Affordable Housing Insurance Program RFEI
Project # 10872 / Contract #108720001
Questions & Answers
July 21, 2026

In connection with the Request for Expressions of Interest (RFEI) related to the Affordable Housing Insurance Program released by NYCEDC on June 24, 2026: The questions from potential Respondents, and answers provided by New York City Economic Development Corporation (EDC), New York City Housing Development Corporation (HDC) and New York City Department of Housing Preservation and Development (HPD), are below.

For ease of review, the questions and answers below are organized by theme into seven sections. Questions are numbered sequentially across sections, and duplicate questions are presented together with a single answer.

I. Procurement Process, Eligibility to Respond & Evaluation

1. **Q**: Would like a high level overview of current procurement process?
   A: EDC, in coordination with HPD and HDC, is conducting a two-stage RFEI process to identify a qualified strategic partner to help develop, implement, and operate the Affordable Housing Insurance Program. In Round I, Respondents will be evaluated based on their qualifications, experience, and proposed program approach. Shortlisted Respondents will advance to Round II, and after signing a Nondisclosure Agreement (NDA), they will receive access to protected HDC portfolio data and submit more detailed responses for evaluation and due diligence.

2. **Q**: Is the timeline amendable? Launching a program can take a long time and we want to make sure.
   A: We recognize that the proposed timeline is ambitious. However, the City has a unique relationship with the target market through its affordable housing programs and borrower relationships. The addressable market is significant, as outlined in the RFEI. The Program seeks to serve 20,000 units in its first year, representing less than 2% of that market. In addition, HPD manages an active construction and rehabilitation pipeline that supports more than 20,000 units annually. Through that pipeline, the agencies' existing relationships, and the broader affordable housing market, we are confident in our ability to secure the initial number of units targeted for launch. Our hope is to maintain the timeline outlined in the RFEI as closely as possible.

3. **Q**: Who are the decision makers of the evaluation committee?
   A: The evaluation committee will include representatives from EDC, HDC, and HPD.

4. **Q**: How many people make it through Round I and Round II?
5. **Q**: How many respondents do you expect to advance through Round I, and how many through Round II?

A: The evaluation committee has not predetermined how many Respondents will advance through each round. Advancement will depend on the number and quality of submissions received and the results of the evaluation process.

6. **Q**: Are you selecting one partner? Or many different partners? Would you entertain many partners to take on specific segments of the targeted housing stock?
   A: As outlined in the RFEI, we welcome joint ventures. This also means we welcome people putting themselves forward as an ingredient in a joint venture, even if they have not assembled the requisite partners.

7. **Q**: How many JV partners are permitted? Is there a cap?
   A: There is no cap on the number of JV partners permitted. The Respondent may determine the appropriate number of JV partners based on their proposed approach, subject to generally understood expectations of reasonableness.

8. **Q**: If our team wants to propose as a joint venture where the "lead" entity may change based on Round II data room findings, is that acceptable, or must the primary counterparty be locked in at Round I?
   A: Respondents must finalize their proposed team at the time of Round I submission. Our evaluation relies on the capability and experience of key personnel.

9. **Q**: Do you expect more submissions to come from the brokers, carriers, or other service providers given that there is a premium reliability component?
10. **Q**: Do you anticipate that most submissions will come from brokers, carriers, or other service providers, given the program's premium reduction component? Or is respondent type fully open to proposal?
    A: We have no expectation regarding which type of Respondents will submit submissions.

11. **Q**: For round 1, are you seeking insurance brokers who currently have clients in the supportive housing programs? In round 1, are you seeking a carrier relationship to partner with the broker?
    A: Supportive housing is one segment of New York City's affordable housing market, but Respondents are not required to have existing supportive housing clients to respond to the RFEI. The evaluation committee welcomes submissions from Respondents that can present an effective program design, including proposed structures, partnerships, and management teams.

    Respondents may propose a carrier relationship, broker-led structure, joint venture, or other approach they believe will best meet the Program's goals. Proposed structures and the capabilities of the team behind them will be evaluated as part of the RFEI process

12. **Q**: We are a focused 100% minority owned firm. Due to us doing only affordable housing we are 60% down the road of developing a program for GL in NYC. That said, can we submit these program structures? Also, we are a highly specialized firm, not a big four brokerage-will that handicap our ability to win this RFEI?

A: We welcome responses from multiple types of firms and there are no restrictions on the types of firms that may apply. We will assess capability and relevant experience, which may be demonstrated by a range of firms.

13. **Q**: Given the demographics of the overall tenants, Are there any diverse/disadvantage/minority business initiatives contained in this RFEI?
14. **Q**: Is the participation of MWBEs encouraged or required?
    A: There is no fixed requirement in the RFEI but MWBEs are encouraged to apply.

15. **Q**: Dour your team has any prior RFP/RFEI responses, proposals, captive insurance work, public entity insurance pool projects, or affordable housing insurance studies that may be helpful as reference material.
    A: Respondents are expected to conduct their own research in developing their submission. For those Respondents who advance to Round II, however, HDC data will be shared with them, to enable more refined analysis.

16. **Q**: Does NYCEDC evaluate firm-level public-sector captive experience, or will they consider individual team members' experience
    A: Respondents should demonstrate relevant experience, at the team level and at the firm level. The absence of team or firm level public-sector captive experience is not disqualifying, however.

