Fair Insurance Rates in Monroe (FIRM)

2020 Annual Report

FIRM in 2020

COVID-19 changed everything in 2020 in our daily lives, education, childcare, eldercare, economy, businesses, and in how non-profits continue to provide services and fundraise. The issues that FIRM attends to: windstorm and flood insurance, property insurance coverage, mitigation and storm preparedness did not change, so the organization continued 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 $800 million in insurance premiums. Major achievements in 2020 included:

- A continued freeze in Citizens Property Insurance residential wind insurance rate increases for Monroe County. Monroe County residential windstorm rates have not increased since 2017.
- An agreement with the City of Key West to specifically fund the engagement of Hydrologic Engineering Consultants to analyze the science and data used by FEMA in the production of its new Preliminary Flood Insurance Rate Maps, towards a goal of validating, contesting and/or appealing FEMA's conclusions.
- Partnership with the City of Key West, Monroe County and the Monroe County Extensions services for a Keyswide Home Elevation Education Project.
- 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.
- FIRM Board members serve on the Community Rating System (CRS) Program for Public Information (PPI) committee. Monroe County is set to be rated Class 3 in the CRS program, earning residents a 35% discount on NFIP policies.
- Continuation of a Realtor Outreach Committee to keep our Realtor partners updated on windstorm and flood insurance issues.
- A FEMA Flood Map Task Force formed with staff from Monroe County and municipalities.
- Expanded a comprehensive floodmap landing page on the FIRM website.
- Updated the Monroe County Property Insurance Users Guide on the FIRM website.

<u>Other Windstorm Insurance Activities/Accomplishments</u>

- FIRM officers and/or its representatives attended virtually and in person and/or testified at:
  - Citizens Board of Governors Meetings in June, September, and December
  - Florida Keys Day
  - Monroe County Delegation meeting in Marathon
  - Florida Realtors District 4 Town Hall Meeting with state legislative candidates

- FIRM 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.
- Attending National Association of Realtors Legislative Meetings in Washington DC.
- Attending U.S. Army Corps of Engineers Monroe County Coastal Storm Risk study virtual presentations.
- Publicizing the issues surrounding reauthorization.

Other Noteworthy Events/Activities

FIRM continued to provide speakers for a wide range of organizations throughout the Keys by giving presentations virtually and increased outreach by appearing on a number of local radio programs.

FIRM participated in community events such as the Community Foundation of the Florida Keys Unsung Hero program and Key West Association of Realtors Affiliate Expo.

FIRM continued to update its website to better comply with ADA requirements to meet the needs of Monroe County residents and members.

FIRM held its successful inaugural Mardi Gras event just prior to the Covid-19 shutdown. The annual Hurricanes are a Drag event had to be postponed.

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

- Government
  - City of Key West, Historical Architecture Review Commission (HARC)
  - Community Emergency Response Team (CERT)
  - Local Mitigation Strategy Working Group
  - Monroe County Climate Change Advisory Committee
  - Monroe County CRS Program for Public Information Committee
  - Monroe County Land Use Authority Advisory Committee
  - Monroe County Parks and Recreation Advisory Board

- Civic/Professional
  - American Society of News Editors
  - Chartered Property/Casualty Underwriters (CPCU) Society
  - Coconut Castaways
  - Conch Republic CIA
  - Conch Republic Navy
  - Florida Keys Board of Realtors
  - Florida Keys Community Land Trust
  - Florida Keys Contractors Association
  - Florida Keys Fishing Tournaments, Inc.
  - Hometown! Key West
  - Key West Ambassador Academy Alumni
  - Key West Association of Realtors
  - Key West Navy League
  - Key West Power Squadron
  - Key West Sunrise Rotary
  - League of Women Voters
  - Lower Keys Rotary
  - Marathon and Lower Keys Board of Realtors
  - Military Affairs Committee of Key West
  - Propeller Club of the United States Port of Key West
  - Rotary Club of Key West
  - Stars and Stripes National Publisher's Advisory Board
- Non-Profit
  - Cooking with Love
  - Equality Florida
  - Habitat for Humanity Board of Directors
  - Florida Keys Leadership Success Academy
  - Friends of Key West Library
  - Key West Woman's Club
  - Leadership Monroe County Alumni
  - Mystic Krewe of Key West
  - SOS Foundation
  - Take Stock in Children

FIRM Plans for 2021

- Participate in the FEMA floodmap appeal process with the City of Key West, Monroe County and the municipalities.
- Conduct a multi-pronged outreach program to help property owners understand the implications of FEMA's new flood maps.
- Monitor FEMA's rollout of the new rating system called Risk Rating 2.0 and conduct outreach as information becomes available.

- Request a denial of Citizens' proposed rate increases on the basis that Citizens has not completed the analyses requested by Commissioner Altmaier in 2017.
- Ensure a carve-out for Monroe County in legislative efforts to eliminate Citizens 10% rate cap.
- Work with newly-elected state lawmakers Sen. Ana Maria Rodriguez and Rep. Jim Mooney as they represent Monroe County issues related to property insurance.
- Build relationships with lawmakers and policymakers outside of Monroe County to help them understand our challenges.
- Work with newly-elected Congressman Carlos Gimenez on FIRM's NFIP reauthorization priorities and FEMA's Risk Rating 2.0.
- Work with the Office of Insurance Regulation and the Florida Building Commission to introduce a modified wind insurance mitigation form that better accounts for Monroe County building code standards.
- Increase FIRM membership.
- Cultivate, expand and diversify institutional and individual donor relationships.
- Continue to raise awareness of FIRM's mission, efforts and accomplishments through enhanced public outreach efforts.

