

**BEACH WALKER VILLAS ASSOCIATION, INC.**  
**BOARD OF DIRECTORS MEETING**  
**OCTOBER 22, 2013**

A Board of Directors Meeting of the Beach Walker Villas Association, Inc. was held this day in the Amelia Island Management Conference Room, 5440 First Coast Highway, Amelia Island, Florida.

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**BOARD MEMBERS PRESENT**

Taylor Merrill, President  
Brad Burnette, Vice President  
Wayne Middleton, Sec/Treasurer  
Jim Thompson, Director  
Paul Greco, Director

**AMELIA ISLAND MANAGEMENT**

Steve Mehas, Community Association Manager  
Shirlene Reeves, Financial Director  
Joan Sheets, CAM Administrative Assistant  
Scott Muir, Director

**OWNERS PRESENT**

Sign in sheet on file.

**GUESTS PRESENT**

Josh Martin, Attorney  
John Searcy, Electrical Consultant  
Jason Hambrecht, Construction Solutions, Inc.  
Jeff Sellers, Construction Solutions, Inc.  
Dean Friloux, A. J. Gallagher Risk Service Mgmt.

**CALL TO ORDER**

Notice of the meeting was emailed to the Board on October 16, 2013 and posted on property, which is in accordance with the Documents of the Association. There were five Board members present in person, which represented a quorum. President Taylor Merrill called the meeting to order at 9:00 a.m.

**APPROVAL OF MINUTES**

**Brad Burnett moved to approve the August 2, 2013 Board of Directors Meeting Minutes, as written. Jim Thompson seconded, and the motion carried unanimously.**

**AMELIA ISLAND MANAGEMENT REPORT**

**CAM Report**

President Merrill requested the Board receive the information to be discussed prior to the meetings so they have time to review the material. This includes information from contractors on proposals, etc.

Steve Mehas reviews the Community Association Manager's Report (copy attached) and the following items were discussed:

- Owners will be asked to seal the openings around the pipes in their kitchens to prevent rodent entry. The Association will handle sealing the exterior.
- The electrical room doors in A Building need repair. They will be fixed this week.
- The Board will consider LED lighting for the beach walkovers and T-boxes using existing fixture and new LED bulbs.
- Paul Greco reported his upper balcony light is not working (missing a part).

**Financial Report**

Shirlene Reeves stated the financial report was sent to the Board earlier and asked if there were any questions. There is one owner in arrears; it is the same one as usual. One unit is in foreclosure. There is \$35,707 being transferred to the Capital Reserves monthly. Wayne Middleton suggested taking the balcony repairs out of the operating expense.

**Review of 2014 Proposed Budget**

The Board reviewed the 2014 Proposed Budget and made the following changes:

- Change the consulting fees to \$10,000 (any fees related to projects can come out of those reserves)

- Change the insurance to \$118,000 and move board fund money into the insurance fund
- Change the board fund to \$0
- Change building maintenance to \$70,000
- Change walkway/decking to \$1,200
- Change landscape supplies to \$22,000
- Change attorney fees to \$600
- Move \$100,000 from the board fund into the capital reserves
- Contributions to reserves will be less at \$420,892 this year
- Change the elevator contract to \$7,300

Shirlene Reeves will make the changes and transfers and send it to the Board for their review.

## **OLD BUSINESS**

### **Swimming Pool Maintenance – Filter System Update**

Paul Greco reported the pool level is still up, the pump is quieter and there is less air blowing back into the pool so the changes that were made are making a difference. The long term solution is to not suck water through the filters back into the pool.

Steve Mehas stated he requested bids from three contractors and reported all three responded they can't work with only the spec; they need an engineered design approved by the State. That would cost approximately \$6,600. This item was tabled until the Annual Meeting.

### **Electrical Infrastructure Project Bid**

John Searcy reported the following:

- One contractor dropped out due to a busy workload.
- The second contractor bid high because of the risk being so high due to the underground wiring being under concrete and not knowing what they will find. Also, they only bid one building at \$43,000, not both.
- The low bid was for \$36,000 for both A and B Buildings from Mardant Electric (copy attached). Mr. Searcy reported he has worked with them and recommended the Board award them the contract.
- They recommend new equipment on all buildings; the current meter stacks are too small.
- The total cost would be \$36,000 for A and B Buildings, and \$67,000 each for C and D Buildings. If the lines are directly buried, there will be an additional charge of \$24,000 for new copper wire and conduit.
- The copper wire is in conduit in C and D Buildings.
- If any wiring needs to be rerouted, it will go overhead to tie into the riser.