17. **Q**: Given the FOIL disclosure risk (Section IX.17), how does NYCEDC handle proprietary methodology or pricing models submitted in a Round I proposal: is there a standard process for asserting trade secret protection, or does each Respondent need outside counsel for that at this stage?
    A: With respect to FOIL, EDC, HDC and HPD each take great care not to disclose the trade secrets or private identifiable information of its private counterparties. That said, these entities cannot guarantee in advance how they will respond to any particular FOIL request. Each request is reviewed carefully on a case-by-case basis, including consideration of any applicable exemptions.

II. Program Structure & Regulatory Pathway

18. **Q**: Understand about the $100M in funding. Is this a NYC self-funded / financed program without the use of insurance carriers and traditional markets? Or Combination of both?
19. **Q**: Curious how the program is ultimately envisioned to function, ie as a risk-bearing vehicle, purchasing consortium, or some sort of combination of the two, and what the next milestones are for securing carrier/ reinsurance support and broader market participation
    A: It is a combination of both. We anticipate investing up to $100 million onto the balance sheet of the insurance provider and then we expect that insurance provider to access the reinsurance market. We prefer an operator that takes a risk-bearing position in addition to underwriting. Additionally, one of the requirements of the RFEI is that we leave room for outside investors to co-invest alongside the City of New York, to facilitate greater Program discipline and scale.

20. **Q**: Will the city be using its existing captive for this project?
A:We do not intend to use any City owned captive; however, we have not completely ruled it out

21. **Q**: Will the NYC Housing Development Corporation have the ability to utilize a captive?
A: Yes, a captive will be considered alongside other potential program structures; however, EDC, HPD, and HDC should not be anticipated as the owner or manager of said captive.
(We presume this question was meant to address EDC, who is managing this RFEI procurement; our answer assumes this change.)

22. **Q**: Have you entertained or implemented a captive program in the past? If so, what were the results?
A: EDC has an insurance captive to insure ancillary coverage for EDC's specific risks, and other City agencies have implemented captives for their own assets. This, however, is the first time EDC is structuring an insurance program for assets it does not own or manage. EDC will not be the owner of any insurance captive associated with this Program. Reference Question #20.

23. **Q**: Is NYCEDC open to a nonprofit or mutual structure where there are no traditional "owners," or does the RFEI assume a for-profit vehicle?
A: Yes, EDC is open to a nonprofit or mutual structure and other potential program structures as well.

24. **Q**: Are we underwriting one (1) large GL/Excess Liability Program for 20k units to start (?) or are we underwriting multiple individual GL/Excess Liability policies for individual owners/landlords
A: We expect the Program to meet commercial standards and write individual policies to multiple owners/landlords. Some property owners may apply with a portfolio of buildings for which they are seeking coverage, others with individual buildings. We expect Respondents to service the breadth of the target portfolio in a way that meets the stated outcomes.

25. **Q**: How do you envision to structure insurance management of the actual construction of the housing pipeline? Will the risk be managed by the city or risk be transferred to the contractors to manage?
A: The Program is envisioned to provide property and liability coverage for the post-construction, stabilized operation phase, which remains its primary focus. The Program is not intended to replace the coverage that applies during the construction phase. That said, if bundling construction-phase coverage is a way to attract owners and drive enrollment, we are open to receiving submissions that propose it. We are cautious about the Program placing its own capital at risk in that area, so any such proposal should explain how the coverage would be offered without compromising the Program's risk profile or operating efficiency.

26. **Q**: Is there a desire to bring all or a portion of the ongoing managing and servicing of the platform into one of the three agencies?
    A: No.

27. **Q**: What will not be acceptable for the program. I.e, - Lloyd's of London backed product?
    A: We are open to any submission that credibly meets the target outcomes outlined in the RFEI, particularly Section V (Vision and Objectives) and the regulatory and lender requirements applicable to the target portfolio (see Appendix II). There is no specific guidance on unacceptable products.

28. **Q**: For the "path to a rating" requirement (Section VII.A.6), is a fronting carrier's existing rating sufficient at launch, or does NYCEDC expect the risk-bearing entity itself to pursue its own rating within a defined timeframe?
    A: A fronting carrier's rating is sufficient at launch. The requirement in Section VII.A.6 is that the Program's policies carry rated paper from the date coverage is issued, consistent with the regulatory and lender requirements applicable to the target portfolio (see Appendix II). This can be met through a rated fronting carrier with appropriate collateral; the risk-bearing entity itself is not required to hold its own rating at launch. The City does, however, view an external rating for the risk-bearing entity as a potential source of market discipline and long-term savings — Section VII.C.5 identifies it as one of the mechanisms under discussion, and Section VII.E.2 asks Respondents to address its benefits for reinsurance access. Respondents should state whether, when, and how the proposed structure would pursue a rating for the risk-bearing entity, as requested in Sections VII.A.6 and VII.C.5.

29. **Q**: Fronting timeline requirement. Does NYCEDC require a committed/named fronting carrier at Round I, or is "planned front" sufficient, with binding confirmation only required by Round II or at award?
    A: EDC does not require a committed / named fronting carrier in Round I. Respondents in Round I should put forward a credible plan for execution of the Program and Program goals. To the extent formalized / named partners are part of the submission and lend credence to the applicants' execution capability, they may be evaluated favorably.

