



SUNSET VILLAGE, INC.
Finance Committee Meeting

Friday September 6, 2024, at 10:30 AM Maintenance Conference & Zoom
Zoom Link:

<https://us06web.zoom.us/j/88916116761?pwd=QFwE07hg50aoAmvFpfsLRoDs050DbB.1>

Meeting ID: 889 1611 6761 Passcode: 584163
One tap mobile: +13052241968,84758636805#*411973# US
Dial by your location: +1 305 224 1968 US

Call to Order: The meeting was called to order at 10:31 AM by Karen Harding

Roll Call Attendees: Karen Harding, Chair via Zoom; Gary Thrasher, via Zoom, Roberta Maynard, via Zoom, Jan McCoy, Larry Smith, via Zoom, Bill Hickey, via Zoom, Drew Lawrence (absent with cause), Mike Parkman, via Zoom, Marilyn Corazza, Manager.

Guests: Doug Stevens (lot 135), David Mikolajczk (lot 544)

Proof of notice of the meeting: The meeting notice was posted September 4, 2024, at 9:30 AM

Review of the Annual Insurance Coverage Proposal

The office received the insurance proposal, dated August 27, 2024, this past week. There was only one insurer that provided a quote for our community. The other insurers declined to provide a quote.

Our current insurance policies expire mid-September, so we are on a strict timeline to review and accept the policy to maintain insurance coverage. The roof was completed and incorporated into the Insurance Valuation and Wind Mitigation report to provide the most up to date values possible. The insurance quotes are based on this report.

- Replacement Values are based on the replacement cost appraisal completed on August 8, 2024. The value of the property increased from \$1.8M to \$2.2M. That is a significant increase in value.
- Flood insurance is covered by National General which is a change this year. This is probably because they offered a lower premium. Several other companies declined coverage.
- Larry Smith did an analysis to compare costs from 2024 to this proposal. The value increases were the clubhouse, pool/pump house and inland marine. It is about a 10% increase to the basic rate per dollar. Based on his calculations, the majority of the increase in premium is related to the increased replacement cost values.
- Several replacement cost items were reviewed and discussed and including assessing some contributing factors such as inflation, increases in material costs and labor.

- There was discussion regarding specific policies and their specific inclusions and limitations.
- The company that did the valuation is Felten Property Assessment Team (FPAT) and they are the leading vendor used by insurance companies everywhere.
- The committee discussed the need to receive the quote at least 2 months prior to the due date. This would allow the committee time to review and analyze the quotes. The committee would like to see the details of the policy documents.
- Also, an insurance representative could be available to review the policy with the committee. The broker was unable to attend our meeting due to a prior commitment. Marilyn and Karen will follow up with the questions from the discussion and request clarification from the broker.
- There are some optional insurance coverages available such as cyber insurance. The insurance broker did make some recommendations because we are not covered or may have limited coverage. The committee would like to explore some of the options and determine if there are any necessary options required to protect the community assets.

Motion: Bill Hickey made a motion, the Finance Committee hereby recommends that the Board of Directors accept the insurance proposal by Marsh & McLennan, for the policies expiring in September and October 2024. The total proposal premium for the ten policies is \$75,640.33.

Seconded by: Larry Smith. The motion passed with a unanimous vote.

Adjournment

Motion to adjourn was made by Bill Hickey, seconded by Larry Smith. Motion passed unanimously. The meeting adjourned at 11:28 AM.

Respectfully Submitted:

Roberta Maynard