Fair Insurance Rates in Monroe (FIRM)

2016 Annual Report

FIRM Efforts in 2016

2016 was an active year for FIRM, working on behalf of its members and the residents of Monroe County, with major efforts focused on constraining windstorm insurance rate increases, and laying the groundwork for reauthorization of an improved National Flood Insurance Program (NFIP) in 2017.

Windstorm Insurance

FIRM officers and/or its representatives attended and/or testified at:

- Citizens Property Insurance Company (CPIC) Board of Governors Meeting in Orlando.
- August Office of Insurance Regulation (OIR) rate hearing in Tallahassee.
- Florida Keys Day in Tallahassee.

FIRM vigorously resisted OIR's approval of Citizens Property Insurance's request for an annual 8.9% rate increase (with other charges 11%) for windstorm insurance in Monroe County by:

- Identifying significant differences in projected losses generated by the various models used to generate windstorm rates for Monroe County.
- Identifying other factors in the rate setting process that discriminate against Monroe County windstorm policy holders.
- Lobbying lawmakers in Tallahassee.
- Mobilizing community leadership in opposition of proposed increase.
- Retaining the Tallahassee law firm Oertel, Fernandez, Bryant & Atkinson, P.A to challenge the rate increase.

Flood Insurance

FIRM efforts in support of the National flood insurance program reauthorization and modification included:

- Lobbying DC lawmakers.
- Aligning FIRM's legislative position regarding program modifications with those of Monroe County and the Florida Association of Counties to maximize legislative impact.
- Supporting and working with Monroe County staff on Reauthorization.
- Publicizing the issues surrounding reauthorization.

Other Accomplishments

- Participated in multi-jurisdictional programs to gain flood insurance discounts under FEMA's Community Rating System (CRS), resulting in combined premium savings projected at almost $6,000,000 for homeowners in unincorporated Monroe County, as well as the cities of Layton, Key Colony Beach, Islamorada, and Key West.
- Received grants to conduct County-wide flood mitigation workshops in 2017 from the City of Marathon and the Community Foundation of the Florida Keys. These workshops are intended to help residents understand flood risk, mitigation techniques, loss reduction strategies, and rate reduction opportunities.
- Revamped the FIRM web site and social media presence to increase community engagement and provide a richer source of public information.

FIRM Plans for 2017

- Continue vigorous resistance to CPIC windstorm rate increase by petitioning OIR for an administrative hearing, and urging State Senator Flores and State Representative Raschein to introduce legislation constraining windstorm insurance rates for Monroe County.
- Conduct public flood insurance mitigation workshops for Monroe County residents in three locations across the county.
- Publish, distribute, and promote FIRM's Property Insurance User's Guide. (See FIRMKeys.org for a copy.)
- Promote and defend Monroe County property owners' interests in the run-up to 2017 Congressional legislation to reauthorize NFIP.
- Work with the Office of Insurance Regulation to introduce a modified wind insurance mitigation form that better accounts for Monroe County building code standards.
- Represent property owners at Florida Keys Day in Tallahassee in April.
- Conclude RIPP (Reduce Insurance Premiums Project) study.
- Use the study results to identify alternatives to traditional insurance markets in Monroe County.
- Increase FIRM membership.
- Cultivate, expand and diversify institutional and individual donor relationships.
- Continue to raise awareness of FIRM's mission and efforts through enhanced public outreach efforts.
- Strengthen working relationships and alliances with other consumer driven catastrophe insurance oriented advocacy groups.

FIRM Mission, Organization, and Past Accomplishments

FIRM is a grassroots organization formed in 2006 to fight for fair property insurance rates for property owners and residents of Monroe County, Florida (Florida Keys). FIRM's mission is to ensure the availability of property insurance for Monroe County while fighting against excessive, discriminatory and unaffordable residential, condominium and commercial property insurance rates.

FIRM helps residents remain and prosper in the community; contributes to housing affordability, protection, and preservation; and helps retain community wealth by decreasing the cost of property insurance premiums.

FIRM enables property owners to make better informed insurance decisions and reduces potential for windstorm and flood losses, while advocating to ensure that the cost of property insurance coverage is fair.

FIRM is composed of two distinct non-profit organizations:

- FIRMKeys, a 501(c) (3) community service provider that conducts research and provides information, guidance, and assistance on property insurance topics to the Monroe County community. Donations to FIRMKeys may be deductible on personal Federal Income Tax returns.
- FIRM PAC, a 501(c) (4) political advocacy group that seeks to influence government and industry policy affecting property insurance rates in Monroe County. Donations to FIRM PAC are not tax deductible on personal income tax returns, but may be deductible as expenses on business tax returns.
- Donors should consult with their tax advisers or the IRS to determine whether a donation is deductible.