The over all project should be completed in six to eight weeks. Each building should require 1 – 2 weeks. President Merrill suggested they begin as soon as possible in January 2014. Everything will be stored in containers onsite before the power is turned off. The down time per building will be approximately 2 weeks for A and B Buildings and 2 weeks each for C and D Buildings. Owners and rental agents will be notified of the upcoming down time now and notified again as soon as a detailed schedule is available. The project will probably include down time from January 10<sup>th</sup> until February 28<sup>th</sup>, 2014.

There was discussion of the final contract. Attorney Josh Martin will work with Jason Hambrecht (CSI) on the wording of the contract, including a detailed schedule. They will send a draft contract to the Board for their review. Any changes in the scope of work will require a change order.

The Board took a short recess from 10:10 a.m. to 10:17.

**Brad Burnett moved to accept the bid from Mardant Electric to install new electrical infrastructures in all buildings and a contingency in the total amount of \$220,000 from the mechanical reserves. Wayne Middleton seconded, and the motion carried unanimously.**

Steve Mehas reported CSI had obtained two bids to raise the floors in the two electrical rooms to accommodate the modifications that are going to be made. Since they are moving ahead with the project, this needs to be done. The low bid came in at \$1,100 for both rooms. The Board agreed to proceed with raising the floors.

#### **Parking Decals for A & B Lots**

The Board has discussed parking issues for A & B parking lots. Discussion ensued. This would be a step in the right direction and prove the Board is aware of the situation. Steve Mehas will order 100 hangtags and one add on permit only parking sign for inside the parking lot. There will be a charge for lost hangtags.

#### **Balcony Update – 1137 Repair and Inspections for All at C & D Buildings**

Jeff Sellers reported the repairs on 1137 are ongoing. They had to cut out a section of the balcony and install dowels to the support wall. Then they will apply carbon fiber to the underside of that slab. They will have the scaffolding down by Monday. This type of repair costs approximately \$20,000.

There is one other balcony (1114) which may warrant this type of repair. There is no physical sign of displacement, but there are signs of stucco bulging, possibly from a previous repair. Mr. Sellers recommended restricted access to confirm the attachment conditions. Steve Mehas will notify the owners of this unit regarding the restricted access.

Approximately 70% of the other balconies on C and D Buildings have been inspected and have identified eight more which need further investigation. CSI would like to explore other repair options.

The balcony at 1174 is attached but under reinforced and access should be limited. The owners will be notified of the repairs which need to be done.

Access to units is sometimes a problem. CSI will keep the Board updated on their findings. Discussion ensued. CSI determined they should be 90% complete with the inspections by FL/GA weekend.

**Wayne Middleton moved to proceed with the immediate repair of the balconies at 1114 and 1174 and to notify these owners. Brad Burnette seconded, and the motion carried unanimously.**

#### **NEW BUSINESS**

##### **2014 Insurance Update from A. J. Gallagher**

Dean Friloux reviewed the Beach Walker Villas Mid Year Review (copy attached). Discussion ensued.

##### **Paver Proposal Update – CSI**

CSI has some bids and will forward them to the Board. Carol Thompson and Betty Greco will pick out the pavers. The decision on this was tabled until the Annual Meeting and the expense will come out of the Board Fund.

##### **Proposed Amendment to the Bylaws to Change the Annual Meeting Date**

**Brad Burnette moved to proceed with the proposed amendment to the Bylaws for the annual meeting date to be on call to be determined by the Board of Directors. Wayne Middleton seconded, and the motion carried unanimously. This will require a 2/3 affirmative vote of the**

membership to pass.

**Proposal for Radio Fire Alarm**

Steve Mehas reported he received the following proposal from DynaFire for monitoring the fire alarms through a radio frequency:

- AT&T, if used for the monitoring, will require two phone lines per box for four systems at roughly \$150/ month or \$7,200/year.
- The cost for DynaFire to monitor the alarms will cost approximately \$3,200/year using radio signals.
- If the fire department rolls for the fourth time for the same issue, there is a \$500 charge.
- An antenna would be installed on C Building and transmitters (4) at each of the boxes (\$628 labor charge, no charge for transmitters).
- This will tie into the current alarm system and elevators.