30. **Q**: Is the procurement plan interested in working with insurance premium finance companies? High level, premium finance companies provide a lending facility to pay insurance premiums to the carrier on behalf of the insured in order to provide the insured with more flexible payment plans.
31. **Q**: Is the procurement plan looking to partner with premium finance companies? Perhaps as designated premium finance companies who will agree finance premium at set interest rates depending on the size of the premium?
    A: EDC welcomes Respondents to propose the approach they consider most appropriate as part of their submission.

32. **Q:** Are you working with Mildred street on this or involved with them?

33. **Q**: Are you working with Milford on this, or otherwise involved with them?
    A: No, the City is not working on this with Milford Street Association, which is an independent captive insurance company.

III. Governance & Corporate Structure

34. **Q:** What governance controls are preferred for operator replaceability and city capital protection.
    A: EDC expects the Program structure to protect City capital, support operator replaceability, and maintain actuarial discipline. Section VII.C.5 sets out the potential mechanisms under discussion. Respondents should respond to each of these mechanisms and propose the protections they believe are appropriate, including staged deployment of the City's capital tied to defined milestones (Appendix I, Section 3.d.i). Detailed investment terms will be solicited in Round II (see Appendix I, Section 3.d).

35. **Q**: What governance mechanisms would NYCEDC view favorably to protect actuarial discipline, rate adequacy, underwriting standards, reserve adequacy, and the City's investment?
    A: EDC's goals are detailed in the Governance & Corporate Structure section of the RFEI. Respondents should propose governance mechanisms responsive to these stated goals as part of their submission.

36. **Q**: The Program will face ongoing pressure to hold premiums below actuarial indications for affordability reasons, and to expand scope faster than capital supports. What binding mechanisms does the City envision to insulate underwriting and reserving discipline from that pressure, and who is empowered to decline?
    A: This tension is precisely why the Program's governance goals, set out in Section VII.C of the RFEI, include "structurally insulating the Program from external pressure to depart from actuarially sound practices". It is also why the City's investment is expected to be released as long as the Program adheres to its underwriting and reserving standards. Section VII.C.5 identifies binding mechanisms the City is actively discussing, including a trust that conditions each draw of City capital upon adherence to Program standards; a contingent-capital structure funded only when defined conditions are met; restrictive covenants and supermajority requirements that fix core Program parameters at inception; oversight standards such as independent actuarial review, minimum capital standards tested against stress scenarios, and rate-adequacy triggers; and an external rating to provide market discipline.

    On the question of who is empowered to decline: Section VII.C.2 asks Respondents to identify who should hold decision-making authority over premium rates, underwriting standards, and borderline eligibility cases, and to distinguish decisions reserved to that authority from those delegated or requiring City consent.

The City has not committed to any mechanism and is seeking substantive reactions from Respondents — including where a proposed mechanism would not work in practice and what would better achieve the goal — as requested in Sections VII.C.2 and VII.C.5.

37. **Q**: What level of authority would the selected party have over underwriting standards, pricing, reinsurance placement, claims oversight, and eligibility decisions? In short, will the program be "set up" and then ultimately administered and ran by the EDC, HDC, etc.
A: No. EDC, HDC, and HPD do not expect to directly administer or operate the Program on an ongoing basis. The City expects to retain a strategic oversight role to ensure the Program remains aligned with its policy objectives, protects the City's investment, and operates on an actuarially indicated basis. The selected Respondent or program operator is expected to perform the core insurance functions of the Program, subject to an appropriate governance structure as part of the RFEI response.

38. **Q**: Which functions does the City expect to retain (oversight, independent actuarial review) versus delegate fully to the operator?
A: Reference Question #37. It is our expectation that Respondents propose governance and corporate structures as part of their submission. We will contemplate a range of structures.

39. **Q**: Is NYCEDC expecting the selected respondent or consortium to provide or control the underwriting function, including eligibility review, underwriting authority, policy issuance coordination, and ongoing underwriting governance? Or is NYCEDC open to a model where some of those functions are retained, delegated, or overseen by a City-related entity or another program partner?
A: EDC is open to a range of models for underwriting control, and Respondents should propose the underwriting governance structure they believe best fits the Program, identifying decision-making authority as tasked in Section VII.C.2. However, the City does not intend to retain or perform underwriting functions itself: eligibility review, underwriting authority, policy issuance coordination, and ongoing underwriting governance are expected to sit with the Respondent or other third-party program partners, consistent with the City's preference for an arms-length relationship after launch (Section VII.C.4).

40. **Q**: Is NYCEDC expecting a specific minimum contract term before the Program could exercise a replacement right, or is that left to Respondents to propose?
A: EDC does not have a specific minimum contract term in mind; the appropriate term is structure-dependent. Respondents may propose an approach, but contract terms, including any replacement rights and the conditions for exercising them, will be negotiated in Round II and beyond, and the City will evaluate proposed terms against the governance goals in Section VII.C, including the Program's ability to replace its operator without disturbing its rights, assets, or continuity.

IV. Premium Savings, Coverage Requirements & Loss Drivers

41. **Q**: What will be the primary mechanism creating durable savings- better loss experience, economies of scale, access to alternative capital, reduced frictional costs, or some combination of the above?
    A: The short answer is a combination of all the above. First, we are looking to take advantage of one of the alternative insurance structures available in the industry, which have a proven track record of taking some of the intermediary costs out of delivery and giving organizations direct access to the reinsurance market. Second, the City has a lower cost of capital as a public investor in this program. Third, we are looking to serve at least 100,000 units, so there are economies of scale. Fourth, as a financer and regulator for this housing stock, the City has access to data and relationships that will enable more refined actuarial analysis. Last, based on our preliminary due diligence, bringing forward a large portfolio of multifamily affordable housing in New York City could be attractive to the reinsurance market as a way to balance risks elsewhere.

