



Building a Foundation

HAI GROUP ANNUAL REPORT

2024

Just as every home begins with a foundation, so too does HAI Group. Each step forward is built on the groundwork of past efforts, evolving industry needs, and the demands of tomorrow.

In 2024, we strengthened those foundations by launching the first phase of our new insurance software platform, expanding into new markets, and enhancing the customer experience through a refreshed brand and digital presence. We achieved strong revenue growth, declared significant dividends to our policyholders, and positioned ourselves for continued success in a changing housing landscape.

At the same time, the affordable housing industry experienced its own transformation, with hundreds of thousands of new units completed and federal programs paving the way for even more growth in the years ahead. These changes bring both challenge and opportunity, demanding resilience, innovation, and a partner that will stand strong when others step aside.

Together, we have built the foundations for the future—stronger, smarter, and ready to support the housing industry through whatever comes next.



A Message from *Our President and CEO*



Reflecting on 2024, I am reminded that strong foundations are essential not only in the homes we insure, but in the work we do together to strengthen and expand affordable housing across the country. At HAI Group, our mission

has always been to serve this industry. That commitment guided us again this year as we invested in growth, innovation, and strategic positioning to prepare our members and ourselves for the future.

When I speak to public and affordable housing leaders across the country, I am inspired by their resilience and vision. Agencies are redeveloping and expanding their portfolios, yet those efforts come with significant challenges: financing projects in a volatile economy, absorbing higher construction costs, and securing adequate insurance against lender requirements. These conversations reaffirm HAI Group's role as more than a carrier; we are a partner, here to support housing providers as they navigate today's challenges and build for tomorrow.

Some of the most rewarding opportunities I had this year were to speak directly about insurance at several national forums, including HUD's inaugural Insurance Summit. These conversations allowed us to not only explain how insurance works, but also to highlight what sets HAI Group apart.

Internally, 2024 was a year of transformation. We launched the first phase of our new insurance platform, a multiyear investment designed to improve efficiency, streamline processes, and enhance the member experience. We experienced strong revenue growth and were fortunate enough to declare meaningful dividends to our policyholders, underscoring our commitment to delivering value back to our members. We also completed a new website and brand update designed to expand our ability to reach new business and make it easier for members to engage with us. These

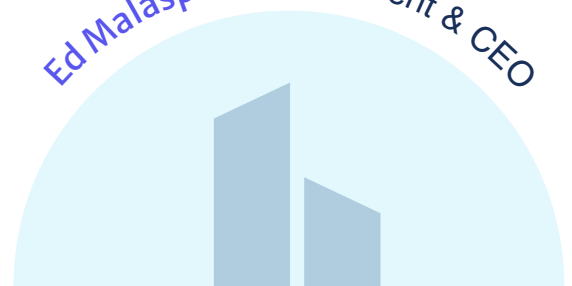
milestones strengthen the foundation for continued growth and success.

The industry itself also experienced a profound transformation. More than 560,000 new affordable housing units were completed in 2024, with projections calling for an additional 78,000 units in 2025—a 12.5 percent increase year over year. Public housing agencies continued repositioning units to the affordable housing side through programs such as RAD, while HUD's Restore-Rebuild program was introduced with the potential to create as many as 235,000 new affordable units. These developments show both the urgency of the housing crisis and the opportunities driving HAI Group's growth.

I am proud that AM Best once again affirmed our A (excellent) financial strength rating in 2024 with a positive outlook, demonstrating that we remain well-positioned to pay claims when they occur and to weather future uncertainty. I am equally proud that our retention rates remain among the highest in the industry, our Net Promoter Score continues to far exceed benchmarks, and our employees' dedication earned us recognition not only as a Top Workplace in Connecticut but also as one of the top workplaces in the U.S.