Discussion ensued. This item was tabled until the Annual Meeting.

**QUESTIONS/COMMENTS**

Paul Greco inquired about the window replacement at Unit 1175. Steve Mehas will check on this.

The gutters are wearing out on C and D Buildings. These will be considered for 2015 when the buildings are reskinned.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,

*Taylor Merrill* /js

Taylor Merrill  
President

TM/js  
Attachments



## Community Association Manager's Board Meeting Report October 22, 2013

### **Board of Directors Beach Walker Villas**

Stephen Mehas – Community Association Manager, working to insure the structural integrity and aesthetic beauty of your property remains our top priority at Amelia Island Management. I have also attached a spread sheet listing invoices paid for services rendered year-to-date which passed through my office, listed by each budget category. Items addressed since the last BOD meeting are indicated in Blue.

### **Projects and service responses completed year to date:**

#### **Pest Control**

- Rodent traps set in the A trash room per owner report of sighting – one trapped
- Treated 1113 & 1131 for ants, interior activity per owner reports
- Treated for Carpenter Ants swarm @ top of A/B bridge courtyard
- Treated for ants and roaches @ 1151, 1166, 1108 – no charge
- Rodent traps set in 1188 & 1182 at owners request, none caught
- Trimester threshold & perimeter treatment for all buildings (3)
- Treated for ants and bugs @ 1124, 1135
- Treated Carpenter Ants nest @ 1143
- Call backs for ants, roaches @ 1190, 1148 – no charge
- Rodent issues again @ 1188, 1181, 1182, 1183, 1186 (one caught) – need to secure the exterior at ground level to prevent access, seeking bid

#### **Building and Grounds Maintenance**

- Semi-annual trash chute maintenance for C & D buildings (2)
- Replaced address plaque @ B building due to wood rot
- Removed broken keys from corroded mechanical room door hardware @ B, D pump room & D transformer room
- Replace lock hardware for the above doors, interior corrosion caused pin & tumbler failures
- Replaced door frame & hinges on D pump room door
- Installed wood step sets inside C & D electrical rooms for safe access
- Sheetrock repairs for 1149 due to plumbing backup and having to open walls in kitchen and Bath areas
- Monthly exterior light bulb maintenance; 74 bulbs to date
- Replaced bulbs and ballast kits for 3 pole light fixtures @ 1101, 1124, 1144
- Replaced emergency light fixtures @ C, 1<sup>st</sup> floor & D 3<sup>rd</sup> floor
- Repair railing @ BBQ landing
- Installed electrical room steps inside door for safe access @ C & D
- Repair dumpster latch system
- Replace lock set for A electrical meter room
- Major exterior wall rebuild needed for 1196 due to rusted metal and rotten wood studs and stucco replacement
- Installed two hose bibs, one each for A & B utility room sinks to allow hose attachments for walkway cleaning
- Replacement of balcony waterproofing membranes on several units as identified by CSI; 1120, 1139, 1175 – near completion for all three

