

**HERONS GLEN RECREATION DISTRICT
FINANCE ADVISORY COMMITTEE
September 23, 2023
10:30 AM – Finance Advisory Committee on Property Insurance**

Minutes

| MEMBERS | Present | OTHERS | Present |
|----------------------------------|----------------|-------------------------------------|----------------|
| Bob Barney, Alternate | Zoom | J.B. Belknap, General Manager | X |
| David Brendsel | X | Lynn Brew, Controller | Zoom |
| Jeff Buxton | - | | |
| Rita Lehman | X | J. Schwarz, Board Liaison/Treasurer | X |
| Larry Pedersen, Vice Chair | Zoom | | |
| Dennis Popp, Chair | Zoom | Wendy Shea, Act. & Ev.Coordin. | X |
| Terry Potts | X | Peter Overs, Supervisor | Zoom |
| Carlton Smith | - | Karen Mars, Supervisor | X |
| Beth Tyndall, Alternate | - | Bill Kulkoski, Supervisor | Zoom |
| Ryan Schmidt, Acrisure Insurance | Zoom | Residents | 0 |

I. CALL TO ORDER – Chair Dennis Popp called the Finance Advisory Committee meeting to order at 10:30 AM. Chair Popp turned the meeting over to GM Belknap for the introduction of the Property Insurance portion of the meeting.

II. INTRODUCTION OF SPEAKER

GM Belknap set the table for the presentation by stating the clubhouse wind coverage policy was put in force as of 2/1/24 with coverage through 4/30/25. On all the other lines of insurance coverage, today’s proposals are for the standard **10/1/24** renewal date with the understanding that HG will cancel, rewrite, or extend the policies as of the established clubhouse wind renewal date (**5/1/25**). The goal is to have one renewal date for all lines of coverage that doesn’t fall in the heart of hurricane season. In April 2025, the Finance Committee will meet again to consider all lines of coverage, including wind. GM Belknap introduced Ryan Schmidt from Acrisure Insurance who has serviced the HGRD account for over 10 years and has an abundance of Country Club experience.

III. PROPERTY INSURANCE PRESENTATION- Ryan M. Schmidt, Acrisure Insurance

Ryan opened the session with a brief discussion on the challenges of today’s insurance market. Ryan informed the committee that six months ago Gulfshore Insurance merged with Acrisure Insurance, which is the 5th largest broker of insurance. Ryan stated that all the insurance companies that will be providing insurance to the HGRD are all at least an A- company rated by A.M. Best Company, which rates the financial strength of an insurance company to meet its ongoing insurance obligations.

Ryan went through the PowerPoint presentation in its entirety. (See attached presentation) The presentation is an overview of potential costs and coverage
Ryan went through the Notable Policy Terms and Conditions of the Policy.

- Commercial Property – (Clubhouse excluding Wind) Trisura Specialty Insurance Company expiring premium of \$34,706 to an estimated Annualized premium of \$35,853.
- Commercial Property- Ancillary Property/Fitness Center – Superior Specialty Insurance Co. expiring premium of \$78,496 to an estimated Annualized premium of \$89,833.

Ancillary Property are other buildings in the District other than the clubhouse. Examples are fountains, pump houses, the "sports complex" Shuffleboard Courts, Bocce Courts, and Tennis courts. Also under this category are Pickleball Courts, Restrooms on golf course, wood bridge, etc.

- Equipment Breakdown – Federal Insurance Company and the 2024-2025 Premium budget is estimated to be \$2,021 up from \$1,746, the current amount. The "Breakdown" coverage supplements the building/contents coverage
- Inland-Marine – requires a Cancel/Rewrite to get to a 4/30 date due to only having a full year policy from Southern-Owners Insurance. The renewal premium was coming in at over \$23,000. The underwriter advised that last year the Inland Marine was rated incorrectly by Southern-Owners. They agreed to credit the pricing on the renewal decreasing it to \$10,369.
- Storage Tank Liability – Commerce and Industry Insurance will not provide a short-term quote.
- Package (General Liability, Umbrella, Liquor, Employee Benefits) Fireman's Fund Insurance Company and the Premium is estimated to increase to \$165,990 from \$110,465. Ryan explained that the rate increased for all exposures was 3.5% but a large portion of the premium increase was due to the increase in exposure reported – Sales for the golf course reported in 2023 were \$1,863,823 vs 2024 at \$2,944,738 which is a 58% increase in sales; Sales in the Pro Shop reported in 2023 were \$16,534 vs. 2024 at \$33,604 which is an 103% increase in sales (GM Belknap said the increase in Golf revenue was due to the increase in Golf Memberships in FY23 and the \$200,000 credit given in FY22 during the golf course renovation); Sales in the Restaurant/Lounge reported in 2023 were \$1,068,767 vs.2024 at \$1,257,421 which is an 18% increase in sales.
- Crime – Cincinnati Insurance Company and the premium is estimated to be \$4,601, up from \$4275, the current amount.
- Other components of the total HGRD coverage were presented, along with an explanation and industry and FL claim trends in these areas.
- The total 2024- 2025 annualized premiums are \$380,571 plus wind at \$110,000 and the FY24 budget is \$445,000 and the anticipated premium is \$490,000 which will be approximately \$40,000 short.

Discussion and questions ensued on the insurance information that was presented by Acrisure including the following:

- General Liability there is no deductible.
- Property there is a deductible.
- Two governmental insurance companies were contacted to quote a price for the insurance, and they were both not interested.
- The possibility of wind insurance premiums declining by April of 2025. Ryan stated that rates are flat now and if we have no more damaging hurricanes hit Florida this year the rates might drop.
- It was asked that since the HGRD has a new roof and new hurricane protected windows and doors around the clubhouse, would it decrease the premiums, and the response was possibly it might decrease.
- GM Belknap stated that a document was sent to Acrisure to inform them of the correct number of Bocce, Shuffleboard and Pickleball courts that the HGRD currently has. He will make sure that they received the document.
- It was asked if the HGRD network security is compromised who should be notified. Ryan stated that the insurance company should be the first one to be contacted and they will advise on how to proceed.
- Possibility of negotiating the deductible.

After Ryan Schmidt concluded his presentation and answered questions, Chair Popp thanked him for his presentation.

IV. COMMITTEE DISCUSSION ON PROPERTY INSURANCE

After discussion on the presentation, Larry Pedersen made a motion to recommend to the Board of Supervisors to approve the Acrisure Proposal of Property Insurance. Rita Lehman seconded the motion. A vote was taken, and the motion was approved unanimously.

V. NEXT MEETING – Monday, October 14, 2024 – 9:00 AM – CR-C/Zoom – After discussion the Chair and Treasurer will discuss if the October 14th meeting is necessary and if not that the meeting can be cancelled. The decision will be relayed to the committee as soon as it is made.

VI. ADJOURNMENT – Chair Popp adjourned the Finance Advisory Committee meeting at 11:38 A.M.

DRAFT:

Dennis Popp
Chair, Finance Advisory Committee

Date

*****NOTE*****

GM Belknap obtained the answer that for the ancillary property schedule, the correct valuation from the latest appraisal includes the added items. The insurance failed to update on the sheets provided in the package. The correct number of bocce, pickleball, and shuffleboard courts, etc. have been corrected on the sheets.