FIRM has previously:

- Lobbied local, state, and federal government lawmakers and regulators.
- Successfully challenged windstorm insurance rate increases.
- Helped repeal worst aspects of Biggert-Waters flood insurance bill.
- Supported the Homeowners Flood Insurance Affordability Act (HFIAA) which repealed the most damaging aspects of Biggert-Waters.
- Supported the successful Key West building height referendum.
- Mobilized citizen campaigns.
- Advocated for homeowners to insurance policymakers, including the Florida Commission on Hurricane Loss Projection Methodology, the Florida Governor's Office, Citizens Property Insurance Corporation, Florida Office of Insurance Regulation, Florida Division of Consumer Services, Insurance Consumer Advocate.
- Serves on insurance policy panels including the National Association of Insurance Commissioners.

Without FIRM, it is likely that every policyholder in the Keys would be paying at least twice as much every year for windstorm insurance alone. Monroe County pays Citizens $60 million a year in premiums. FIRM's work has helped keep over $60 million a year in the Keys economy. FIRM enabled premium savings for Monroe County residents of over a half a billion dollars since 2006.

• FIRM 2016 Financial Report

In 2016, FIRM received significant funding support from individual members, as well as:

- City of Marathon
- Community Foundation of the Florida Keys
- City of Key West
- Monroe County
- Marathon and Lower Keys Association of Realtors
- Key West Association of Realtors
- City of Key Colony Beach
- Florida Keys Contractors Association
- Greater Marathon Chamber of Commerce
- First State Bank of the Florida Keys
- Meredith Cline of Marathon

On the following pages are The FIRM Pac and FIRMKeys unaudited 2016 Profit and Loss Statements and Year-end Balance Sheets.

2016 PROFIT AND LOSS

	FIRM FAC Jan - Dec 16	FIRMKeys Jan - Dec 16
Ordinary Income/Expense		
Income		
Total Direct Public Support	10,953.91	10,721.44
Donations From Municipalities	2,000.00	
Total Fundraising	43,153.19	
Total Investments	7.56	
Miscellaneous Revenue	28,867.14	
Total Grant Funding		13,600.00
Total Income	84,981.80	24,321.44
Expenses		
Business Registration Fees	136.25	61.25
Rent, Parking, Utilities and equipment	8,784.40	769.98
Marketing	212.21	
misc. expenses	100.00	
Total Operations	3,944.99	2,499.65
Accounting Fees	5,157.00	
Legal Fees	5,000.00	
Technical Consulting	6,875.00	
Insurance - Liability, D and O		653.00
Payroll Expenses	59,979.31	14.99
Total Travel & Meetings	4,341.53	1,049.17
Website donation processing fee	558.07	513.31
Website Maintenance	3,535.75	5,561.35
Total Expense	98,624.51	18,760.09
Net Ordinary Income	-13,642.71	**18,760.09**
Other Income/Expense		
Other Expense		
Total RIPP Expenses	134,524.75	
Net Other Income	-134,524.75	
Net Income	**-148,167.46**	**18,760.09**

	2016 BALANCE SHEET			
		FIRM PAC Dec 31, 16		FIRMKeys Dec 31, 16
ASSETS				
Current Assets				
Checking/Savings				
Checking		4947.2		25665.46
FIRM money market		5833.16		
Petty Cash		118.8		
Special Project Account		42372.01		
Total Checking/Savings		53271.17		25665.46
Other Current Assets				
Undeposited Funds				1175
SUTA Overpaid Receivable		-182		
Total Other Current Assets		-182		1175
Total Current Assets		53089.17		26840.46
TOTAL ASSETS		53089.17		26840.46
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Withheld payroll taxes payable		75.99		
Total Accounts Payable		75.99		
Other Current Liabilities				
Direct Deposit Liabilities		-1786.24		
Due to/from FIRMKeys		-843		
Payroll Liabilities		1442.4		
Total Other Current Liabilities		-1186.84		
Total Current Liabilities		-1110.85		
Total Liabilities		-1110.85		
Equity				
Unrestricted Net Assets		202367.5		8080.37
Net Income		-148167		18760.09
Total Equity		54200.02		26840.46
TOTAL LIABILITIES & EQUITY		53089.17		26840.46

FIRM Board of Directors and Staff
December 31, 2016

OFFICERS:
Mel Montagne, President
Steve Russ, Vice President
Joe Walsh, Treasurer
Carol Schreck, Secretary

DIRECTORS:
Lee Cummings
Theresa Faber
Robert S. Gold
Bryan Hawks
Teri Johnston
Darrin Knowles
Michael Larson
Mike Maurer
Bob Maynard
Armand Messina
Peter Rysman
Lisa Tennyson
Clara Werner
Michele White

STAFF
Caroline Horn, Manager

WEBSITE
KCS Technical Solutions, Marathon, Florida

ACCOUNTING SERVICES
Oropeza & Parks, Certified Public Accountants, Key West, Florida

LEGAL
Oertel, Ferndandez, Bryant & Atkinson P.A., Tallahassee, Florida