

January 11, 2024

Resident Grande @ Rancocas Creek COA

RE: 2024 Insurance Premium Increase – Please Read

As you were informed last year, the insurance premiums to cover the community's common areas increased significantly due to the devastating fire in May 2021 that resulted in the complete loss of one building (12 homes). You were informed then that the hope was that the increase would only affect the community for 2-3 years based on feedback from the insurance companies.

Unfortunately, the board received news last week that the 2024 renewal premium was going to be increased yet again. This is due to a combination of the claims history on the policy and increases across the industry. As with any insurance policy, your community's insurance premiums are affected by the size of these losses as well as the potential size of any outstanding claims against your association.

The board was just notified that the 2024 insurance premiums will cost your association \$238,507. This is \$48,000 more than was budgeted for 2024. Since the policy renews in January, the board did not have the final insurance amount prior to approving the 2024 budget so the 2024 Budget will need to be adjusted to offset the expense.

The Board, which is comprised of your neighbors, has discussed how this increase should be handled and they have decided to ask the residents to give input in the decision to help offset the \$48,000 increase. There are three options for you to weigh in on and The Board will take your opinions into consideration when deciding how to move forward. Please review the 3 options below and email [gardenclub11@verizon.net](mailto:gardenclub11@verizon.net) to give your thoughts on how you feel the board should offset the cost:

1. Remove the following services from the budget: exterminating, cleaning of the stairwells, and irrigation of common areas. Additionally, increase the Emergency Assessment from \$55 to \$65 per month.  
**OR**
2. Keep all the services and pay for the increase by increasing the Emergency Assessment from \$55 to \$83 per month.  
**OR**
3. Keep all services and do not increase the Emergency Assessment. The increase would be paid by borrowing the \$48,000 from the Reserve Funds. However, keep in mind that the Reserves will have to be paid back in future years so dues will increase a minimum of \$5 a month for the payback of the "loan" starting in 2025. This loan payback will be included in the budget for 5 years (2025-2029).

Lastly, the Board will like you to understand that the insurance increase will not be going away any time soon. Additional claims against the policy will continue to put upward pressure on the insurance premiums. What they can assure you is that in order to continue services such as irrigation, exterminating, & cleaning as well as keeping up with the insurance increases, the dues will need to be raised a minimum of \$25 a month starting in 2025. This is separate from the decision on how to offset the 2024 expense.

If you have any questions, please contact us at [gardenclub11@verizon.net](mailto:gardenclub11@verizon.net).