

VILLAGE NIGUEL GARDENS COMMUNITY ASSOCIATION

February 8, 2024

New Insurance Premium Leads to Increase in Membership Fee **Effective May 1, 2024**

Dear Homeowners,

On January 23, 2024, the Board received notice our current property and liability insurance provider, Philadelphia Insurance, requires a 73% increase in its annual premium to \$215,719. Other insurers were contacted to obtain a qualified quote, but all declined to provide coverage. The Board met in an emergency meeting February 2, 2024 and elected to renew with Philadelphia Insurance before the policy expired on February 7th.

Most everyone is aware the insurance market in California is in turmoil with some insurers leaving the state or declining to offer coverage to new clients. Those that remain are increasing their premiums significantly. The Board assumes the \$91,238 increase in the premium is permanent over the long term, and therefore the Association's revenues must be adjusted accordingly. **Effective May 1, 2024, the Board agreed to increase the Association's monthly fee by \$30.** The new monthly assessment of \$545.00 is comparable to condo communities in our area with similar amenities, structure, maintenance, and insurance coverage.

There is no doubt this latest increase is a shock to the Board and to our community. However, the Board has a fiduciary duty to ensure there are sufficient funds available for our operating and reserve expenses. Every year these expenses are carefully reviewed to ensure our programs are comprehensive and cost effective. Even as such expenses increased, the market value of properties in our community rose significantly in just a few years. The Board's financial approach continues to support VNG's investment value and living desirability, as one of the best residential neighborhoods in Laguna Niguel.

For information on the updated insurance terms please refer to the certificate posted on VNG's website at www.villageniguelgardens.com.

Sincerely,

Board of Directors
Village Niguel Gardens Community Association