Corporation for Supportive Housing

Case Study: Lowering Insurance Costs Through Strategic Risk Management

Organization	Ability Housing
Partner	Gallagher Insurance
Sector	Supportive and Affordable Housing
Location	Florida (Jacksonville, St. Augustine, Orlando, Tampa)
Portfolio Size	~1,000 units with 1,300 in development

Executive Summary

Ability Housing, a nonprofit housing developer whose portfolio includes affordable and supportive housing units, faced escalating insurance costs and fragmented coverage across its growing portfolio in Florida. To address these challenges, Ability Housing leveraged their relationship with Gallagher Insurance, a global broker with expertise in affordable housing. Together, they implemented a strategic, multi-year plan to improve risk management and reduce premiums.

Key actions included:

- **Consolidating policies into a master insurance program** to leverage scale and streamline administration.
- **Transferring risk through property management agreements** and implementing onsite inspections.
- **Enhancing claims management** with monthly reviews and advocacy, improving the claims profile.
- **Achieving CPTED (Crime Prevention through Environmental Design) certification** to strengthen the risk narrative for underwriters.
- **Aligning renewal schedules** ahead of hurricane season for better planning and cost control.
- **Navigating lender compliance requirements** to ensure financing alignment.

As a result, Ability Housing reduced insurance costs, improved its risk profile, and established a scalable framework for future growth, positioning the organization to manage over 2,300 units effectively.

Background

Ability Housing, a nonprofit developer of affordable housing, faced rising insurance costs and fragmented coverage across its growing portfolio. With properties across a large geographical area and unique lender compliance requirements, the organization needed a strategic approach to risk management and insurance procurement.

Challenges

- Fragmented insurance policies across properties
- High premiums
- Necessity of aligning insurance coverage with lender requirements
- Limited internal staff capacity to interpret complex insurance language and market trends

Solution: Strategic Partnership with Gallagher Insurance

Ability Housing partnered with Gallagher Insurance, a global insurance broker with a dedicated vertical for affordable and supportive housing. Gallagher brought deep sector expertise, national best practices, and a collaborative approach to risk management.

Key Strategies Implemented:

1. **Master Insurance Program Consolidation**
    - Gallagher helped Ability Housing consolidate multiple policies into a master insurance program, improving risk pooling and reducing administrative burden.
    - Smaller, previously excluded properties were strategically added to the master policy over time.
    - In the first year alone, annual premium savings attributed to consolidation were approximately 8%.

2. **Updated Property Management Agreements**
   - Implemented onsite inspections and checklists at the property management level to ensure compliance and documentation.

3. **Claims Management and Advocacy**
   - Monthly claims review meetings with Gallagher's claims advocate, Ability Housing's in-house counsel, and property managers.
   - Use of video footage and documentation to support claims and reduce disputes.
   - Improved claims profile over time, which positively impacted premiums. The loss ratio dropped over 50% in two years.

4. **Crime Prevention Through Environmental Design (CPTED)**
   - Asset managers obtained CPTED certification, and assessments were conducted at key properties.
   - The certification improved the organization's risk profile.

5. **Strategic Renewal Planning**
   - Insurance renewals were aligned with the May 1st deadline, ahead of hurricane season.
   - Budgeting was adjusted to bring off-cycle properties into the renewal window, improving consistency and leverage.

6. **Lender Compliance Navigation**
   - Gallagher reviewed lender insurance requirements and negotiated terms when appropriate.
   - Emphasized early planning to avoid last-minute issues with financing and compliance.

7. **Data Aggregation and Narrative Building**
   - Gallagher worked with Ability Housing to aggregate property-level data and build a compelling narrative for underwriters.
   - Highlighted capital improvements, risk mitigation efforts, and organizational stability.

Results

Reduced insurance premiums across the portfolio

Improved claims history and risk profile

Streamlined insurance management through a master policy

Enhanced lender confidence in Ability Housing's risk management strategy

Positioned for growth with a scalable insurance framework for 1,300+ units in development

Lessons Learned

Partnership is Key

A strong broker relationship can bridge internal knowledge gaps and advocate effectively in the insurance market.

Proactive Planning Pays Off

Aligning renewals, budgeting for improvements that improve risk profile, and early engagement with lenders are critical.

Risk Management is Holistic

Legal, asset management, and property management must collaborate to reduce exposure and improve outcomes.

About CSH

CSH (Corporation for Supportive Housing) advances affordable and accessible housing aligned with services by advocating for effective policies and funding, investing in communities, and strengthening the supportive housing field. Since our founding in 1991, CSH has been the only national nonprofit intermediary focused solely on increasing the availability of supportive housing. Over the course of our work, we have created more than 512,500 units of affordable and supportive housing and invested more than $2.2 billion in communities. Our workforce is central to accomplishing this work. We employ approximately 170 people across 30 states and U.S. Territories. As an intermediary, we do not directly develop or operate housing but center our approach on collaboration with a wide range of people, partners, and sectors. For more information, visit csh.org.