

CENTER GATE ESTATES VILLAGES CONDO ASSOC., SECTION III

January 31, 2023

As you are aware, Florida is experiencing an insurance crisis. In the year 2022, many insurance companies and the reinsurers who back their policies have announced they are either scaling back their business or discontinuing their coverage in Florida entirely. In addition, an increasing number of Florida insurers have also fallen into insolvency.

Our worst fears have been realized. Our current insurance carrier has canceled our insurance effective February 1, 2023. Our insurance broker, Atlas, is seeking alternative companies to cover our Association. At this point only one carrier is willing to provide coverage, but at over 100% increase in cost.

Recent History of Insurance:

<u>YEAR</u>	<u>INSURANCE</u>	<u>TOTAL BUDGET</u>	<u>% OF TOTAL</u>	<u>HOA FEE</u>
2020	\$ 37,260	\$160,272	23%	\$318
2022	\$ 42,191	\$166,319	25%	\$330
2023	\$ 52,739	\$186,986	28%	\$371
*2023	\$116,000	\$250,247	46%	\$538

*2023 Budget adjusted for insurance increase.

Why has this happened? Obviously Hurricane Ian is the main cause of the Florida insurance crisis. However, for our Association the reason we are unable to acquire coverage is due to the **age of our roofs.**

We MUST address the roof issue immediately.

Options for 2024:

1. Amend documents to give The Board the responsibility of setting timeframe, seeking bids, selecting a roofer and scheduling all roofs to be replaced at the owner's expense. This is the approach other Center Gate communities have taken. The advantage is that we can negotiate the best price by guaranteeing one roofer to replace 42/21 roofs within a set timeframe.
2. Owners voluntarily replace roofs by the end of the calendar year 2023.

Budget options for current year 2023:

1. Assessment: \$63,261 divided by 42 = **\$1,506** assessment per unit. **
2. Amend 2023 Budget: \$63,261 divided by 42 = \$1,506 divided by 9 months = \$167
Therefore, Condo Fee = \$371 + \$167 = **\$538** per month starting April 1, 2023.

Prepared by The Board and distributed at the January 31, 2023 Board meeting.

**NOTE: At the January 31, 2023 meeting, The Board voted to draft a resolution of assessment.