As we look ahead, we know the challenges facing housing providers will continue to evolve, but so too will the opportunities. HAI Group is not simply reacting to change; we are preparing for it. By investing in innovation, expanding into difficult markets, and reinvesting in our members and their residents, we are building strong, lasting foundations—designed not only to carry HAI Group and the affordable housing industry forward, but also to strengthen the communities our members serve for decades to come.

Ed Malaspina | President & CEO



A Message from *Our Chair*



Those of us in public and affordable housing know that our work is about more than property. It is about stability, opportunity, and the chance for families to build better lives. Every new unit we create, every property we preserve,

and every community we strengthen is built on a foundation that will serve generations to come. That is what makes our work both so important and so challenging.

This past year, I spoke with many fellow housing professionals, and one theme was clear: we are being asked to do more than ever before. Agencies are redeveloping aging properties, expanding portfolios, and building new units to meet demand that continues to rise. These efforts are reshaping the future of affordable housing, but they also bring new complexities. How do we finance ambitious redevelopment? How do we protect these investments against severe weather, cyber threats, and rising costs? These are the realities we face together.

That is why HAI Group matters. This company is not a typical insurer. It was created by housing providers, for housing providers, and that difference shows. HAI Group not only delivers coverage, but also offers guidance, training, and resources that make our organizations stronger. When I talk with peers who feel mistreated or misunderstood by their insurance companies, I am reminded how rare it is to have a partner that truly understands our industry. HAI Group does.

In 2024, the board worked closely with leadership to support members through these challenges. We encouraged agencies to use the tools and expertise available to them, from risk control consultation to training opportunities and funding programs that help reduce exposure. We also supported investments in residents through our Resident Scholarship Program, which has awarded \$1.8 million to more than 500 students to date, opening doors to higher

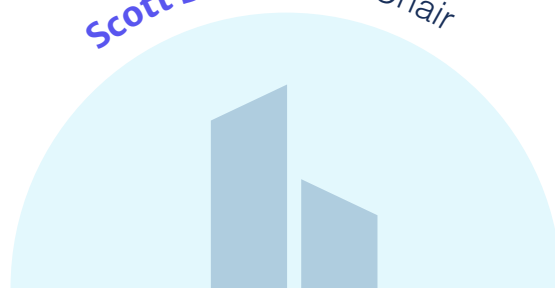
education for residents who might not otherwise have had the opportunity. We increased the Loss Prevention Fund allocation to \$3.5 million for 2025, up from \$2 million in 2024, to reimburse members for qualifying safety and risk management projects. Funding is awarded through a careful, anonymous selection process to ensure fairness and impact. This investment reflects our ongoing commitment to helping agencies strengthen safety and resilience. To date, the fund has committed more than \$11.5 million.

Another example of how HAI Group sets itself apart is through policyholder dividends, which the board declared in 2024. For housing organizations, those dollars represent a real and tangible inflow of cash that can be reinvested into operations, safety improvements, or resident services. It is not something you typically hear about from an insurance company—giving money back to members outside of a claim—and it underscores just how unique HAI Group is. This year, the board also began reviewing ways to expand how members can use their equity dividend balances, potentially providing another path for agencies to access funding to address risk and safety needs.

Looking ahead, I am confident in the direction of our company. HAI Group continues to expand into markets where coverage has been difficult to secure. It is modernizing systems to improve the member experience. And it remains financially disciplined and strong, ensuring that when our members need us most, we are ready.

On behalf of the board, I want to thank our leadership team for their vision, my fellow directors and committee members for their commitment, and you, our members, for your trust. Together, we are protecting what matters today while building the foundations for the future.

