Fair Insurance Rates in Monroe (FIRM)

2017 Annual Report

FIRM in 2017

FIRM had both an active and successful year working on behalf of its members and the residents of Monroe County. Over the last 10 years, FIRM has saved Monroe County windstorm and flood insurance policy holders more than $500 million in insurance premiums, this year's accomplishments will result in yet another $10 million in incremental annual savings for local policyholders. Major achievements in 2017 included:

- A Citizens Property Insurance Corp. (Citizens) Monroe County residential windstorm rate freeze order for 2018 issued by the Florida Office of Insurance Regulation (OIR).
- A change in the Citizens windstorm insurance coverage rate setting methodology that produces lower rates for Monroe County than the previous methodology.
- Increased National Flood Insurance Program (NFIP) premium discount levels for many County flood policyholders through continuing work with the County and municipalities to improve Community Rating System scores.
- Workshops held throughout the County after Irma with representatives from FEMA, Citizens, the Florida Division of Consumer Services, and the Monroe County Bar Association to discuss insurance claims filing and appeal processes.
- Workshops held throughout the County to discuss flood zone definitions, requirements and preparedness.
- A motion filed with the First Appellate Court of Florida requesting the right to challenge the 2018 Citizens windstorm rate increases not frozen by OIR.

Other Windstorm Insurance Activities/Accomplishments

- FIRM officers and/or its representatives attended and/or testified at:
  - Citizens Board of Governors Meeting in Orlando.
  - August Office of Insurance Regulation (OIR) rate hearing in Miami.
  - Florida Keys Day in Tallahassee. FIRM representatives met with Sen. Flores, Rep. Raschein, Insurance Commissioner Altmaier, Director of Division of Consumer Services Tasha Carter, Monroe County lobbyist Robert Reyes, lobbyists Jeff Sharkey and Jerry Paul, and Citizens Director of Legislative Affairs Christine Ashburn.
- Presented oral arguments before the 1st Appellate Court of Florida in FIRM's ongoing legal efforts to obtain an administrative review of Citizens 2017 Monroe County wind insurance rate increases.

- Continued work to develop and gain approval of revised windstorm insurance mitigation forms that would correctly recognize Monroe County building codes and provide for associated windstorm premium credits.

Other Flood Insurance Activities/Accomplishments

FIRM efforts in support of the National Flood Insurance Program (NFIP) 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 Noteworthy Events/Activities

FIRM provided speakers for a wide range of organizations throughout the Keys.

FIRM offices relocated to 713 Caroline Street, Ste. C.

FIRM representatives currently participate in the following government, civic, professional and non-profit organizations:

- Government
  - Community Rating System Program for Public Information (PPI) Committee
  - Local Mitigation Strategy Working Group
  - Monroe County Climate Change Advisory Committee
  - Monroe County Planning Board
  - National Association of Insurance Commissioners
- Civic/Professional
  - Business & Professional Women-BPW of Marathon
  - Conch Republic Air Force
  - Conch Republic Navy
  - Florida Keys Democratic Party
  - Hometown! Key West
  - Key West Ambassador Academy Alumni
  - Key West Association of Realtors
  - Leadership Monroe County Alumni
  - League of Women Voters
  - Marathon and Lower Keys Board of Realtors
  - Marathon Yacht Club Board of Governors
  - Military Affairs Committee of Key West
  - Propeller Club of the United States Port of Key West
  - Rotary Club of Key West
  - The Navy League

- Non-Profit
  - Cooking with Love
  - Equality Florida
  - Florida Keys Leadership Success Academy
  - Friends of Key West Library
  - Monroe County Long-Term Recovery Group
  - Old Island Restoration Foundation
  - Southernmost Homeless Assistance League (SHAL)Conch Republic Air Force
  - Take Stock in Children
  - USGC Ingham Museum

FIRM Plans for 2018

- Survey Monroe County Irma claims experience to identify recurring problems.
- Obtain and use Irma claims data to provide insight into insurance rate setting.
- Obtain and use Irma claims data to provide insight into effective storm damage mitigation strategies.
- Continue vigorous resistance to Citizens windstorm insurance rate increases by petitioning OIR for an administrative hearing, urging State Senator Flores and State Representative Raschein to introduce legislation constraining windstorm insurance rates for Monroe County, and exploring the possibility of hiring an independent lobbyist for FIRM.
- Conduct insurance and mitigation workshops for Monroe County residents.
- 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 2018 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.
- Continue 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.

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 over $50 million a year in premiums. FIRM's work has helped keep over $50 million a year in the Keys economy. FIRM enabled premium savings for Monroe County residents of over a half a billion dollars since 2007.

