

Property Insurance since 2022. History of the challenges we have faced since IAN

Creciente Owners

Our June 2nd budget contains Property Insurance numbers that are much higher than previous years. This is the biggest driver to the large increase in our proposed FY2026 budget. The increase in total expenditures included in the FY2026 budget is 24%, but excluding the new insurance payments the increase is only 4%.

The treasurers think it is helpful to understand the history of our property insurance since IAN. Property insurance is the largest of the insurance expenditures.

Tracking property insurance expenditures via the General Ledger Expense reports, and checking against insurance documentation, provides insights. See below -----

Jan to Dec, 2022, Property Insurance premium was total \$227,772 – monthly accrual \$18,876 (\$111/month/owner). We paid in full but accrued monthly. This was for full coverage based on prior year appraisal of \$43.84 million.

Following IAN the insurance carrier extended our full coverage through until May 31 2023 (until hurricane season). They increased the cost considerably using the \$43.84 MM appraisal.

Jan to May, 2023, Property Insurance premium for 5 months was \$285,800, monthly accrual of \$57,160 (\$334/month/owner).

When we tried to negotiate a new policy for June 1 2023 they offered us coverage of less than \$5MM based on new appraisal of \$56.71 MM.

June 2023 to May 2024, Property Insurance premium for 12 months was \$316,800, monthly accrual of \$26,400 (\$154/owner/month). Lower premium but coverage of less than \$5MM on new appraisal of \$56.71MM. *Other insurance carriers would not consider us due to insurance claim and construction status*

June 2024 to May 2025, Property Insurance premium for 12 months was increased to \$477,252, monthly accrual of \$39,771 (\$233/owner/month). Higher premium to increase coverage but only up to \$10 million on an appraisal of \$56.71MM. *Other insurance carriers would still not consider us due to outstanding insurance claim and construction status*

June 2025 to May 2026. As of June 1 2025, our insurance carrier has offered a 12-month policy with a full limit coverage option on an appraisal of \$56,720,704. Property Insurance premium is \$912,161, a monthly accrual of \$76,013 (\$445 / owner / month). Premiums are higher but coverage is much higher. *Other insurance carriers will still not consider us due to outstanding insurance claim and construction status*

Current FL statute requires Condominiums to have full limit coverage Note a new building appraisal is required before next renewal May 2026