



APPROVED
Board of Directors
Tuesday, February 28, 2017

EXHIBIT

GVR Insurance Program

Overview

Personal lines of insurance coverage, especially homeowner's insurance, is a requisite for property ownership. Other common personal lines of insurance include products such as automobile, umbrella, valuable articles, recreational vehicles, and watercraft. In 2016, GVR had 1,123 member property transactions (e.g., initial sales, resales, title transfers), equivalent to 8.3% of all GVR member properties. Since 2014, there were 3,088 member property transactions (1,029 properties/avg. year).

Most potential new members come to Green Valley from locations outside Arizona and must obtain homeowners insurance and other personal lines of insurance when they purchase a GVR home. In many cases, insurance coverages obtained outside of Arizona are not transferable.

Insurance broker Lovitt & Touché, Inc. has served GVR for many years and provided comprehensive and excellent service at competitive rates. In business since 1911, Lovitt & Touché is the largest independently owned Insurance Broker in Arizona. It ranks in the top 100 Insurance Brokers in the United States, managing over \$300 million in insurance premium and employing nearly 200 associates in the Southwest. Licensed in several states across the nation, Lovitt & Touché can transact business and provide multi-state and international insurance placements on behalf of their clients. Lovitt & Touché works with the top National, Regional and Specialty Insurance Companies in the United States, and has access to the excess and surplus lines marketplace through recognized and approved surplus lines brokerage firms. These relationships provide Lovitt & Touché with the capability to develop and tailor customized insurance programs for their clients.

At GVR's request, Lovitt & Touché, Inc. performed an analysis of personal lines insurance needs for the GVR Member market. The company found the GVR market very favorable and could offer personal line insurance products to members. By collaborating with a reputable and long-standing insurance firm to offer personal lines of insurance at competitive rates, GVR can assist new members and current members. Through commissions from the sale of insurance products to members, GVR can earn non-dues revenue to help keep member dues low and underwrite project costs associated with long-term planning.

Recommendation

Authorize the CEO to pursue GVR agency or employee licensure and negotiate terms of agreement between GVR and Lovitt & Touché, Inc. to establish a full-service personal lines insurance program for GVR members at competitive rates, with negotiated terms of agreement subject to Board review and final approval.