

Owners,

“The market is not only crazy; it is in a complete melt down.” This is an extract from the first memo issued on the insurance subject. Now it is even worse, prices are going up like a rocket launch and some companies are simply refusing to issue a quote.

Some owners did make remarks about our tree trimming and the complete removal of 2 of them. This is an annual routine before the hurricane season. We determine which ones need to be trimmed, pruned, or cut due to the condition and location of the tree. Then this list is reviewed by an arborist and finally agreed to with the company that does such work. Just to let you know we previously had a tree that fell during a very local mini tornado. One long-term renter filed a claim against the Association and our insurance company, after 2 years of debate, paid the claimant on the questionable claim.

This year the original bid from the insurance company, due to this incident, provided us with a bid of \$50,283.00, which we paid, to have coverage for general liabilities. We continued our search for an alternative, we did reach 7 companies, they all refused and then one came back, and they finally gave us the reason for their refusal, ***it was the tree claim***. Our broker provided explanations for this claim and finally they agreed to cover Waterside under an umbrella policy, for about \$11,000.00 and we cancelled the \$50,283.00 one.

Please let the people that are qualified make the call, and we all recognize that we need shaded areas and that it is very costly cutting down a tree. Not cutting down diseased and rotting trees puts the Association at risk of injury to people, damage to buildings and insurance issues for years to come.

Currently we have firm quote on the property and wind from American Coastal, last year's premium was \$389,901 and this year from same company it is \$1,103,000.00. Then we got a quote from Citizens for \$1,153,000.00, which does not include ex-wind which is \$153,727.00 for a total of \$1,306,727.00 compared to \$1,103,000.00. ***Yes, you read that right***, so we continue our investigation. Citizens asked for a photo of each attic showing how the roof is attached to the structure, a photo of all shutters and for an updated valuation report even though the last one was done 6 months ago.

These people do not have the same statistics as the social security numbers are for next year, like a 3.1% increase in benefit, maybe it is right in other states, but not for Florida. It is simply passing the puck to somebody else to do nothing at the State level but blame it on inflation.

Thanks to the Town of Hypoluxo personnel who are helping the office for permits search, thanks to the owners that are collaborating, thanks to our personnel during this very stressful exercise, thanks to owner Gaby Belanger for his help in controlling the access to the units by the various firms involved, to our insurance brokage firm and Director Mike Shane for his involvement.

General Liability Insurance is settled, as is the Crime, the Director and Officers, the ex-wind policy, and the Umbrella policy, ***remaining to resolve is the Hurricane policy.***

As mentioned in previous emails, *yes there will be a special assessment that will be from a minimum of \$400.00 up to possibly \$1,500.00* and now since that last memo it may be as high as \$1,950.00. The impact on future years monthly fee will be substantial. As soon as we manage to get the hurricane coverage, we will release a memo explaining the possible impact for the next 3 years. Let's hope this is the only bad year.

On behalf of the Board of Directors,
Andre Mongrain, President,
May 20, 2023