- Concrete repairs to ground level joint cracks @ building C; Mar-Kel \$2,700.00
- Demo & replacement of balcony decking @ 1135, 1175
- Demo & repairs to ceiling structural system @ 1145
- Lubricated and adjusted HVAC exhaust fans on landing for C & D
- Repainted directional arrows in parking lots and driveway (7)
- High lift inspection of C & D east exposures
- EIFS repairs identified by CSI @ several locations by Fields Stucco & Blanchard Coatings
- Wall repairs due to electrical GFI outlet replacement @ 1105
- Create and install identifying tags water riser ball valves for all 32 valves in C & D garage level
- Re-install light fixture under rail @ BBQ station, replace rope hand rails
- Semi-annual trash chute preventative maintenance for C & D
- Rope handrail replacement of 597 linear feet from D & C to pool shower
- Create temporary signs for balcony road closure @ 1137 – “No Thru Traffic” for east D driveway
- Demo and replace damaged sheetrock on ceiling of 1112, from water heater leak @ 1119
- Cored access hole in second recently discovered septic tank for pool restrooms, and cleaned tank
- Cleared clogged main line drain @ 1102, 1142, 1115,
- Ceiling repairs for water intrusion f@ 1143 from 1149 shower leak
- Sheetrock repair @ 1102 damaged when clearing main line access needed inside wall behind refrigerator
- Cleared main drain line for 1142, 1102, 1115
- Repairs to 1149 shower valve charged to owner, leaking into 1143
- Ordered back-up riser valve ID tags
- Water damage cleanup for 1102 main line back-up
- Cleaned out the second recently discovered septic tank for the pool restrooms
- Annual Elevator operating permits renewal
- Repaired broken floor tiles in both elevators
- Removed old and installed new bike rack @ A/B
- Replaced electrical room doors & frames @ C & D
- Reimburse 1192 owner for sheetrock repairs due to roof leak
- Wet flashed windows leaking @ 1116
- Repair to sheetrock @ 1141 due to leak from above 1146
- Cleared blockage @ 1105, 1107, 1154
- Balcony repair work @ 1137, long process with engineered repair specs, to be completed the week of 10/21/13
- Bulb replacements combined August & October; 180 60W frost, 15 39W flood, 5 ceiling LED, 6 quad tubes
- Fixture repairs @ 1157, 1158
- Cut groove in hand rail for LED strip lights Near pool stairs

#### Insurance

- Renewals processed May 6th for Flood, June 5th for property

#### Pool Area

- Extra clean-up due to fecal incident in January
- Main 7 hp, 3 phase circulating pump failure occurred 3/4/2013, replacement ordered with one week lead time
- Spring landscape trim and clean-up
- Major main drain blockage repairs/cleanout for pool area restrooms; toilets, urinals & sink due to cement type materials poured down drain line, replaced several feet of drain lines
- Discovered the pool restrooms operate on a septic system which has not been cleaned out for many, many years; cored access holes in top and had a septic cleaning service clear
- Replaced damaged safety rope and floats
- Replaced burned out 7HP circulating pump, gaskets & seals
- Repaired broken door louvers in women’s restroom
- Replaced failed re-circ vacuum gauge on pump system
- Extra cleanup required due to septic back up
- Removed 2 ceiling 60W fixtures in Women’s restroom and replaced with one new LED 38W fixture

- Repaired pool coping cracks, repainted scum gutter all around edges
- Clean-up fecal matter in Men's restroom
- Unclogged toilet in Men's restroom
- Beach and Pool Shower valve replacements
- New safety line, 2 stainless wall hooks and 4 floats
- Extra cleanup from vandals @ restrooms, furniture in pool, cut handrail ropes
- Replaced flooring in women's restroom
- Replaced leaking ½" water supply line under women's restroom, caused previous floor damage
- Unclogged toilet in men's restroom
- Replaced light switch cover in women's restroom
- Replaced toilet seat in men's restroom
- Replaced broken pool gate closure springs
- Installed new beach and pool shower valves
- Replaced filter grid panels, re-plumbed pre-float line to bottom of tank, installed auto-fill valve

#### Fire Safety Systems

- Replaced strobe and horn hardware @ C building
- Recharged two hand held extinguishers which had reached useful life date
- Replaced pressure trouble switch for C building
- Monthly inspections for Fire Exit lights, hand held extinguishers & logs
- Annual Fire Alarm systems inspection for all buildings
- Replaced bad pull station @ B, batteries replaced @ C
- Replaced 3 bad horn/strobes @ D
- Repairs to alarm panel components, & pull station on 3<sup>rd</sup> floor C