FIRM 2017 Financial Report

In 2017, FIRM received significant funding support from the following:

<u>Local Governments:</u>

- City of Key West
- Monroe County
- City of Marathon

Non-Profit Grant Sources:

- Community Foundation of the Florida Keys

Associations:

- Florida REALTORS ® Political Action Committee (RPAC)
- Florida Keys Contractors Association
- Marathon and Lower Keys Association of Realtors
- Key West Association of Realtors
- Florida Keys Board of Realtors
- Key Largo Federation of Homeowners
- Cudjoe Gardens Property Owners Association

Businesses:

- Isaksen Insurance
- Centennial Bank
- Ocean Pointe Marina
- Coldwell Banker Schmitt – Brian Schmitt
- RE/MAX All Keys Real Estate Agents
- American Caribbean Real Estate
- Coldwell Banker Schmitt – Lisa Ferringo & Associates
- Margaritaville Resort & Marina Key West
- Berkshire Hathaway Knight & Gardner Realty – Brenda Donnelly
- Boardwalk Pizza
- First State Bank
- Island Breeze Realty
- Mortgage Lending Solutions
- Preferred Properties
- Real Estate Sales Force
- Tropical Soup
- Truman and Company
- Berkshire Hathaway Knight & Gardner Realty
- Royal Furniture
- Coco Plum Realty
- D'Asign Source
- @ Home in Key West
- Brandvold Appraisal of the Florida Keys
- Capital Bank
- Century 21 Schwartz Realty
- Coldwell Bank Schmitt – Patty Nickless
- Florida Keys Community College
- Hawks Cay Realty
- Key Colony Beach Realty
- Keys Contracting Services

- Keys Insurance Services
- Law Offices of John Wolfe
- Location 3 Realty
- Marathon Shores, LLC
- Reece & Associates Land Surveying
- The Gardens Hotel
- True Title Agency, Inc.
- Wicker Guest House

Individual members:

- Clements Family Charitable Trust
- Mary Ellen Beattie
- Bryan Hawks
- Bill Kinsey
- Steve and Kathy Russ
- Theresa Faber

Fundraisers:

- Marathon and Lower Keys Association of Realtors Golf Tournament
- Key West Association of Realtors Fundraiser at the Gardens
- Florida Keys Board of Realtors Fishing Tournament
- Centennial Bank Grill Event
- Mangia Mangia Non-Profit Appreciation Dinner

Following are The FIRMPAC and FIRMKeys unaudited 2017 Profit and Loss Statements and the 2017 Year-end Balance Sheets.

2017 PROFIT AND LOSS

			FIRM PAC		FIRMKeys
			Jan - Dec 17		Jan - Dec 17
Ordinary Income/Expense					
	Income				
	Total Direct Public Support		3,051.00		9,923.85
	Support From Local Governments		35,000.00		
	Total Fundraising		58,457.59		
	Total Investments		7.54		
	Miscellaneous Revenue		47,500.00		
	Total Grant Funding				8,000.00
Total Income			144,016.13		17,923.85
	Expenses				
	Business Registration Fees		136.25		61.25
	Rent, Parking, Utilities and equipment		8,378.09		1,450.00
	Awards and Grants				7,343.98
	misc. expenses		336.00		10.07
	FIRMKeys Share of Operating Costs				17,500.00
	Other Operating Costs		4,170.91		3,473.64
	Accounting Fees		1,050.00		300.00
	Legal Fees		45,000.00		
	Technical Consulting		8,000.00		800.00
	Insurance - Liability, D and O		1,967.58		653.00
	Payroll Expenses		67,197.86		
	Total Travel & Meetings		2,716.13		4,073.76
	Website donation processing fee		126.05		135.57
	Website Maintenance				
Total Expense			139,078.87		35,801.27
Net Ordinary Income			**4,937.26**		**-17,877.42**

2017 BALANCE SHEET

					FIRM PAC		FIRMKeys
					Jan–Dec 17		Jan–Dec 17
ASSETS							
	Current Assets						
		Checking/Savings					
			Due to/from FIRMKeys				
			Checking		11,612.16		8,963.04
			FIRM money market		5,840.70		
			Petty Cash		270.44		
			Special Project Account		42,372.01		
		Total Checking/Savings			60,095.31		8,963.04
		Other Current Assets					
			Undeposited Funds				
			SUTA Overpaid Receivable				
		Total Other Current Assets					
	Total Current Assets				60,095.31		8,963.04
TOTAL ASSETS					60,095.31		8,963.04
LIABILITIES & EQUITY							
	Liabilities						
		Current Liabilities					
			Accounts Payable				
				Withheld payroll taxes payable			
			Total Accounts Payable				
			Other Current Liabilities				
				Direct Deposit Liabilities			
				Due to/from FIRMKeys			
				Payroll Liabilities	1,543.04		
			Total Other Current Liabilities		1,543.04		
		Total Current Liabilities			1,543.04		
	Total Liabilities				1,543.04		
	Equity						
		Unrestricted Net Assets			53,615.01		26,840.46
		Net Income			4,937.26		-17,877.42
	Total Equity				58,552.27		8,963.04
TOTAL LIABILITIES & EQUITY					**60095.31**		**8963.04**

FIRM Board of Directors and Staff

December 31, 2017

OFFICERS:
Mel Montagne, President
Steve Russ, Vice President
Joe Walsh, Treasurer
Theresa Faber, Secretary

DIRECTORS:
Kristen Brenner
Lee Cummings
Robert S. Gold
Bryan Hawks
Rich Hlava
Rebecca Horan
Teri Johnston
Darrin Knowles
Michael Larson
Bob Maynard
Armand Messina
Caren Morell
Erica Poole
Carol Schreck
Lisa Tennyson
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