

CHAPTER 17. HA OWNED INSURANCE COMPANIES AND INSURANCE POOLS.

17-1. STANDARDS FOR APPROVAL.

Parts 950 and 965 of the Code of Federal Regulations set forth the standard that must be met by nonprofit insurance entities owned by HAs in order to receive approval from HUD. In addition to documentation that must be supplied for initial approval, interim professional evaluations must be furnished to HUD for review, unless the entity is organized as an insurance company, in which case the State Insurance Commissioner is responsible for oversight and regulation of the entity.

17-2. EXEMPTION FROM COMPETITION.

HAs are authorized to obtain any line of insurance from a nonprofit insurance entity that is owned by HAs without regard to competitive selection. Although a HA may wish to obtain quotations from non-HA owned insurance companies, Parts 950 and 965 grant an exception to 24 CFR part 85, which requires full and open competition in procurement, as long as the entity has been approved by HUD.

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