    Ultimately, we are looking for a partner who is going to help us translate all these insights from our initial due diligence into an actionable plan.

42. **Q**: The city-backed insurance program would presumably still have to deal with all of the same cost drivers that the private market is challenged by. I know you're looking for partners to co-design the program but what is your high-level vision for how this city-backed program will be able to be successful in lowering premiums?
    A: Reference Question #41.

43. **Q**: The goal is to save 20%. What if it's 10%? Is that still a ""win""? Not saying it will be, but markets change constantly. Thank you.
    A: The task set forth by the RFEI is that Respondents design a program that will achieve, at minimum, 20% savings. This is one of the benchmarks that submissions will be evaluated against.

44. **Q**: How should the target 20% premium reduction be benchmarked: current premiums, renewal quotes, market-clearing premiums for equivalent coverage, or another basis?
    A: With the understanding that the risk profile, exposure information, coverage quality, and loss history can change from year to year for any given insurance policy, we intend to look at the expiring premiums and market rates of equivalent coverage against the Program's portfolio as a whole.

45. **Q**: Have the agencies (HDC) identify the stress points within their portfolio? What did they discover?
    A: HDC has conducted a comprehensive review of portfolio trends. The observed trends are generally consistent with broader conditions affecting the multifamily housing market in New York City. The review did not identify any portfolio-specific trends that were unexpected or inconsistent with those broader market dynamics.

46. **Q**: What has the City determined as the main drivers of the cost increases in premiums? I.e. Certain risks identified for focus.
    A: Reference Question #45

47. **Q**: What limit of liability was used as the basis for the cost per unit of insurance premium? Does the $1900 per unit reflect a primary $1m limit or does it include Excess Liability limits/premiums as well?
    A: The limits generally reflect the coverage requirements included in Appendix II of the RFEI, which does include excess liability.

48. **Q**: The litigation environment is a major driver of habitational general liability severity in NYC. Does the City see the Program engaging that and other structural drivers, or as a purely risk-financing vehicle?
    A: While we are aware of the broader context, Respondents are only being asked to propose a risk-financing vehicle for the Program.

49. **Q**: Would there be any tort reform or caps on gl liability built into the program? Similarly to FTCA. Wishful thinking?
    A: No, Respondents should assume the current legal and regulatory environment in their submissions and risk assessments.

50. **Q**: Has any actuarial analysis been conducted to date on the extent to which New York Labor Law, particularly Sections 240 and 241.6, contributes to general liability loss costs across the portfolio? If so, will that analysis be shared with respondents, and at which round?
51. **Q:** Has any actuarial work been done to determine the impact of the New York Labor Law - specifically LL sections 240 and 241(6), on liability loss costs for affordable housing? If so, is this available for review?
    A: Reference Question #49. No actuarial work has been done to specifically analyze the impact of New York Labor Laws on liability costs across the portfolio.

52. **Q**: Any legal protections/ indemnities available to limit claims?
    A: No.

53. **Q**: Have you considered joint and severable liability and how a liability issue from a single entity could impact the group?
    A: Yes, we understand that a claim against one entity could create a financial exposure for the broader group. Compelling submissions that support either approach will be considered.

54. **Q**: To what extent do contractual risk-transfer requirements, such as additional insured status, waiver of subrogation, and primary/non-contributory wording- drive the liability costs this program is trying to reduce?

55. **Q**: If the goal of this program is to reduce insurance costs by at least 20%, have HDC and HPD evaluated whether requirements such as additional insured status, waiver of subrogation, and primary/non-contributory wording materially contribute to premium costs?
    A: The procurement team has not specifically analyzed these requirements' contribution to premium costs. We ask Respondents in Section VII.B of the RFEI to describe their method of achieving premium savings of at least 20%, including the expected sources of savings and the assumptions underlying each.

56. **Q**: Can you please confirm the lines of coverage looking to be included? Assuming property, GL, and umbrella coverage are the key focal points.
    A: As stated in the RFEI, the Program is primarily focused on property and liability coverage. Respondents may propose additional lines of coverage if they believe those coverages would support achieving the Program's goals. Umbrella or excess liability coverage is not expected to be the primary focus currently.

57. **Q**: Each risk/loan represent different exposure - ie flood. Will mandatory requirements be issued per risk or amended to rolled out product.
    A: Proposed coverage will need to meet or exceed the insurance requirements set out in Appendix II ("INSURANCE GUIDELINES") for those properties financed by HPD and HDC. Respondents should review those guidelines, understanding that the broader target portfolio of rent-regulated properties which are eligible for the Program may not need the exact same level of coverage depending on the requirements of their lenders.

58. **Q**: What specific General Liability exclusions would the city prefer to have limited or removed?
    A: The City does not recommend specific GL exclusions for limitation or removal. Proposed coverage must, at a minimum, meet or exceed the requirements set out in Appendix II ("INSURANCE GUIDELINES"), including the HPD and HDC guidelines specified there, as required by Section VII.A.5. Within those requirements, the General Liability coverage offered should align with the particular exposures of these properties, and the Program should offer high-quality coverage that successfully insures the risks of its policyholders.

