

Tangerine Bay Club Association Inc.,

A Not-For-Profit Corporation

Minutes of The Meeting of The Board of Directors

Wednesday, April 23, 2024

A scheduled meeting of the Board of Directors was held via the Zoom online platform and in person on April 23, 2024.

The meeting was called to order at 3:04 pm by the President, Clare Villari. Clare stated that no owners had provided advance notice of their intent to record the meeting.

A quorum was established. Board Members present in the meeting were Clare Villari, Jeff Spalter, Dave Van Ess, Mike Wells, Karen Wiltsie, Andy Schaer, Rick Henry. General Manager Michael Canacari was also present.

Proof of notice was posted per Association Bylaws and Florida Statutes 718.

Board Actions:

1. **2024 Insurance Renewal** - Mike Wells, Board Member and Insurance Committee Chair, summarized the Committee's recent discussions regarding the insurance renewal proposal received from Alliant Insurance for the renewal year May 1, 2024 to April 30, 2025. The proposal offers expanded coverages at approximately the same cost as the expiring policies.

An important change in the proposal from the expiring policy is the structure of the Property Insurance Policy's **Named Windstorm deductible**. It is changed **from** 5% of Total Insured Value (TIV) which for TBC is \$71M, so a deductible of \$3.5M, **to** 5% of the TIV of the building impacted at the time of loss. Each building has a TIV of ~\$6.8M. The proposal's expanded coverages (all subject to deductibles) include:

- Flood/Storm Surge
- Wind Driven Rain (which we haven't had since 2021)
- Debris Removal
- Plants/Lawns/Trees (up to \$25K per item)
- Sidewalks/Paved Surfaces/Roadways

The proposed Property Insurance Policy offers three options for the peril of Named Windstorm coverage which differ from the expiring policy's Loss Limit of \$20M:

- **A Loss Limit of \$50M for about \$1.4M**
- **An additional cost of \$150,000 to increase coverage to the TIV of \$71M**
- **A decreased cost of \$125,000 to reduce coverage to \$25M**

The Insurance Committee considered the three options in conjunction with consideration of the insurance requirements stated in FL Statute 718, TBC's Declaration, and a 2023 Legal Opinion by TBC's General Counsel Cindy Hill regarding the Board's ability to use reasonable business judgment to determine an adequate amount of insurance coverage that would be in the best interest of the Association. The Insurance Committee voted unanimously to seek another Legal Opinion from Cindy based on conditions in the 2024 insurance renewal market and the three proposed options. Owner and

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Legal Committee member John Doyle and Mike Wells subsequently had a discussion with Cindy on this matter. Cindy's position was that after doing its research and speaking with professionals knowledgeable about insurance, the Board can use its prudent business judgment to decide the level of property insurance that is adequate for the Association and in its best interest. Cindy will follow up with a written Legal Opinion on this matter in the next week.

The six-member Insurance Committee voted four to two in favor of recommending to the Board acceptance of the Alliant Insurance property insurance policy with a Named Windstorm loss limit of \$50M.

Board President Clare Villari then reviewed a chart that provided all components of the Association's insurance program which is dominated by the property insurance policy at a cost of approximately \$1.4M (with the Loss Limit at \$50M) but also includes a series of ancillary policies. The program's Ancillary Coverages include environmental liability, storage tank liability, crime, commercial liability, workers compensation, cyber liability, and a new legal defense policy. An important component of the Ancillary Coverages, the Umbrella Liability policy, has not yet been proposed.

Next, Clare canvassed Board Members for their position on the three options above for Named Windstorm coverage. Each Board Member stated their opinion and reasons for it. Then Clare asked attending owners to provide their thoughts about an adequate amount of Named Windstorm coverage. Several owners voiced their opinions.

MOTION: To approve the proposal made by Alliant Insurance for property insurance renewal from May 1, 2024 to April 30, 2025 to include Named Windstorm coverage at \$50M per occurrence with a 5% deductible applied on a per building basis.

- Made by Mike Wells; seconded by Rick Henry.
- In favor were Andy Schaer, Dave Van Ess, Jeff Spalter, Mike Wells, Rick Henry, Clare Villari; opposed was Karen Wiltsie.

MOTION: To approve the proposal made by Alliant Insurance for property insurance renewal from May 1, 2024 to April 30, 2025 to include Named Windstorm coverage at \$71M (Total Insurable Value) per occurrence with a 5% deductible applied on a per building basis.

- Made by Mike Wells; seconded by Karen Wiltsie.
- In favor was Karen Wiltsie; opposed were Andy Schaer, Dave Van Ess, Jeff Spalter, Mike Wells, Rick Henry, Clare Villari.

MOTION: To approve the proposed package made by Alliant Insurance for renewal of ancillary insurance policies from May 1, 2024 to April 30, 2025 to include environmental liability, storage tank liability, crime, commercial liability, workers compensation, cyber liability, and legal defense; excluding an Umbrella Liability policy to be determined at a later date.

- Made by Mike Wells; seconded by Dave Van Ess
- All were in favor; none were opposed.

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MOTION: To approve granting the Board President the authority to approve a renewal for an Umbrella Liability Policy from May 1, 2024 to April 30, 2025 with comparable terms and limits to the Umbrella Liability Policy expiring on May 1, 2024 at a cost not to exceed \$25K.

- Made by Mike Wells; seconded by Rick Henry
- All were in favor; none were opposed.

2. General Managers Report - Deferred.

Move to adjourn made by Clare seconded by Dave.

Jeff Spalter, Secretary, Tangerine Bay Club Association Inc. Board of Directors