

ENVIRON TOWERS I CONDOMINIUM ASSOCIATION

MEMBERSHIP WORKSHOP MEETING

THURSDAY, MAY 9, 2024, 4:30PM

ON ZOOM

SUMMARY OF DISCUSSIONS

1. **Call to Order:**

Meeting was called to Order at 4:35PM.

2. **Attendance at Meeting:**

a. Board Members: Ronald Adam, André Charlebois, Gervais Deschênes, Jacinthe Lejeune, Carmen Oprescu and Viviane Schofield were present.

b. Total Attendance: 15, at 4:45 PM; later, 2 owners joined the Meeting: total 17.

3. **Purpose of Workshop Meeting:**

MORE THAN EXPECTED INCREASE OF INSURANCE PREMIUM

President Viviane Schofield recalled briefly the Purpose for the Workshop while mentioning that ET1 holds more insurance policies, and introduced Allan Markels of USI Insurance Services, our Insurance Broker who is present to help us understand the Proposal for renewal received from American Coastal.

Allan Markels highlighted first the serious insurance problem in Florida. Insurance in Florida is *brutal*: too many attorneys, too many claims, astronomical payments from Insurance Companies to their policies holders (some payments exceeded \$30 million), abusive or downright fraudulent claims, many insured are not honest, too many unscrupulous insurance agents, non admitted insurance carriers, etc

Florida State acknowledged the problems and is now cracking down on fraudulent claims and on questionable increase insurance premiums. In a not so far future, we should see premiums increasing less than they are now.

Allan noted that Florida condominium law says that property insurance must be equal to replacement cost of the property which is determined every 36 months by an independent appraisal. Currently very few insurance companies agree to insure condominium properties in Florida: **American Coastal, Heritage** and **Citizens**. Heritage will only insure condominium properties that are less than 10 years old; Citizens will only insure condominium property,

.a). if Association is unable to secure coverage with a any other private home insurance provider, and

.2). if the quotes from private insurers are more expensive by at least 20% than a comparable Citizens policy - and more than that: Citizens policies do not offer the same coverage as a private insurer... insured must then get and pay for an additional 'Wrap' policy for comparable coverage; for ET1, the difference between the Citizens' quote and the 'American Coastal' quote this year is less than 20%. Therefore, ET1 Association is not eligible for Citizens. So ET1 has only American Coastal... this year.

4. Verbal exchanges with participants:

Board members and owners then proposed and discussed with Allan different ways for reducing insurance premiums.

Can roof replacement on 7100 impact the insurance premium:

Roof on 7100 was replaced last year; the awarding of contract for 7200 doesn't have any impact. Both our roofs must have been replaced to impact our insurance premium; Therefore ET1 cannot expect a reduction of premium this year.

Buildings 7100 & 7200 denied water claim:

Someone asked if Et1 has a real chance to get some money from American Coastal who denied our claim. Considering the specific

exclusions of these damages by our policy, considering the amount of damages and the costs and uncertainty of legal proceedings, it seemed at this moment wiser to abstain.

Special assessment?

Treasurer André Charlebois doesn't know yet if there will be a special assessment or if we can manage without. He expected an increase of premiums for 2024-2025 and planned budget accordingly; but no one expected such an increase of insurance premium.

Also, André will try to determine the % of increase despite the fact that for 2023-2024 increase affected 2 periods: first over 9 months, second over 3 months.

Finance charge?:

Yes, ET1 does finance the insurance costs, but no interest charge is included in American Coastal Proposal.

Any new exclusions this year?:

No, same as last year.

Higher deductibles?:

We could consider higher deductibles (see Proposal page 10), but we must check how much the premium would decrease and if it would be worth it, ... and we must keep in mind the Florida law regarding condominium insurance.

NOTE: A few days later Allan answered this question by email: *saving is not significant enough*, in case we have a fire claim or a water damage claim.

Self insurance?

A condominium association may provide *SELF INSURANCE* for its property, but it must be through a self insurance fund that complies to requirements of Sections **624.460–624.488** of Florida Statute....? This seems complicated and that fund should be garnished too...

5. Summary of Proposal:

Last year, more than 15 insurance carriers were approached by USI Insurance Services to provide a competitive insurance program for ET1 Association, but more than 15 declined (see Proposal page 20).

There are fewer and fewer insurance companies staying in Florida.

The insurance policy on our buildings will increase by 17% in the coming year. Our Directors and Officers liability policy could see a reduction, which will be helpful. Most of the other policies should remain relatively stable.

Ronald Adam

Secretary of the Board