#### Landscape

- Minor irrigation parts repair and coverage adjustments
- Annual tree trim and thin on east side dune area
- Removed large Laurel Oak on west side of D walk-up entrance due to trunk rot in several locations
- Replanted 2 hardwoods to replace canopy eventually, 4 Holly trees
- Replaced A/B, C & D bike racks with new design
- Clean up of the natural areas surrounding BBQ station
- Deep root injection treatment for palms; fertilizer, anti-fungal, insecticide
- Irrigation parts replacements for heads and risers - minimal repairs monthly
- Installed 225 bags mini bark, 100 bales pone straw
- Cleaned up natural areas east of C & D
- Lawn and shrub fertilizer and insecticide treatments, bi-monthly (4)
- Seasonal flower and plant rotation; 176 Caladium, 48 Celosia, 50 Black Magic, 25 bags pine mulch
- Grounds lighting replacements; 60-60A frost, 15 50W flood
- Emergency lighting and exit sign inspections for stairwells
- Boardwalk lighting from building B to Pool installed
- Fertilized all Fan Palms (2)
- Removed 2 Palm trees from drainage swale - will monitor to determine if a clean-out is required
- Repairs; 3 pop-up heads, 1 spray head, 1 mini rotor
- Clean-up and remove discarded beach furniture and sunshades left after the July 4<sup>th</sup> celebrations as the beach side of the walkover
- Seasonal install on flowers; 12 trays Celosia, 40 Coleus, 50 tri-color Sweet Potato, 12 bags pine mulch
- T-box walkway light fixture repairs @ 3 locations
- Replaced bulb & ballast in stair lights in front of 1123, 1164, 1141
- Trim all palms, low and tall
- Removed two dead trees in east natural area @ D
- Seasonal flower rotation; 62 trays, 18 mulch, 75 bags pine bark
- Shrub replacements - 32, 600 bales pine straw
- 2 pallets sod for damages lawns @ A & B, 225 pine nuggets
- Mole treatments @ A east

#### Miscellaneous

- Legal expense related to foreclosure action @ 1150
- Captured 3 Peacocks and relocated to Talbot Island
- Legal expense related to foreclosure action @ 1172
- Reimbursed Board Member for fronting Website fees

#### Exterior Renovation Project for A & B buildings

- Construction Solutions administering project oversight
- Metro Services is the primary contractor
- Mar-Kel Concrete is conducting most spall repair work
- Change orders required for issues discovered as the project progressed; west deck topping delaminating for A & B; additional fasteners required for west mansard roof @ walkway level; south building A wall requires major new EIFS/stucco work
- Underestimated the difficulties in relocation of balcony furnishings and access coordination for walkway closures
- Paver topping on courtyard to follow major building repairs
- Processed payment applications #4, 5, 6
- Punch work being monitored by CSI, final stages
- Project completed in July

#### Electrical Engineering System

- Installed GFI outlets to handle the monitoring equipment in each buildings electrical room
- System survey conducted (actual unit monitoring for 4 weeks) by John Searcy and the results are included in an attached report
- Searcy has determined the existing wiring is sufficient provided the main breaker sizes are reduced from 600 amp to 500amp
- Design work on meter panel repairs and upgrades completed and sent to bid

#### **Items for consideration:**

- Continuing concrete planter rebuilds as budget permits – on hold due to expenses related to A & B renovations
- Consider designing a new system for HVAC Corrals with I-beam mounts to allow improved roof waterproofing
- Seeking estimates for adding Fire Alarm monitoring services for all buildings; 1-dialer, 1-transmitter and two phone lines required for each building, plus monitoring service fees; considering radio transmitting equipment to circumvent telephone line dependence, testing now, will distribute proposed costs with results

#### **Contract Information:**

- Elevator annual service contract amount increased by 3% in March, per contract



SECTION 004100

ELECTRICAL REPAIRS BID FORM

1. Submit bids in compliance with Document 002100 - Instructions to Bidders. Fill in all blanks. The Owner reserves the right to reject incomplete bid forms. Send all bids to Jason@Constructionsolutions.ec
2. This Bidding document is not part of the Contract Documents, unless specifically referenced in the Owner/Contractor Agreement.
3. Project Name:

**Electrical Repairs  
Beach Walker Villas Condominiums  
Buildings A, B, C, D  
Beachwalker Road  
Amelia Island, Florida**

4. Project Owner:

**Beach Walker Villas Association, Inc.  
C/O: Steve Mehas  
PO Box 3000  
Amelia Island, Florida 32035**

5. Bidder Information (Print/Type):

Bidder Name: Lance Solomon  
Title: Project Manager  
Company Name: Mardont Electric  
Legal Business Address: 8967 Phillips Highway  
Jacksonville FL 32256  
License Number: FL EC987  
Mobile Phone: 904-219-0380  
Office Phone: 904-363-0200  
Fax Phone: 904-363-0204  
E-mail Address: lsolomon@mardont-electrical.com

6. **CONTRACT ITEMS:** The Bidder proposes to perform all of the Work required by the Contract Documents for electrical building repairs in the amounts listed below:

BID FORM  
004100-1

9-27-13

**Base Bid**

Building electric rooms A & B, remove existing main service disconnect, meter centers, and other equipment and replace as shown in the drawings.