Scott Bertrand | Chair



Board and Committee Photos

2024



Board of Directors

Top Row: Edwin Lowndes, James DiPaolo, Kevin Loso, Anthony Johnson, Russell Young, Richard Browne | Bottom Row: Vince Pearson, Ed Malaspina, Jane Smith, Jeffery Patterson (Vice Chair), Scott Bertrand (Chair), Mary Smith, Douglas Dzema, Fernando Aniban



Audit Committee

Top Row: Jeffery Patterson, Kevin Loso, Mary Smith, Richard Browne | Front Row: Jane Smith (Chair); Edwin Lowndes (Vice Chair)



Compensation Committee

Top Row: Douglas Dzema, Mary Smith, James DiPaolo | Front Row: Jeffery Patterson (Vice Chair), Scott Bertrand (Chair)



Enterprise Risk Management (ERM)

Top Row: Richard Browne, Kevin Loso, Russell Young, Fernando Aniban | Front Row: Douglas Dzema (Vice Chair), Vince Pearson (Chair)



Finance Committee

Top Row: Anthony Goodson Jr., Raju Abraham, Margaret Thomas, Melody Johnson-Williams, Kevin McCann, Douglas Fleming | Middle Row: Thomas Mackin, Carlos Laboy-Diaz, Herman Hill, Edwin Lowndes (Chair), Richard Browne (Vice Chair), Joshua Bird, Vernon Lawrence, Tory Livingston, Mary Zissimos | Bottom Row: Carolyn Nichter, Andrea Joyal, Branden Underwood, Rebecca Bullock, Diana Fiedler | Not Pictured: Richard Dowe, Margarita Shif, Betsy Soto, William Wallo, Lisa Walters, Thomas Williamson



Governance Committee

Top Row: Jeffery Patterson, Russell Young | Front Row: Jane Smith, James DiPaolo (Vice Chair), Vince Pearson, Scott Bertrand

Chair: Vacant



Insurance Committee

Top Row: Jeffrey Wade, Trey George, Andrew Kerivan, Orthneil Palmer | Middle Row: Kelly Coyne-Wilson, Matt Mills, Alex Boston, Kevin Loso (Chair), Joseph Macaluso, Michael McManaman, Lori Hoppe, Patti Webster | Bottom Row: Karl Opheim, Alissa Italiano, Erica Snyder, Wilson Kimball, Carla Kangas, April Thompson | Not Pictured: Caster Binion, Denise Brooks-Jones, Kenneth C. Christie, Jeffrey Dodson, Shereen Goodson, Dan Kuleff, Stephanie Lovett, Blanca Macris, Malisha Pate, Cheyanne Spoto

Vice Chair: Vacant



Sales, Marketing, Research Committee

Top row: Nataline Jindoian, Jeffrey Arn, Rick Whitworth, Steven Sapp, Donald Emerson | Middle Row: Shari Riddick, Liane Ward, Shannon Oury, Kimberly Gholson, Fernando Aniban (Chair), Russell Young (Vice Chair), Adam Ragsdale, Lesley Foxx, Bonnie Latting | Front row: Jennifer Dominguez, Darrin Toney, Thomas Henderson, Aubrey Thompson, Laura Ryan, Christi McNeil | Not pictured: Anthony Ceoffe, Lakisha Collins-Bellamy, Arthur Harbin, Evette Hester, Rick Moore, Lisa Normandia, Danielle Thomas, Sharon Tolbert, Rick Whitworth

2024 Financial Statements

[Download the 2024 Financial Statements](#)

2024 Financial Highlights

NPS Score

70 

Total Surplus Growth

7.3% 
or \$35.7M

Policyholder Dividends Declared

\$22M 


HARRG Total Active Members

860 

HEIC Total Active Policyholders

982 

Asset Growth

9.8% 
or \$82.9M

Top Line Revenue

\$281M 

AM Best Rating

A 

HAPI Total Active Members

818 

Loss Prevention Fund Commitment

\$2M 

Our Companies

Housing Authority Risk Retention Group, Inc. (HARRG)

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. HARRG is owned by the members it insures. HARRG is a nonprofit, tax-exempt captive mutual risk retention group operating under the Federal Risk Retention Act, licensed and domiciled in Vermont. HARRG began operation on June 1, 1987, and was incorporated on March 20, 1987.