59. **Q**: Does NYCEDC envision a standardized Commercial General Liability (GL) coverage structure across all participating properties, or will respondents have flexibility to tailor GL terms, limits, deductibles, and endorsements based on individual property characteristics and risk profiles?
    A: Respondents are welcome to propose coverage terms that they determine will make the Program most successful in its rollout and long-term viability, taking into account the coverage requirements specified in the RFEI's Appendix II.

60. **Q**: Can umbrella coverage satisfy these requirements more efficiently than increasing the Auto Liability policy limit itself?
    A: First and foremost, the RFEI is seeking to reduce the cost of property and general liability insurance for the targeted housing stock. Respondents are welcome to suggest other coverages

they deem necessary while meeting the requirements set forth in the RFEI's Appendix II ("INSURANCE GUIDELINES").

61. **Q**: Are agencies open to updating guidelines based on program requirements once determined? I.e., - Building vendor requirement.
A: Yes, we are interested in harmonizing our requirements with this program.

V. Data, Actuarial Analysis & Round II

62. **Q**: Can you please give the full business name and location for Pinnacle and if they are allowed to respond or the RFEI?
A: Please refer to Pinnacle's site for more information: https://www.pinnacleactuaries.com/. Note Pinnacle has no intention of applying for the RFEI.

63. **Q**: We understand that Pinnacle is currently engaged to provide actuarial support in connection with the Affordable Housing Insurance Program RFEI. To better align our response with the scope and expectations of the overall initiative, could you please advise whether there was a separate RFP or procurement solicitation issued for the actuarial support engagement (through which Pinnacle was selected), and if so: Provide a copy of that RFP; or Direct us to where it is publicly available (e.g., NYCEDC or City procurement archives)?
A: Pinnacle was contracted through a competitive procurement process conducted by HDC to serve as an insurance risk consultant. Pinnacle will serve in an advisory capacity to EDC, HDC, and HPD throughout the procurement process. Respondents should not presume access to, or reliance upon, Pinnacle's work product. The selected Respondent will be required to conduct their own actuarial studies and underwriting of the properties.

64. **Q:** Why are you asking for actuarial sustained premiums if Pinnacle is involved?
A: Pinnacle serves in an advisory capacity to EDC, HDC, and HPD throughout the procurement process. Respondents should not presume access to, or reliance upon, Pinnacle's work product. The selected Respondent will be required to conduct their own actuarial analysis and underwriting of the properties.

65. **Q**: What is the expected role of a respondent's external actuarial partner relative to Pinnacle's role as NYCEDC/HDC/HPD's actuarial or risk advisor during the procurement?
A: The selected Respondent should assume no relationship to Pinnacle during the procurement process or after contract award. The selected Respondent will be required to conduct their own actuarial studies and underwriting.

66. **Q**: Given that Pinnacle Actuarial Resources is already engaged, what is Pinnacle's anticipated ongoing role, and how will actuarial responsibilities be divided between Pinnacle and the selected respondent?

A: Reference Question #65

67. **Q**: At a high level, what actuarial work has already been done by Pinnacle? And will this be used as the basis for further actuarial evaluations for this project?
A: Currently, HDC is collecting loss run history from its borrowers. Gathering that information has required HDC going to its borrowers, who have then been working closely with their brokers and insurers. HDC has worked closely with Pinnacle to design the data collection. Pinnacle will be conducting an actuarial analysis for us as well, and it will be a partner throughout this procurement process.

68. **Q**: Data matters. Are you sure you can secure all the necessary data to form a captive, RRG, etc? That's always the largest hurdle. Thanks.
A: In consultation with Pinnacle, we have begun collecting relevant property data, including loss run information, to support actuarial analysis. The housing agencies also maintain administrative data that may provide additional insight into property characteristics and risk factors. Available data will be shared with Respondents advancing to later stages of the procurement process. That being said, the Program and its operator will be expected to collect data directly from potential building participants as part of the sales / underwriting processes.

69. **Q**: For the 20k units, are you collecting |1. Exposure data |2. 5+ years of currently values losses |3. Current premiums/cost.
A: The data collection that HDC is doing right now is not specifically for the 20k units that will be serviced by the Program, it is to better understand the regulated affordable portfolio and start doing preliminary analysis in support of the RFEI process. The RFEI Respondents would be responsible for the underwriting of properties that are going to participate in the Program. Our expectation is that the RFEI Respondents will have the infrastructure to do that underwriting effectively, conducting its own data collection and analysis as necessary.

    In HDC's current data call, HDC is collecting exposure data and five or more years of loss runs from a sample of properties in HDC's portfolio. HDC has current policies and premiums for some of those properties, in addition to administrative information that that sits in HDC’s systems. Some combination of this data will be made available to Respondents who are successful in Round I and who sign a Non-Disclosure Agreement (NDA) to refine their submission as part of Round II.

70. **Q**: What exact data will be available in the Round II data room, including loss runs, exposure data, historical premiums, projected expenses by category, limits, deductibles, coverage forms, building attributes, claim counts, claim detail, and any available underwriting or risk-control information?
A: Reference Question #69.

71. **Q**: Before Round II’s data room, is any aggregated or de-identified loss data available to help Respondents scope a premium savings thesis with more precision in Round I, even directionally?
A: No loss data will be made available to Respondents in Round I. Only those who proceed to Round II will have access to the data room.

