



VILLAGE OF WELLINGTON

Village Council

Thomas M. Wenham, Mayor
Robert S. Margolis, Vice Mayor
Lizbeth Benacquisto, Councilwoman
Laurie S. Cohen, Councilwoman
Dr. Carmine A. Priore, Councilman

Village Manager
Charles H. Lynn, AICP

2 February 11, 2008

Ms. Felicia Goldstein, District Director
Office of Congressman Ron Klein
Palm Beach County District Office
625 N. Flagler Drive, Suite 402
West Palm Beach, FL 33401

RE: Filed Hearing Testimony

Dear Ms. Goldstein,

Attached is my proposed testimony for the February 12, 2008 field hearing on the costs to states and the insurance industry associated with providing relief from natural disasters.

Very truly yours,

Thomas M. Wenham, Mayor
Village of Wellington

Village Council
Village Manager
Village Attorney



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STATEMENT OF THE VILLAGE OF WELLINGTON
SUBMITTED TO THE
FINANCIAL SERVICES COMMITTEE SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

BY

THOMAS M. WENHAM
MAYOR
VILLAGE OF WELLINGTON, FLORIDA

February 11, 2008

Mr. Chairman and members of the subcommittee:

On behalf of the Village of Wellington, I am pleased to submit this statement for the record providing information on the homeowners insurance crisis and its impact on communities, homeowners and the economy.

Impacts on the Village of Wellington

Since 2004 the Village of Wellington has been hit by three hurricanes, Frances and Jeanne in 2004 and Wilma in 2005. Public costs for each event were:

<u>Storm</u>	<u>Recovery Costs</u>	<u>Damage to Public Facilities</u>
Frances & Jeanne	\$ 6,200,000	\$ 2,270,000
Wilma	\$ 5,860,000	\$ 3,753,000

Estimated damage to homes and business were:

<u>Storm</u>	<u>Residential Damage</u>	<u>Business Damage</u>
Frances & Jeanne	\$ 6,700,000	\$ 1,108,000
Wilma	\$ 50,440,450	\$ 7,753,000

Wellington was fortunately in the financial position to cover un-reimbursable costs; however we like all of south Florida have experienced skyrocketing insurance costs as a result of hurricane activity. The rates that the Village paid for property insurance have gone up as follows:

<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
\$175,000	\$ 161,077	\$356,498	\$ 719,000

While the Village does not maintain records on the cost of property insurance for individual homes and businesses, we do know that the average home price in the Village today is \$ 353,000 with an average annual insurance cost of \$ 5,300. In 2000 that cost was about \$ 1000. At the same time insurance rates have been increasing, windstorm deductibles have been introduced and now instead of the small non-windstorm deductible, the average Wellington home will pay a \$ 7060 deductible (2% of the home value).

Perhaps one of our biggest problems is that to date we have not been able to agree on final reimbursement numbers with FEMA.

Wellington was fortunate in that we are a relatively young community and most of the construction within our Village was subject to more stringent building codes. Because of that we wonder why our insurance rates have gone so high.

PRESS ADVISORY

VILLAGE OF WELLINGTON
14000 GREENBRIAR BLVD.
WELLINGTON, FL 33414

For further information contact:

Mireya McIlveen, Dep Dir of Admin & Financial Svcs
Phone: 561-791-4113

Date: January 25, 2008

FOR IMMEDIATE RELEASE

Wellington Recovers Additional \$3m in Hurricane Reimbursement from FEMA

We are very pleased to announce that through the efforts of Village staff and the assistance of a previous FEMA employee, working diligently on behalf of the Village, the Village has now received additional revenues in the amount of \$3,136,496 as of January 2008 for the reimbursement of hurricane related expenditures. This reimbursement was initially denied by both FEMA and by the Village's insurance and was therefore unanticipated and unbudgeted.

As the result of being directly impacted by hurricanes Frances and Jeanne in 2004 and the devastating effects of Hurricane Wilma in 2005, the Village incurred millions of dollars in costs associated with debris removal and emergency measures, as well as permanent repairs and replacement of public buildings and infrastructure. In order to be recognized and gain eligibility for grants, a great deal of administrative effort, documentation and perseverance had to be expended so as to achieve a successful outcome. These reimbursements are to cover many of the expenditures associated with cleanup efforts, debris removal, repairs, reforestation and reconstruction programs.

Mayor Tom Wenham, Vice Mayor Bob Margolis, along with Council Members Lizbeth Benacquisto, Laurie Cohen and Dr Carmine Priore, are pleased to bring exciting and innovative programs to the Village, always looking for ways to improve services for all its residents. For information on Village programs, events, and activities, please visit the website or watch Channel 18 for the latest Village happenings.

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Thomas M. Wenham, Mayor Village of Wellington, Florida

- ▣ Resident of Wellington since 1981
- ▣ Served on Acme Improvement District Committees from 1986-1994
- ▣ Elected Acme Improvement District Supervisor 1994-1996
- ▣ Elected to first Wellington Village Council March 1996
- ▣ Village of Wellington Councilman 1996-2000
- ▣ Village of Wellington Council Mayor 2000-2003
- ▣ Village of Wellington first elected mayor 2003 to present
- ▣ Capital Projects/Facilities Manager, Palm Beach County Fire Rescue, 1995 to present
- ▣ Former Assistant Palm Beach County Property Appraiser
- ▣ Graduate of Northeastern University, Boston, MA
- ▣ Awarded Certified Florida Public Manager designation, Florida State University
- ▣ Served with 8th Bomb Squadron, 3rd Bomb Group, during the Korean War