Bid Amount \$ 36,000

**Additional Options**

**Option 1, Addition: Building Electric Rooms C**

Remove existing main service disconnects, meter centers, and other equipment and replace as shown in the drawings.

Bid Amount \$ 67,000

**Alternate Option 1, Alternate Addition: Building Electric Room C**

Refurbish existing main service disconnects and meter centers. Replace existing main breakers, individual tenant services, main breakers at meter, and other equipment as shown in the drawings.

Bid Amount \$ 60,000

**Option 2, Addition: Building Electric Rooms D**

Remove existing main service disconnects, meter centers, and other equipment and replace as shown in the drawings.

Bid Amount \$ 67,000

**Alternate Option 2, Alternate Addition: Building Electric Room D**

Refurbish existing main service disconnects and meter centers. Replace existing main breakers, individual tenant services, main breakers at meter, and other equipment as shown in the drawings.

Bid Amount \$ 60,000

**Option 3.1, Addition: Buildings A and B Only**

Remove existing service lateral conductors from FPU transformer to building main service disconnects and install new. This option assumes the existing service laterals are in conduit. Conductors can be removed and conduit can be reused.

Bid Amount \$ 8,500

Option 3.2, Addition: Buildings A and B Only

Remove existing service lateral conductors from conduits at FPU transformer and building, abandon remaining. Install new conduits from transformer to buildings. Install new service lateral conductors from transformer to main service disconnects. This option assumes the existing service laterals are direct buried or conduit can't be reused.

Bid Amount \$ 24,000

8. Time: The Bidder proposes the following dates (Fill in) (Print/Type):

- Proposed Starting Date and Estimated Length of Project:

December 1<sup>st</sup> 2-3 weeks

9. By submitting this Bid Form, the Bidder certifies that Bidder has visited the project site, is aware of existing conditions which affect the work, and has reviewed the Contract Documents, including all addenda and the following documents:

- Specification Section 00200 - Instructions to Bidders, dated 9-27-13
- Specification Section 004100 - Bid Form, dated 9-27-13
- Electrical Drawings 1246 - 1246 Bid Set.pdf, dated 9-19-13

10. Bid Qualifications: Submit bid qualifications and reasons for qualifications with this Bid Form in space provided below. Include impact of bid qualifications on time, cost or quality. Bid qualifications may include: Cash flow requirements, assumptions for access to the work, assumptions for staging the work, assumptions for protecting existing and abutting work. (List Below):

(Print/Type)

For Bid Items Alternate option 1 and Alternate option 2 we assume breaker styles Q2.1 and MGL are existing.

No Replacement of landscaping is included in option 3.2

We assume buildings will be vacant and no temporary power is included

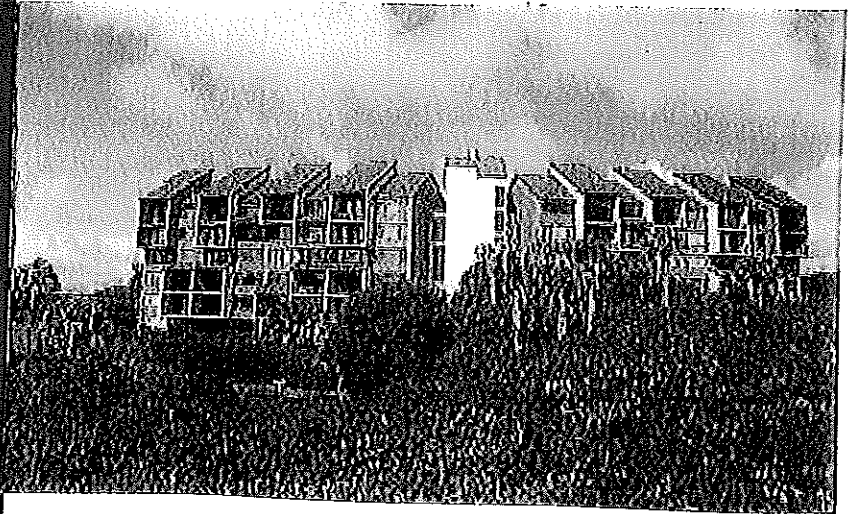
11. Bidder's List of Proposed Major Subcontractors (List Below):

(Print/Type)

N/A



Arthur J. Gallagher  
Risk Management Services, Inc.



