

## HPIEx Property & Casualty Marketing Update

Since its launch in 2004, HPIEx now insures more than **75,000 units owned by 23 HPN members and insures properties with a total value over \$12.5 billion**. The company provides property and casualty insurance; in January 2014, the company added workers' compensation coverage to its offerings and now provides coverage to 10 members with a payroll of over \$155 million. **Total annual premiums have grown from \$6 million in 2004 to over \$30 million today.**

As the insurance market hardens and increases pricing and we see insurance carriers no longer writing Multi-Family accounts, HPIEx continues to offer competitive pricing with robust coverage offerings to our members.

### CARRIER AND WHOLESALE OBSERVATIONS

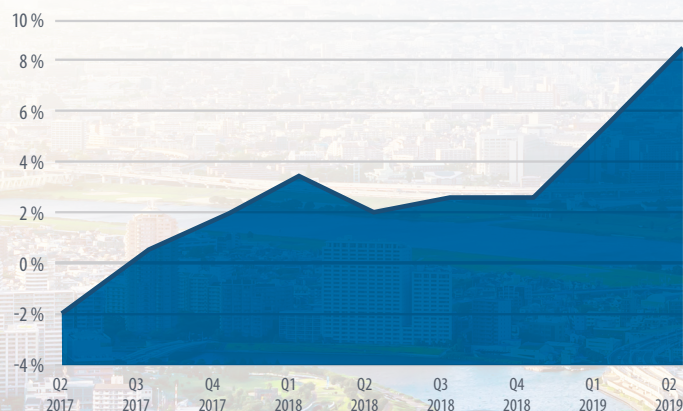
"Owners, managers and operators of habitational real estate properties such as apartment buildings are facing sharply increasing rates, shrinking capacity and higher deductibles as property insurers look to correct course after mounting weather-related losses compounded an already distressed risk."

- Business Insurance

"The habitational casualty, (General Liability), market is beset by rate increases and capacity limitations after a decade of losses, which have worsened in the last several years. Many carriers have experienced significant losses that have driven a retraction of capacity. A number of markets have stopped offering general liability and excess coverage. Rates have risen dramatically stating in the summer of 2019 and continue to steadily rise."

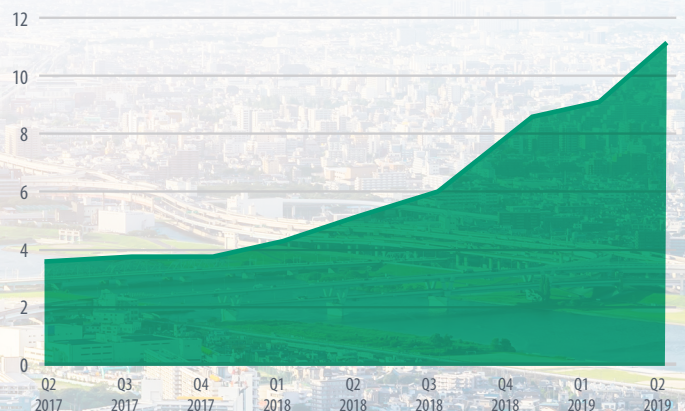
- CRC Group

### PREMIUM CHANGE FOR COMMERCIAL PROPERTY (2Q17 - 2Q19)



Source: Council of Insurance Agents and Brokers Q2 2019 P/C Market Survey

### RENEWAL PRICING TRENDS - CASUALTY RENEWALS, ROLLING QUARTERLY (2Q17 - 2Q19)



Source: AmWins Casualty Lines of Account Data

## HPIEx Program Goals & Highlights

### Reduce and Stabilize Premiums AVERAGE PROPERTY RATE DOWN

**↓ 6.40%** SINCE  
INCEPTION  
IN 2004

### Reduce and Stabilize Premiums AVERAGE LIABILITY RATE DOWN

**↓ 27.7%** SINCE  
INCEPTION  
IN 2004

### Reward Performance:

Premiums and Profits reflective of Members'  
Superior Loss Experience

**\$12.7 Million**

Has been paid in dividends since 2008  
by Property & General Liability captive.

**\$750,000**

Workers' Compensation captive  
paid its first dividend in 2019

**15% AVERAGE RATE  
REDUCTION IN**

Property & General Liability captive revised  
pricing structure in 2019 to more quickly  
reflect member performance.

### Robust Member Engagement / Peer Exchange

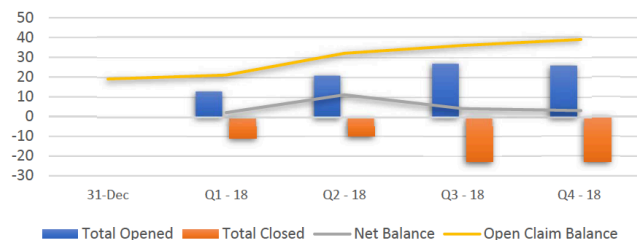
- Formation of HPIEx Risk Control Committee
- Annual Risk Control and Claims Summit where members exchange best practices in risk management and safety
- Emerging Trends and Solutions shared at Annual Meeting



### National CORE's Risk Management Dashboard

2018 Top 5 Properties - Insurance Claims Paid (in thousands)					
Property Name	Q1	Q2	Q3	Q4	Total
[Property B]	\$6	\$7	\$17	\$113	\$143
[Property R]	\$0	\$0	\$84	\$0	\$84
[Property AH]	\$0	\$0	\$66	\$0	\$66
[Property H]	\$0	\$9	\$43	\$1	\$53
[Property L]	\$0	\$0	\$0	\$47	\$47

Opened Insurance Claims vs. Closed Insurance Claims



**Note:** not included in report above are GL-Insurance Claims as these claims remain open over longer periods of time and open/closure data was not readily available.

### Superior Claims Management and Risk Control Services

- Dedicated Claims Adjusters and Advocates
- Customized Risk Control Training
- Over 750 Property Visits per year
- Customized loss prevention training for affordable housing providers and tenants

**If interested in learning more about HPIEx, contact**

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