

PHOENIX V | Homeowners Association

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UPDATE TO OWNERS

May 12, 2022

SAVE THE DATE(S):

Before we lose your attention on anything else, we want to make sure that you all have the dates of upcoming quarterly meetings and the annual meeting.

Quarterly Board & Owners Meetings -- Wednesday, June 8, 2022, 6-8 pm CT –

By Zoom only

Saturday, September 10, 2022, 9 am - noon CT –

By Zoom & In person at Phoenix V

Annual Meeting of Owners -- Saturday, November 5, 2022, -- 9 am – noon CT

By Zoom & In person at Phoenix V

More information on each of these meetings will be provided by email as their time approaches.

INSURANCE RENEWAL:

As we predicted, this one was a stinker. The hurricanes of the past several years combined with the Champlain Towers South / Surfside condo collapse have upended insurance markets, leading to major premium increases for everyone.

The chart below summarizes our coverages and compares the costs of those policies. Bottom line(s), we are going to have to pay approximately \$272,232 more this year than last, and for that we won't be getting the same deductibles or getting all the same items covered on our property insurance. That \$272k translates into an increase of approximately 60% -- yikes!! Last September, when we put this year's budget together, we were told to estimate premium increases in the 30% range.

To get out with even a 60% increase, we had to increase the deductible on our property policy to 5% this year (up from 3% last year; had we wanted to keep the 3% deductible, it would have cost an additional \$146k). To try to keep premiums as manageable as possible, the Board elected not to buy property damage coverage for the garage, guard house, the dune crossover, storm water system, the landscaping, and several other items as outlined in the chart below. Also note that to get wind driven rain coverage, a very important policy for a building subject to hurricane and other rain storm damage, we had to buy a separate policy – last year this coverage was included in our property policy.

Premium Summary- 2022-2023 RENEWAL TERMS

Coverage	Carrier	AM Best Rating	Premium 2011-22	Premium 2022-23
Property- 5% WIND/HAIL	AmRisc Program	A+ & A rated	\$334,117 (3% NSW DED)	\$468,813.62 (5% ALL WIND/HAIL)
Note: 2022-23 Property policy does NOT include coverage for the following items: Garage, Guard House, Dune Crossover, Storm Water System, Landscaping, Curbs & Gutters, Asphalt Paving, CCL Walls, or Site Walls) (Deleting these items saved approximately \$20,000 in premium) (@ 3% deductible, cost would have increased by another approx. \$146,000)				
Wind Driven Rain for Residential Building	Limit: \$1,250,000 subject to \$100,000 Self Insured Retention			\$116,600
Equipment Breakdown	Travelers	A+	\$2,655	\$3,100
Association Management Package Crime & D&O Liability	Travelers	A+	\$5,870	\$7,217.00
General Liability	CSU	A+	\$32,359	32,759.30
Umbrella	Greenwich Ins	A	\$5,667.00	\$6,110.00
Worker's Compensation	Wesco Ins	A	\$750.00	\$750.00
Excess Flood over NFIP Limit	Lloyds	A	\$30,889.00	\$49,290
Total Premium				\$684,539.92

The Board elected, as in the past couple of years, to borrow the amount of the insurance premiums temporarily from capital reserves, to save the interest cost we would have paid a bank for a loan in the same amount.

In light of the size of the increase and the significance of insurance costs to our budget overall, the Board is exploring whether we can or should have a special assessment to cover the increase, and whether we should assess insurance costs separately from other operating costs.

Should anyone desire a Certificate of Insurance reflecting the Master Association coverage, either for a lender or their own records, send your certificate requests to Heather.Little@usi.com. The attached form asks for all the information needed to create a certificate for the individual unit lenders. If a certificate is needed for your own personal records, then please list your name and mailing address as the "Mortgagee." There are a lot of owners that will need a certificate from our team at USI and they do ask that you submit your requests in writing for better tracking purposes.

SECURITY SERVICE CHANGES:

We also wanted to let you know that we are changing security services. We are replacing Securitas with Liberty Shield Security LLC. Securitas, one of the biggest names in the business, was just not performing adequately. Victims of the Great Resignation too (sound familiar?), Securitas was unable to fill shifts, leaving the guard shack unattended when it was required to be staffed under our agreement. They also weren't fulfilling other contractual obligations. We solicited a number of proposals, and Liberty Shield came out on top.

You should start seeing security personnel in Liberty Shield uniforms shortly; they are training and transitioning already. Securitas should be off the property completely by Memorial Day. BUT, since many of the Securitas guards are coming over to Liberty Shield, look for familiar faces in those new uniforms. In most instances this will give us guards who are familiar with our property and processes, thus making the transition as seamless as possible entering the important summer season.

Liberty Shield seems to have the qualifications and personnel we need. Liberty Shield's principal, Michael Street, is a retired Chief of Police and is the director of the Meridian (MS) Public Safety Training Academy. He has over 30 years as a law enforcement and security trainer and consultant. His experience includes working in several countries as a security advisor as well as a personal security detail leader. He also has 24 years as a SWAT team leader. Liberty Shield's supervisor of operations for our building, Ramon Cardona, Jr., is a training and security consultant with more than 20 years of experience in physical security and security operations including 17 years in the United States Army Special Forces.

NEW SECURITY PHONE LINE & CONTACT LIST:

We are also taking the opportunity of the change in our security services to update our program in one other respect. **We have created a separate phone line for you and our guests to contact security directly: 251-550-0660.** This number is owned by the Phoenix V HOA and will stay with us regardless of who our security provider is. This will also take the HOA's front desk out of dealing with security issues.

Our new security phone number is for things typically handled by our unarmed security service: disorderly or unruly conduct, harassment, smoking of any kind other than our designed smoking area on the garage, and similar issues. **For medical, life-threatening and other, similar emergencies, please dial 9-1-1.**

We have also come up with a new contact list, which is being placed on one side of a laminated card (along with turtle friendly instructions on the other side) in all condos. A copy of the contact list is attached. Please print or save it for your future reference.

Thanks as always for your help and support,

The Phoenix V Association, Inc. Board of Directors
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