72. **Q**: Will the partnership allow access to REAC / INSPIRE Reports or anything similar.
    A: Those are two very specific inspection regimes from the U.S. Department of Housing and Urban Development (HUD), the federal housing agency. We will provide administrative data that HDC and our partners have available, including inspection information, although not those particular reports.

73. **Q**: Without exposure & loss data it is difficult to conceptualize an insurance program
    A: Respondents advancing to Round II will receive access to exposure and loss data. In Round I, EDC is seeking a partner whose industry expertise and experience allows them to put forth a credible submission without that data.

74. **Q**: Will Round II require respondents to submit formal actuarial indications, or is NYCEDC expecting a methodology, illustrative analytical framework, and business-case support based on the data provided?
    A: Round II will not require a formal actuarial study of the kind prepared for regulatory approval; that work will come later in the Program's development. Finalists will, however, be expected to use the Round II data package to produce an actuarial indication, together with the supporting methodology and analytical framework, demonstrating how the Respondent handles the data provided and how the analysis supports the conclusion that the proposed structure would work. As described in Section II and Appendix I, Round II is weighted toward the analytical strength of each submission — including the quality of the financial model and the credibility of the premium savings thesis when tested against actual portfolio data — and Finalists are expected to revise Round I positions where the data does not support them.

VI. Capitalization & the City's Investment

75. **Q**: The RFEI mentions "NYCEDC anticipates committing, on behalf of the City of New York ("the City"), up to $100 million over a three-year period as a one-time funding infusion to launch and sustain the Program." Is there a proposed timeline and/or noteworthy timing restrictions (e.g. $X million year 1, $Y million year 2) for the $100 million infusion? If not, is this up for participants to determine?
    A: The City has the ability to disburse up to $20 million in fiscal year 2027, up to $40 million in fiscal year 2028, and up to $40 million in fiscal year 2029. The City's fiscal year runs from July 1 through June 30.

76. **Q**: Is the $100 million intended to be deployed as a single commitment to one awarded Program, or could it be split across multiple structures if NYCEDC decides to pursue more than one approach?
    A: Our current thinking is that the $100 million will be committed to a single program. However, we are open to a range of policies and products offered within that program.

77. **Q**: Is the $100 million commitment from the city intended solely for use as risk capital, or can a portion be allocated to start up operational expenses as well?
A: We are open to multiple uses and encourage Respondents to propose how they would use the City's investment. That said, as stated in Section I of the RFEI, the City's funding must, at a minimum, be preserved, and the Program is expected to be financially self-supporting. Consistent with the working assumption in Section VII.H.1 that the Respondent will be compensated by the Program itself from premium revenue and other program income, we anticipate that operational expenses will be funded primarily from the Program's operations over time, with the City's investment principally supporting the Program's capitalization.

78. **Q**: How much of the $100M will be dedicated to the broker or consultant conducting the feasibility before the program begins?
A: None. Pinnacle, the risk consultant that HDC contracted with to provide advisory services and perform the upfront actuarial analysis, is being paid separately, outside of the $100 million commitment.

    With respect to Respondent compensation going forward, see Section VII.H of the RFEI, which sets out EDC's working assumption that the Respondent will be compensated by the Program itself once operational, and asks Respondents to describe any compensation expected during the formation, capitalization, and pre-operational period, including the source of funds.

79. **Q**: How will the pre-operational period (formation, licensing, capitalization) funded, and by whom, given the operator presumably needs to be paid to do that work?
A: As per the RFEI Section VII.H, EDC's working assumption is that the Respondent will be compensated by the Program itself once operational, rather than directly by EDC, with Respondent compensation flowing from premium revenue and other program income. Respondents should confirm this assumption or, if proposing an alternative, describe the proposed compensation source and timing — including any compensation expected during the formation, capitalization, and pre-operational period, the entity responsible for paying it, and the source of funds.

80. **Q**: Would the proceeds of the investment be returned to the city or reinvested in the program?
A: This has not been predetermined. As stated in Section VII.D of the RFEI, the City anticipates that returns generated on its investment may be distributed to the City, retained by the Program to support further scale and capacity, or some combination thereof, to be determined based on Program needs and Respondent submissions. Respondents are encouraged to propose an approach and articulate the rationale and trade-offs of distributing returns versus reinvesting them in the Program. Detailed terms of the City's investment, including the treatment of returns, distributions, and path to liquidity, will be further developed in Round II (see Appendix I, Section 3.d).

81. **Q**: Please discuss making a profit to secure and return NYC's investment while at the same time balancing that against offering reasonably priced premiums. Returning the City's investment will restrict or curtail the number of policies that can be written.
A: Conceptually, this is something we have spent quite a bit of time thinking about and note a few considerations:

    We expect to invest onto the balance sheet of the Program, and we expect a financial return. Insurance is a profitable business, and City resources are valuable; if we can achieve a modest financial return, that is good for the City, as those resources can be redeployed for other policy-aligned purposes. However, we are not looking to maximize that return, so there is some delta that can potentially be used to drive premium savings for owners.

    Additionally, we view the ability to generate a financial return as a proxy for the accountability, market discipline, and durability that allow the Program to scale and serve more units over time.

