CHA self-insurance program with Zurich Insurance Group as the fronting insurer for a premium amount of \$154,000, (2) First Excess Liability coverage written through General Star Indemnity Company for a premium amount of \$1,440,501, (3) Second Excess Liability written as a 50/50 quota share through Allied World Assurance Company for a premium amount of \$626,971 and (4) Superior Specialty for a premium amount of \$627,971; and (5) Commercial Property Insurance written through Travelers Insurance Company for a premium amount of \$5,218,187.

No additional collateral has been required from Zurich Insurance Group. The total collateral requirement remains at \$1,590,000, matching the expiring terms.

The requested action complies in all material respects with all applicable federal, state, and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

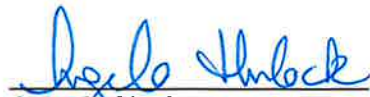
Funding

MTW Funds

Background

The Property Managers' Insurance Program ("PMIP") was created in 1999 as the solution to provide liability protection for the CHA and its property management firms, during a period when no insurer would cover the CHA's extreme risks. The PMIP is defined as an "Owner-Controlled Insurance Program" or OCIP. By purchasing insurance to cover all liabilities associated with the management of a portfolio, the CHA, as owner, can control claims and expenses within the self-insured (SIR) layer while maintaining consistent coverage for itself and each property management firm, even when management firms or insurers change.

Respectfully Submitted:



Angela Hurlock
Interim Chief Executive Officer



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RESOLUTION NO. 2025-CHA-22

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 27, 2025 entitled "Authorization to purchase insurance coverage for CHA's Property Managers' Insurance Program and Commercial Property";

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, The Board of Commissioners authorizes the Interim Chief Executive Officer or her designee to purchase insurance coverage for the Chicago Housing Authority's Property Managers' Insurance Program and Commercial Property through its insurance broker of record, Arthur J. Gallagher, for the period of May 31, 2025 through May 30, 2026 for an aggregate not-to-exceed amount of 8,067,630, based on a fixed-rate contract compromised of the following: (1) A CHA self-insurance program with Zurich Insurance Group as the fronting insurer for a premium amount of \$154,000, (2) First Excess Liability coverage written through General Star Indemnity Company for a premium amount of \$1,440,501, (3) Second Excess Liability written as a 50/50 quota though Allied World Assurance Company for a premium amount of \$626,971 and (4) Superior Specialty for a premium amount of \$627,971; and (5) Commercial Property Insurance written through Travelers Insurance Company for a premium amount of \$5,218,187.

THAT, No additional collateral has been required from Zurich Insurance Group. The total collateral requirement remains at \$1,590,00, matching the expiring terms.

This award is not subject to CHA's MBE/WBE/DBE/ Section 3 hiring and insurance requirements.




Matthew Brewer
Interim Chairperson
Chicago Housing Authority

