

MEMO TO: BOBCAT TRAIL VILLA RESIDENTS
FROM: Bobcat Trail Villa HOA Board President, Betty Ann Copley Harris
DATE: May 3, 2021
SUBJECT: American Capital Insurance in Receivership

Early last month, we were notified by our insurance broker, McGriff Agency, that American Capital (the insurance company providing coverage for our Villa HOA) was going into receivership and their Best rating went from A to C-. Within a matter of days, we were notified that American Capital was no longer in business and we would have to find a new insurer.

On April 16th we had a conference call with Gino Littlestone from McGriff; Chris McCluskey, our CAM from Star Hospitality Management; Betty Ann Copley Harris, and George Baillie, Villa board members to discuss the consequences of AmCap going into receivership and what options we had available to us.

Fortunately, Gino secured new replacement policy for the Villa HOA from HDI Global Insurance Company. Unfortunately, we will incur an increased premium of \$25,000 more than the AmCap policy. We paid AmCap \$87,112 on March 5th and will have to pay \$112,180 to HDI Global by May 15th. We were lucky to find anyone willing to underwrite us with the huge roof claim in litigation. At our Villa HOA Board meeting on Weds, April 28th, the Board voted to borrow from our reserves for the new premium and replenish with the return premium due us from AmCap when it comes in (which could take 30-90 days).

Going forward, our roof claim and litigation against American Capital will now be managed by Florida Guarantee Insurance Association – the state agency responsible for paying out debts and pending claims attributed to defunct insurance companies. FIGA will be taking over our roof replacement claim and pending litigation. FIGA is funded by all insurance companies doing business in FL – its purpose is to protect consumers from insurance companies going out of business and leaving customers with exposure to current claims from those companies.

While we had originally anticipated resolution of our roof claim and litigation by the end of 2021, it is likely it will drag well into 2022. FIGA has a six month “stay” before it has to act

on our claim and pending litigation. So there will be no progress between now and October 15th.

We met with our roof claim lawyer Kevin Bryant and our roofing contractor, Koh Knox. Both confirmed willingness to continue working on our behalf (without compensation) and they are fairly confident that the merits of our claim will eventually be judged favorably. We will look forward to a settlement on the matter sometime in 2022.

We pledge to keep our residents informed about this matter in the months ahead. The change in insurance companies for the assets owned by the HOA does not in any way affect the individual coverage that each of us carries on our Villa units. If you have questions, please contact our CAM Chris McCluskey via email (c.mccluskey@starhospitalitymanagement.com) and we will attempt to respond to your concerns in a timely matter.

On another note, we have retained a company to clear out all gutters before the start of rainy season. You will be seeing them on Villa property within the next couple of weeks. Thank you.