

Jerry D. Dunn
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Nepenthe Board of Directors

Re: Vote for Flood Insurance

For several years, many homeowners have wanted the option of purchasing their own flood insurance. The board has ignored those wanting the option because others fear some owners will go without flood insurance causing home values to decrease in the event of a major flood.

The fear is unwarranted. While most of Sacramento is in a 100-year flood zone area, Nepenthe is considered safer and is a flood zone area X500 due to the improvements to the levee systems over the years. This gives us less than a 0.2% chance of flooding. Earthquakes are a bigger danger.

The association pays about \$ 375,000 a year for flood insurance. That's \$ 53 a month in HOA dues to each owner. The high dues make it harder to buy and sell homes in Nepenthe.

The NFIP policy purchased by Nepenthe for my unit is \$ 520. The same policy from Neptune Insurance, a private carrier with a better credit rating than NFIP is just \$ 401. (See attachments) When you multiply that difference by 590 units, it's a savings of \$ 70,210. In addition, they can provide higher limits of insurance, better coverage and it's easy to get.

I'm not saying people in Nepenthe should not have flood insurance, but because the risk has been minimalized due to the levee improvements, it makes no logical or financial sense for the association to make it a requirement and bear the expense. It's time to stop living in the past and to put this subject to a vote to let homeowners decide before the next renewal in December.

Thank you for your consideration.

Respectfully,



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