82. **Q**: Understanding a reasonable return must be present for the financial commitment by the city, are there any broad guidelines on internal rate of return, minimums, or other targets that we should consider in development of the structure?
A: We do not have a specific minimum target rate of return. We are open to reasonable submissions from RFEI Respondents, with the understanding that different program structures and commensurate capital structures will carry different levels of risk and offer different levels of return, liquidity, etc. to the City. While we are open to indications of investment terms in Round I, we expect key investment terms and conditions to be finalized in Round II.

83. **Q**: NYCEDC states it does not expect to be a majority equity holder. Does that mean equity is expected at all, or is NYCEDC open to a non-equity structure (e.g., surplus note, member loan, subordinate debt) where it has no ownership stake?
A: Yes. EDC is open to both equity and non-equity structures for the City's investment, including surplus notes, member loans, subordinated debt, and contingent capital commitments — see Section VII.D.1 of the RFEI. As noted in Section VII.C.3, EDC does not expect to be a majority equity holder in the Program entity.

    That said, Respondents proposing equity structures should address the governance implications directly. Where private equity ownership would have control over the Program, the City will look for the binding protections described in Sections VII.C.4 and VII.C.5 to ensure the Program cannot drift from its founding mandate, dilute its underwriting standards, or depart from its policy objectives. The City is also open to structures in which ownership is held by the insureds themselves — mutual and member-owned forms are expressly contemplated in the RFEI. Respondents should identify the proposed owners and their relationship to the governance model, as requested in Section VII.C.3.

84. **Q:** Does the City or EDC bring existing capital relationships or soft commitments to the private co-investment, or is mobilizing private capital entirely the respondent's burden?
A: Responsibility for structuring and securing private co-investment rests with the Respondent. That said, the City and EDC maintain relationships with a range of institutional capital providers and mission-aligned investors, and may, at their discretion, facilitate introductions or otherwise support Respondents' capital-raising efforts where appropriate. Respondents should not assume or rely upon any City-sourced capital commitments in their submissions.

85. **Q**: Is there a floor or ceiling on how much private co-investment NYCEDC expects at launch versus at scale (20,000 → 100,000 units)?
A: No, the City has not set a floor or ceiling on private co-investment. Generally, more private capital is better, though its value is structure-dependent, and Respondents should propose the amount, form, and seniority they believe best supports the Program — see Section VII.D.4. Co-investment should be sized and timed to match the Program's scaling trajectory from 20,000 units to 100,000 units, and the anticipated phasing of the City's own commitment over its three-year deployment period (Reference Question #75). Consistent with the governance goals in Section VII.C, the City is cautious about equity structures that cede managing control to private investors; where equity is proposed, ownership by the insureds themselves is one structure the City is open to (see Appendix I, Section 3.e). (Reference Question #83)

86. **Q**: Would there be any tax or financial incentives available to third party capital providers that invest alongside the EDC?
A: EDC operates discretionary tax incentive programs that advance various public policy goals. However, none of those tax incentive programs is relevant for this type of insurance provider.

VII. Target Portfolio, Owner Participation & Onboarding

87. **Q**: Can you clarify if the city owns the properties in question or if they are owned by third parties.
A: The City does not own the properties in question. The vast majority of buildings are privately owned and privately managed properties.

88. **Q**: Are you sure the privately owned assets are on board with this initiative and are willing to ditch their existing insurance program?
A: This initiative is a direct response to concerns raised by our borrowers about the rising cost of insurance and its impact on their overall maintenance and operating expenses. While we cannot speak for every owner, HDC's borrowers' feedback suggests strong interest in an alternative that better reflects their risk profile and cost pressures. We recognize that owners' decisions to leave or

stay with their incumbent insurance providers stem from a range of factors. However, as a part of this effort, we are seeking a partner to provide insight into those factors and offer creative and effective strategies for marketing the program and enrolling owners.

89. **Q**: Can you please describe the current insurance buying strategies, insurance intermediaries, carrier approval and bond authorizations for various types of properties described?
A: These are privately owned properties, and owners procure their own insurance independently. The City does not have centralized visibility into the current insurance procurement process, which likely varies by property owner.

90. **Q:** Can you please describe the current liability insurance procurement strategies. Are the current placements made in the open market by the building owners?
A: Yes. Building owners are solely responsible for procuring their own liability and property insurance in the open market and for maintaining the necessary coverage. Reference Questions #89 and #91.

91. **Q**: What percentage of the affordable housing portfolio currently purchases umbrella/excess liability beyond minimum HPD/HDC requirements?
A: These are privately owned properties, and owners procure their own insurance independently, so the City does not have centralized visibility into individual coverage such as umbrella or excess liability beyond what is required as is described in Appendix II ("INSURANCE GUIDELINES").

92. **Q**: Who manages the properties? Is PM an additional insured?
A: Property management arrangements are specific to each privately owned property. Some owners use internal staff, while others engage third-party or contract property managers. While we do not have visibility into third-party agreements the owners may have, it is reasonable to assume that property managers, lenders, and other interested parties would require an additional insured provision.

93. **Q**: How many of the 20,000 units (to start ideally) are non profit vs for profit?
A: We have not established a specific non-profit versus for-profit mix for the initial 20,000-unit cohort.

94. **Q**: Can we clarify if the 20k units are actual buildings or apts in a building?
A: They are apartments in buildings.