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## Beach Walker Villas

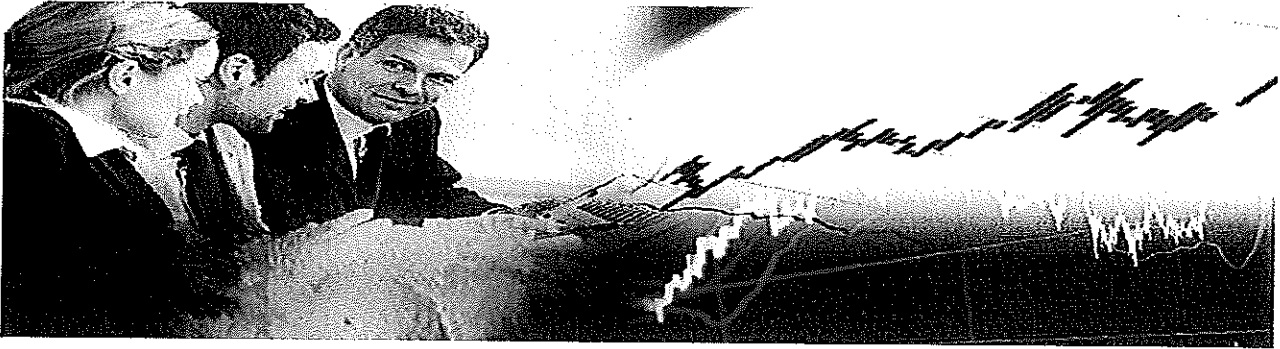
*October 22, 2013*

## Mid Year Review

Dean Friloux



# ARTHUR J. GALLAGHER



## Beach Walker Villas Insurance Overview

### 2013-2014 Renewal

Citizens Non Renewed. Short Term Rentals, issue with other carriers also due to Re-Insurance bought from Hurricane Cat Fund.

70% EIFS Reported. EIFS over Metal Studs, (Bad EIFS), Noted as EIFS in appraisal.

### 2014-2015 Renewal

EIFS found to be 20% EIFS over metal studs, balance over concrete (Good EIFS).

Re-Insurance renewal treaties experiencing declines. Will savings be passed on to local carriers?

Seeing small to 8% Property Renewal Increases.

Balance of Package, flat to small increases. Appear to be tax and reserve fund increases.

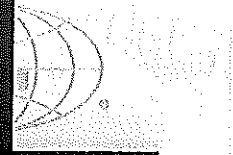
### Renewal Statagey

Negotiate with carriers, Good EIFS versus Bad EIFS, carrier by carrier.

Gresham Jacksonville Underwriter has largest book of wind business in Florida.

**Time Line**, (attached). Push underwriter, board meeting, 45 days outside of renewal.

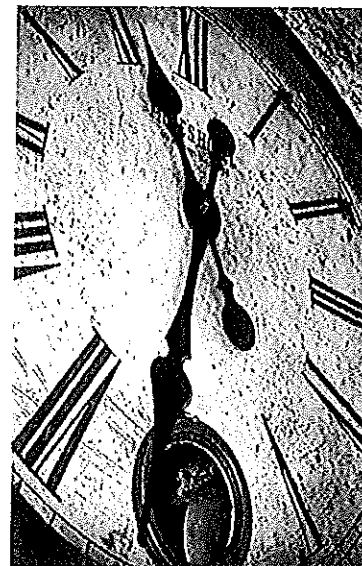
**Flood Update**, (attached). Only seeing small increases versus FEMA published rates.