FIRM Mission, Organization, and Past Accomplishments

FIRM is a grassroots organization formed in 2006 composed of homeowners and residents in Monroe County. FIRM's fight for fair, equitable and affordable property insurance rates for homeowners, residents and business owners protects property values and contributes to housing affordability. FIRM empowers Monroe County residents to make informed decisions about property insurance coverage, the claims process, mitigation, and storm preparedness.

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.

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, and the Insurance Consumer Advocate.
- Served 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. Since 2004 Monroe County has paid Citizens over $805 million in premiums over claims **paid**. FIRM's work keeps $60 million per year in the Keys economy.

FIRM 2020 Financial Report

In 2020, FIRM received significant funding support from the following:

Local Governments:

- City of Key West
- Monroe County
- Village of Islamorada

Non-Profits:

- First Horizon Foundation
- Key West Sunrise Rotary

Associations:

- Florida REALTORS ® Political Action Committee (RPAC)
- Florida Keys Board of Realtors
- Marathon and Lower Keys Association of Realtors
- Key West Association of Realtors

Businesses:

- Isaksen Insurance
- Hawks Cay Resort Sales & Florida Keys Realty Group
- Florida Keys Realty Group
- Margaritaville Resort & Marina
- Coldwell Banker Schmitt – Brian Schmitt
- Mortgage Lending Solutions
- Ocean Sotheby's International Realty – Jo Ann Cook
- Royal Furniture
- Island Breeze Realty
- Vacation Rentals of the Florida Keys
- Centennial Bank
- Coldwell Banker Schmitt – Lisa Ferringo Group
- Key Colony Beach Realty – Lisa Joseph
- Reece & Associates Surveyors

- Berkshire Hathaway Home Services
- Insurance Office of America
- Tropical Soup
- Key West Butterfly & Nature Conservancy

Individual members:

- Clements Family Charitable Trust
- Linda Grist Cunningham
- Theresa Faber
- George Fernandez
- Bryan Hawks
- Rich Hlava & Jeanine Klaus
- Margaret B. Holtz
- Joe & Tina Moody
- Robert Sharpe
- Jeff & Tammy Smith Charitable Fund
- Mary H. Smith
- Sam Steele
- Mr. & Mrs. Charles E. Taylor
- Michele White

Fundraisers:

- Marathon and Lower Keys Association Fund Drive
- Key West Association of Realtors Fund Drive
- Mardi Gras fundraiser

Following are The FIRMPAC and FIRMKeys unaudited 2020 Profit and Loss Statements and the 2020 Year-end Balance Sheets.

2020 PROFIT AND LOSS

		FIRM PAC	FIRMKeys
		2020	2020
Ordinary Income/Expense			
Income			
Total Direct Public Support		850.00	24,400.40
Donations from FIRMPAC			
Grants, Governmental and other		70,000.00	5,485.20
Total Fundraising		50,004.03	
Investments	**Interest-Savings, Short-term CD**	10.77	
	Miscellaneous Revenue		31.20
Rent/Overhead Income		41,250.00	
Total Income		156,724.11	29,916.80

Expenses	FIRM PAC	FIRMKeys	
Business Registration Fees	236.25	136.25	
Rent, Parking, Utilities	9,847.56		
Other Operating Expenses	2,677.60	2,282.71	
Insurance - Liability, D and O	2,901.25	725.00	
Accounting Fees	1,350.00	750.00	
Lobbying Activities	4,090.00		
Outside Contract Services	2000.00		
Technical Consulting	3,800.00	13,947.00	Flood Map Analysis
Mktg-Membership/Donor Promo			
Payroll Expenses	74,435.51		
FIRMKeys Share of Operating Costs		45,000.00	
Travel & Meetings	165.63		
Donation Processing Fees	251.14	93.99	
Total Expense	102,101.72	62,937.22	
Net Ordinary Income	62,495.16	-33,020.42	

2020 BALANCE SHEET

	FIRM PAC		FIRMKeys
	2020		2020
ASSETS			
Current Assets			
Checking/Savings			
Fair Insurance Rates in Monroe	117,348.99		11,177.26
FIRM money market	5,882.79		
Petty Cash	35.65		
Special Project Account	42,372.01		
Total Checking/Savings	165,639.44		11,177.26
Accounts Receivable	77,500.00		
Other Current Assets/Undeposited Funds			450.00
Total Current Assets	243,139.44		11,627.26
TOTAL ASSETS	**243,139.44**		**11,627.26**

		FIRM PAC		FIRMKeys
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
	Accounts Payable	0.00		66,750.00
	Payroll Liabilities	2,245.06		
Total Liabilities		2,245.06		66,750.00
Equity				
Unrestricted Net Assets		178,399.22		-22,102.32
Net Income		62,495.16		-33,020.42
Total Equity		240,894.38		-55,122.74
TOTAL LIABILITIES & EQUITY		**243,139.44**		**11,627.26**

FIRM Board of Directors and Staff
December 31, 2020

OFFICERS:
Mel Montagne, President
Joe Walsh, Vice President
Michele White, Treasurer
Joe Moody, Secretary

DIRECTORS:
Wayne Carter
Linda Cunningham
Bryan Hawks
Rich Hlava
Rebecca Horan
Caren Morell
Erica Poole
Lisa Tennyson
Christina Weinhofer

STAFF
Caroline Horn, Manager

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FIRMKeys.org

WEBSITE & IT Services
KCS Technical Solutions, Marathon, Florida
Lynke Marketing, Marathon, Florida

FLOODMAP CONSULTING ENGINEERS
Ransom Consulting
Woods Hole Group

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

LOBBYING
Capitol Access, Tallahassee, Florida (January-February 2020)