

**NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND**

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**BULLETIN HA 23-01**

**DATE:** January 2023  
**TO:** Commissioners of the NJPHA JIF  
**FROM:** Underwriting Manager, Conner Strong & Buckelew  
**RE:** HUD Non-Smoking Policy / Property Insurance Rates

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We have been following the Department of Housing and Urban Development's (HUD's) implementation of a smoke-free public housing policy (24 CFR Parts 965 and 966). One guideline of the new policy is to review possible rate decreases in the housing authorities' insurance programs. This memorandum shall serve as documentation for all members of the New Jersey Public Housing Authority JIF (NJPHA) to use while reviewing with HUD.

As you know, the New Jersey Public Housing Authority JIF purchases Property Insurance through a combined program with numerous New Jersey JIFs, which are members of the Municipal Excess Liability JIF (MEL). As the underwriting manager for the Property Insurance program, we are confirming there will not be a change in the Property Insurance assessment attributable to the new smoke-free policy due to three key reasons:

1. We believe the current Property Insurance program is very competitive in the marketplace.
2. Following review of property losses over a number of years, there are not significant trends in frequency or severity of property losses arising out of the use of tobacco products at NJPHA member locations.
3. As part of a very large, combined Property Insurance program with numerous other uncorrelated and widespread property exposures, very significant and frequent losses would need to occur to carry substantial weight amongst the other types of losses throughout the program.

If you have any questions regarding this, please do not hesitate to contact the Underwriting Manager team.

**CC:** NJPHA Risk Management Consultants  
Executive Director, PERMA