## Insurance Timelines

### Time Line for Insurance Process

120 Days	<ul style="list-style-type: none"><li>• Begin submitting applications to markets</li><li>• Items requested to quote:<ul style="list-style-type: none"><li>• Appraisal</li><li>• Wind Mitigation Forms</li><li>• Summary of Insurance</li></ul></li></ul>
90 Days	<ul style="list-style-type: none"><li>• Review data and obtain updated information</li></ul>
30 Days	<ul style="list-style-type: none"><li>• Review Quotes</li><li>• Prepare Executive Summary</li></ul>
21 Days	<ul style="list-style-type: none"><li>• Proposals to CAMs and Board of Directors</li></ul>
5-10 Days	<ul style="list-style-type: none"><li>• Signed Applications Returned to Gallagher</li><li>• Bind Coverage</li><li>• Gallagher Issues Invoices</li></ul>



Notes: Flood and Citizens are Directly Paid

# ARTHUR J. GALLAGHER



## GALLAGHER PROPERTY MARKET ACCESS

### Direct Access Insurers

ACE USA  
AIG  
Allianz  
Arch  
AXIS  
Chubb  
CNA  
Commonwealth Ins  
Crum & Forster  
CV Starr  
Fireman's Fund  
FM Global  
Great American  
Hartford  
Ironshore  
Lexington  
Liberty Mutual  
Munich Re  
Navigators  
NFIP  
One Beacon  
Swiss Re / IRI / Westport  
Tokio Marine - Philadelphia  
Travelers  
XL  
Zurich

### Surplus Intermediaries

ACE/Westchester	Alterra
AmRisc	Arch
AWAC	Aspen
Axis Specialty	Beazley
Berkshire	
CNA E&S	Colony
Companion	Diamond State
Endurance	Everest Indemnity
Essex	Maxum Specialty
First Mercury	Gen Star
Global Excess Partners	
Ironshore	Hiscox
ICAT	James River
LIU	Malden Re
Maxum Specialty	
RLI	Rockhill
RSUI	Scottsdale
Sigma Underwriter	
Sompo Japan	SRU
Steadfast	Torus
United National	

### International

Lloyds Syndicates	
ACE	Advent
Aegis	Alterra
Amlin	Apollo
Argo	Ark
Ascot	Atrium
Barbican	Beazley
Brit	Broadgate Canopus
Cathedral	
Catlin	Faraday
Hardy	Hiscox
Houston Casualty	Jubilee
Kiln	Liberty
MAP	Markel
Pembroke	Pritchard
QBE	Renaissance Re
Talbot	Sagicor
WRB Berkley	Travelers
European / Bermuda Markets	
ACE Europe	Ariel Re
Allied World Assurance	
Assicurazioni Generali	
Axis Specialty	Chartis
CIP (Munich Re)	Risk Partners
HCC/Houston Casualty	
Inter Hanover	Ironshore
Lancashire	Max Re
Montpellier Re	Munich Re
Partner Re Paris	Partner Re Zurich
Sirius	Swiss Re



### Biggert-Waters Flood Reform Act of 2012

This Act reauthorizes the National Flood Insurance Program and its financing through September 30, 2017. It is being used to eliminate artificially low rates and discounts and to set up a Reserve Fund. The press is communicating that increases that could be up to 25% annually.

#### What does this mean for Condominium Associations?

- Condominium Associations are considered Primary Residences and are not subject to a 25% increase as long as the policy Does Not Lapse
- Buildings constructed after the first flood insurance rate map (post-FIRM) will see "regular" NFIP increases each year.
- Buildings constructed prior to the first flood insurance rate map (pre-FIRM) are Subsidized Rates and these discounts will be phased out or lost immediately if the policy lapses.

#### Grandfathering will be going away.

- When flood maps are re-written and the lower risk flood zone changes to a higher risk, the lower risk rate still applies as you are grandfathered into to the lower risk zone.
- In the event your flood zones change to a higher risk, obtain an Elevation Certificate. It could be beneficial if the buildings were built above the Base Flood Elevation of the community. We can determine which rate is more favorable after review of the elevation certificate.

#### Never Ever Let Your Flood Policy Lapse.

- Guaranteed Loss of Grandfathering.
- Pre-FIRM subsidized rates are lost, an Elevation Certificate is required and Full Rates Applied.

#### Current premium increases schedule for Renewals for October 1, 2013- October 1, 2014.

##### X Zones, (low risk zone)

Post-FIRM, X Zones, annual increases of 8%

Pre-FIRM, X Zones, annual increases from 8% to 17%

##### V Zones (high risk zone)

Post-FIRM, V Zones, annual increases of 11%

Pre-FIRM, V Zones, annual increases of 17%

##### A Zones (high risk zone)

Post-FIRM, A01-A30 and AE Zones, annual increases of 6%

Pre-FIRM, AE Zones, annual increases of 16%

#### Reserve Fund Charge

5% of the total premium