Housing Enterprise Insurance Company, Inc. (HEIC)

HEIC is a licensed insurer providing commercial insurance and risk management programs to affordable housing providers. Available coverages include property, liability, inland marine, hired and non-owned auto, equipment breakdown, and terrorism. HEIC is licensed in 48 states and the District of Columbia. The company is jointly owned by HARRG and HAPI as a subsidiary. HEIC began operation in August, 2001, and converted its charter to a for-profit, admitted licensed stock insurer domiciled in Vermont on December 31, 2007. HEIC was originally formed as a sponsored captive insurer, Housing Enterprise Risk Services, Inc. (HERS), which was incorporated in Vermont on August 20, 2000.

Housing Investment Group, Inc. (HIG)

HIG is responsible for investing in opportunities that further the missions of HARRG and HAPI. HIG is a downstream, for-profit business serving as an investment holding company owned jointly by HARRG and HAPI. HIG owns two taxable subsidiaries: HAGL and HIS. The financials of for-profit ventures have been consolidated since January 1, 1996. HIG was incorporated in Delaware in June 1995.

Housing Authority Insurance, Inc. (HAI)

HAI sponsors programs for its membership, including insurance and risk management programs, scholarship and internship programs, and charitable activities. HAI advocates and supports legislative and regulatory issues that help improve the public and affordable housing industries. HAI is a nonprofit association incorporated in 1987.

Housing Authority Property Insurance, A Mutual Company (HAPI)

HAPI is a licensed insurer and reinsurer providing commercial property and liability insurance coverage to public housing authorities. Available coverages include property, inland marine, equipment breakdown, auto liability, physical damage, fidelity, crime, liability, and terrorism. HAPI is owned by the members it insures. HAPI is a traditional mutual insurer domiciled and licensed in Vermont. HAPI is licensed in 48 states and the District of Columbia. HAPI began operation on August 1, 1988, as a mutual association captive. HAPI converted its charter in 2003 to a nonprofit, tax exempt, traditional mutual insurer and issues policies on a direct basis. HAPI was incorporated in Vermont on March 20, 1987.

Housing Specialty Insurance Company, Inc. (HSIC)

HSIC is an excess and surplus lines insurer that provides a non-traditional insurance program to public and affordable housing providers throughout the United States. The company is jointly owned by HARRG and HAPI as a subsidiary. HSIC is a for-profit property and casualty stock insurer domiciled in Vermont on January 15, 2014. HSIC was incorporated in Vermont on December 9, 2013.

Housing Telecommunications, Inc. (HTI)

HTI is responsible for delivering training and education programs via the internet. HTI began operations on December 28, 1995, and originally delivered services via satellite broadcast and converted to web-streaming technology. HTI is a nonprofit organization incorporated in Connecticut in September 1993.

Public And Affordable Housing Research Corporation (PAHRC)

Our research center strives to be the nexus for current data and research on public and affordable housing. The research is used to support the efforts of affordable housing stakeholders and to enhance the quality of life for low-income families. PAHRC collects primary data from the industry and compiles data from a variety of secondary data sources. PAHRC generates industry-specific reports and frequently works in partnership with industry groups in support of its stakeholders. PAHRC is a nonprofit organization incorporated in Connecticut in March 2011.



Building a Foundation

HAI GROUP ANNUAL REPORT

2024

www.haigroup.com

HAI Group® is the registered trademark for the property-casualty insurance operations of Housing Authority Risk Retention Group (HARRG) and Housing Authority Property Insurance (HAPI). All HAI Group products and services are written or provided by subsidiaries or affiliates of HARRG and HAPI. HAI Group products or services may not be available in all jurisdictions. Certain property and casualty coverage may be provided by a risk retention group or a surplus lines insurer or by a third party. Risk retention groups and surplus lines insurers do not participate in state guaranty funds and their insureds are not protected by such funds. This website may include referral links for services offered by third parties. For a complete listing of HAI Group companies, visit this page.