

OPPORTUNITY KNOCKS by Mark Gordon and Robin Hartill | Observer Staff



Jessica Luck

Bradenton-based Universal Windows Solutions Chief Executive **Bob Smith** hopes a change in window- and hurricane-shutter rules implemented by Citizens Property Insurance Corp. will provide a path to more sales. Smith stands in the company's new Longboat Key showroom at the Centre Shops, which is currently being renovated in time for its March 11 opening.

Universal Hope

Several Gulf Coast window and shutter companies — Ground Zero for the recession — see hope in a new insurance rule. One entrepreneur is opening a new showroom on Longboat Key to meet the demand.

Citizens Property Insurance Corp. is getting into the stimulus business.

At least, that's how it looks to Bob Smith, chief executive of the Bradenton-based Universal Windows Solutions, who will open a Longboat Key showroom with five employees later this month.

Citizens, a state Legislature creation that is obligated to cover all homeowners who have no other insurance options, recently tweaked its policy rules based on a state law that went into effect Jan. 1. The new provision states that policyholders must have hurricane shutters or approved impact-resistant windows and doors if their homes have a replacement cost of \$750,000 or more and are in a wind-borne debris region.

If a homeowner doesn't meet this new code, Citizens has the right to cancel the policy. That's a real quandary, considering the 2002 law that set up Citizens in the first place is what made it Florida's insurer of last resort.

However, the new law has translated into a bright spot in a slumping economy for businesses such as Universal Windows Solutions.

"We're seeing a shift in our revenues," Smith says.

In the past month, Smith estimates that just more than half of his business has been retrofits. Five years ago, before

the hurricane season of 2004 and while construction was booming, installing windows in new residential space comprised nearly 80% of his business.

Longboat Key was a natural place for Universal Windows to open a showroom, Smith said, because the entire Key is a wind-borne debris region.

Plus, more quandaries could be forthcoming. Several Gulf Coast insurance agents say the rule could spawn two more changes. For one, Citizens could lower the home-value threshold in the rule to \$500,000 or even \$250,000. That would impact a much higher number of homes.

And some insurance experts say that if it's good enough for Citizens, it might be good enough for the private insurers in the state. If other insurers adopted the rule, or something similar, even more homes in the state would be on the hook.

The rule changes, no matter how far they go, might also provide a stimu-

lating advantage for many other Gulf Coast-based window and hurricane shutter companies, many of which have been collapsing under the weight of the recession. Indeed, Fort Myers-based Rolsafe International, a one time \$23 million hurricane-protection and window company, recently shuttered itself — just a few months after its president said he hoped to capitalize on the new insurance rules in 2009.

Several companies in the Sarasota-Bradenton market are fairing somewhat better than Rolsafe. Bill Spindel, who runs Sarasota-based Windshutters, said his company has been "getting quite a bit of calls" from homeowners requesting new shutters based on the Citizens rule change.

Executives at Venice-based PGT Industries, a publicly traded company that has cut back production and let go employees as a result of the downturn, are also hopeful the change will lead to more business. PGT President and

if you go

UNIVERSAL WINDOWS SOLUTIONS OPENING RIBBON-CUTTING CEREMONY

When: 5 p.m. Wednesday, March 11

Where: 5370 Gulf of Mexico Drive, Suite 102

Chief Executive Rod Hershberger has spoken to Citizens officials about the changes, including having a conversation with Jim Malone, the insurance agency's chairman.

"We feel, for us, it will be a benefit," Hershberger says. "But we're not sure how soon we will feel it or how much it will help us."

And, over at Universal Windows Solutions, Smith is optimistic, despite a tough economic climate.

Annual revenues are down almost 50% at Universal, from as high as \$15 million in 2006 to \$8 million in 2008. The employee numbers have been slashed, too, from 65 in 2006 to 25 now. Smith is projecting about \$8 million again in revenues in 2009, with about half of that coming directly from work due to the new Citizens policy. He foresees a pickup in business in 2010.

If the new Longboat Key showroom is successful, Smith will consider opening more locations in Tampa, Siesta Key, Fort Myers and Naples.

Says Smith: "We are hoping to create our own bottom by capitalizing on some of these opportunities."

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