95. **Q**: Does the affordable housing include supportive housing - specifically shelters and hotels that were ones for migrant housing? Is there a breakdown between the types of NYC housing (i.e. - rent stabilized, controlled, supportive etc.)
A: This Program is designed to cover properties, including supportive housing, that are financed by HPD and HDC and have a regulatory agreement with those agencies and properties that are rent-regulated. Shelters and hotels are not eligible for this program. Rent-regulated properties are part of the rent stabilization system, and then a very small minority are part of the rent control system that is overseen by the Rent Guidelines Board. Properties outside of those universes would not be eligible.

96. **Q**: Is the NYC Housing Authority Units part of this program? If so, how many units & locations?
A: Section 9 public housing owned by the New York City Housing Authority (NYCHA) are not eligible for this program. The Program is intended to serve privately managed, multifamily affordable and rent-regulated housing in New York City.

97. **Q**: For the 500,000+ rent-stabilized units with no HPD/HDC financing relationship, does NYCEDC expect the initial 20,000-unit cohort to be drawn exclusively from the HPD/HDC-financed portfolio, or could non-financed rent-stabilized buildings be part of the first cohort?
A: Non-HPD/HDC-financed rent-stabilized units can be included in the 20,000-unit cohort.

98. **Q**: For the rent-stabilized stock that has not received HPD or HDC financing (the 500,000-plus units), where the City lacks a lending relationship, how does the City envision the Program reaching or marketing to those owners, and is HCR a partner in that channel?
A: The go-to-market strategy for this part of the rent-regulated stock – which does not receive financing or regulatory overlay from the City - is something that we would look to co-design with the Respondent. We are hoping to work with Respondents who have experience and relationships working within and servicing this segment.

99. **Q**: Is there a minimum or target mix between “new construction” and “preservation” projects in the initial cohort, given the insurance guidelines differ meaningfully between the two (Appendix II)?
A: There is no target mix among HPD/HDC regulated properties, whether existing or new construction. While we assume the majority of the initial 20,000 unit cohort will be existing properties, as we state in the RFEI, HPD and HDC collectively finance the new construction of thousands of affordable housing units each year and see the integration of this development pipeline as a strategy for sustained growth. We are therefore interested in ideas for how to secure enrollment of these projects in the program but have no specific mix in mind.

100. **Q**: Why does the RFEI state: "The Program aims to (i) deliver premium reductions of at least 20% against current premiums without sacrificing coverage quality, (ii) be financially self-

supporting with a clear path to scale, and (iii) serve a meaningful share of the target universe described in Section VI ("TARGET UNIVERSE"), which includes approximately 365,000 HPD- and HDC- income-restricted affordable units as well as more than 500,000 rent-stabilized units. The Program is not intended to serve as an insurer of last resort." - but only ask to insure 20,000 units to start

A: The 20,000-unit cohort is a minimum benchmark the selected operator is expected to meet by 2027, not a ceiling. The RFEI's broader objectives reflect the Program's long-term aim to serve a meaningful share of the target universe, scaling to at least 100,000 units by 2030. The initial cohort accounts for practical onboarding factors. Should Respondents believe a faster pace is achievable, they should propose it and substantiate it with comparable experience.

101. **Q**: Will there be underwriting requirements before a project can enter the group? What will the long term review requirements of the program entail?

A: We expect adherence to strict underwriting guidelines to ensure the long-term success of the Program. Strong submissions should include an underwriting strategy that supports governance and operating discipline

102. **Q**: What are the criteria's needed for someone to apply to this program- what would make someone denied from this program?

A: Assuming that this question is referring to owners seeking insurance: the RFEI tasks Respondents with proposing eligibility criteria in their submission.

103. **Q**: Each borrower has different risks loss history. Aiming to only target the best risks seems less effective. What are you aiming at for risk profile

A: We are looking to deploy the City's $100 million into a program that uses actuarial standards for pricing and underwriting and is able to deliver savings of 20% or more to our targeted properties. How that gets operationalized is something that we will be working on with the Respondents to the RFEI to figure out, based upon the data that we have collected and the work that the RFEI Respondents will do to set up the new program. We expect the program to service properties across different risk profiles while maintaining actuarial standards in underwriting and portfolio construction.

104. **Q**: The City is lender and regulator to much of this stock- does the City contemplate using regulatory agreements to require loss-control investment and repairs from building owners, and would HDC financing or HPD capital be available to fund it?

A: For those of you who are unfamiliar with the affordable housing industry in New York, a regulatory agreement is the contractual relationship that exists between the agency and the borrower who is building and administering the affordable housing, and that is where many of the requirements and public policy objectives are outlined. As outlined in the RFEI, we are eager to learn about strong loss control and risk mitigation strategies and ways to integrate those into the program. We are interested in submissions from Respondents that articulate a plan to coordinate private capital and/or utilization of the Program balance sheet to finance risk-mitigating investments at the properties to further drive insurance affordability. However, for the purpose of the RFEI, Respondents should not expect any additional funding from the City to support such measures.

105. **Q**: What if any support has been contemplated or able to provided around risk control measures beyond what the selected partner can provide?
A: Reference Question #104.

106. **Q**: Are there plans to align this program to the city's climate resilience plans/strategies?
A: This program is explicitly focused on reducing property and liability insurance for the targeted housing stock. That being said, the buildings that participate in the Program will be subject to Local Law 97, Local Law 11, and any other climate-focused mandates, as applicable. For the purpose of the RFEI, Respondents should not expect any additional funding from the City to support such measures.