

PROPOSAL OF INSURANCE

PALMA DEL MAR CONDOMINIUM ASSOCIATION NO. 5 OF ST. PETERSBURG, INC.

Policy Term:

5/12/2024 – 5/12/2025

Prepared By:

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As of 4/25/2024



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- Coverage summaries and reviews provided herein are intended as an outline of proposed coverage only and are necessarily brief. The extent of insurance coverage is at all times governed by the complete terms, conditions, and exclusions of the insurance policy(ies) issued by insurance carriers.

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ABOUT MCGRIFF

McGriff Overview

With more than a century of experience, McGriff provides highly customized insurance, risk management, and employee benefit solutions for organizations of all sizes. McGriff is the retail brokerage subsidiary of Truist Insurance Holdings, LLC, the fifth largest insurance broker in the U.S.¹

What We Offer

Insurance

- Property and Casualty
- Bonding and Surety
- Captives and Alternative Risk
- Cyber
- Executive Risk
- Management and Professional Liability
- Transactional Liability
- Workers' Compensation
- Personal Lines
- Small Business

Risk Services

- Data Analytics
- Risk Control Consulting
- Claims Advocacy
- Client Education
- Risk-Focused Digital Platforms
- Claims Management and Cost Containment

Employee Benefits

- Medical, Dental, Vision
- Prescription Drug
- Life and Disability
- FSA, HSA, HRA, COBRA
- Worksite/Voluntary
- Retirement

Industry Practices and Specialties

- Aviation & Aerospace
- Condominium Associations
- Construction
- Energy
- Environmental
- Executive Risk Advisors
- Financial Institutions
- Forest and Building Products
- Government Contractors
- Healthcare and Senior Care
- Higher Education
- Manufacturing
- Marine
- Private Equity
- Public Entity
- Personnel Services
- Real Estate and Hospitality
- Technology
- Transportation

Employee Benefits National Specialty Resources

- Benefits Technology
- Clinical Wellness
- Communications
- Compliance
- Actuarial and Underwriting
- HR Advisory
- Insights and Analytics
- Flexible Benefit Administration
- Pharmacy Benefit Consulting
- Retirement Plan Consulting



McGriff.com

¹ - Business Insurance, July 2023

² - Through partnerships

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McGriff: By the Numbers



2022 Revenue

\$1.1Billion



2022 Premium Volume

\$11.6Billion



U.S. Locations

100+



Teammates

3,500+



Countries Represented²

160

CLIENT SERVICE TEAM – Condominium & Multifamily Practice

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Offices: Fort Lauderdale | Tampa | St Petersburg | Jacksonville | Miami | Orlando | Fort Myers | Naples

PROPERTY

Insurer: **Citizens Property Insurance Corporation** (Florida Residual Market)

Coverage Effective: **05/12/2024 – 05/12/2025**

Terms and Conditions	
Covered Causes of Loss:	Basic Form: Provides coverage for the following: Fire, Lightning, Explosion, Windstorm and Hail, Smoke, Aircraft and Vehicle Damage, Riot or Civil Commotion, Vandalism, Catastrophic Ground Cover Collapse and Volcanic Action. Sprinkler Leakage & Sinkhole Excluded.
Coinsurance:	Not Applicable
Valuation:	Replacement Cost - Building Actual Cash Value - Contents
Total Insurance Values:	\$37,454,200 - See Schedule of Values on next page
Deductibles:	\$1,000 All Other Perils per Occurrence 5% Hurricane per Calendar year, per Building
Ordinance or Law Coverage:	\$10,000 Increased cost of construction
Exclusions:	Flood, Earthquake, Terrorism, Sinkhole, Water Damage, Mold. Sprinkler Leakage – Due to not meeting ISO requirements. (Read policy for full list of exclusions)
Subjectivities/Binding:	Provide McGriff with written request to bind coverage, including confirmation of all options selected or declined. Payment of full premium or down payment as applicable depending upon payment terms selected.
Property Inspection Requirement:	Insurance Carrier reserves the right to perform an inspection of the insured premises. Including and not limited to: Mitigation Features, HVAC Compressor Units, Landscaping Conditions, Sprinkler Inspections, and current fire extinguisher tags.

PROPERTY COVERAGE DETAIL

Abbreviations:

CYHD – Calendar Year Hurricane Deductible

Location Address:	Subject of Insurance:	Coverage Limit:	Hurricane Deductible:
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 72 Units Tower with Parking	\$26,613,600	\$1,280,680 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Business Personal Property/Contents	\$50,000	\$2,500 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 105-308	\$2,039,900	\$101,995 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 113-316	\$2,039,900	\$101,995 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 109-312	\$2,000,200	\$100,010 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 101-304	\$2,039,900	\$101,995 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 117-320	\$2,000,200	\$100,010 (5% CYHD)
6382 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 8 Units Units 121-224	\$1,288,500	\$64,425 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Swimming Pool/Deck	\$356,800	\$17,840 (5% CYHD)
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Spa with equipment	\$25,200	\$1,260 (5% CYHD)
	TOTAL INSURED VALUE:	\$ 37,454,200	

Based on Appraisal from **2023** (Citizens Rounds Values to nearest hundredth & Inflation Changes at Renewal)

Wind Mitigation Inspections dated: **2023**

Only the property listed above is covered by insurance. If you have other property such as signs, fences, detached buildings, pools, walls, irrigation systems etc., they are not covered unless listed above. The property values illustrated are estimates based upon the information you furnished McGriff Insurance Services, LLC or its agents assume no responsibility for the accuracy of these values. If you are not sure of the accuracy of the values stated, a property appraisal should be obtained from a qualified, licensed appraiser. Please refer to the actual policy for more specific information on scheduled items.

CITIZENS POTENTIAL SURCHARGE AND ASSESSMENT LIABILITY

Potential for surcharges and assessments to be applied to the policy

If the corporation sustains a deficit as a result of hurricane losses or for any other reason, the policy could be subject to surcharges, which will be due and payable upon renewal, cancellation, or termination of the policy, and that the surcharges could be as high as 25 percent of the premium, or a different amount as imposed by the Florida legislature.

May be subject to emergency assessments to the same extent as policyholders of other insurance companies, or a different amount as imposed by the Florida legislature.

Citizens Property Insurance Corporation is not supported by the full faith and credit of the state of Florida. More information regarding assessments and surcharges is available under the Policyholder section of the website, www.citizensfla.com.

POLICYHOLDER ASSESSMENT EXAMPLE

To illustrate the potential assessment obligation of a Citizens policyholder compared to a policyholder insured by a private insurer, below an example based on an annual premium of \$25,000. The actual assessment amount will vary based on the annual premium. The assessment will be in addition to the premium you pay for insurance coverage.

	Citizens Policy	ABC Insurance Policy
If your annual premium is:	\$25,000	\$25,000
Tier 1: Potential Citizens Policyholder Surcharge (one-time assessment up to 15% of premium)	\$3,750	N/A
Tier 2: Potential Emergency Assessment (up to 10% of premium annually, may apply for multiple years)	\$2,500	\$2,500
Potential Annual Assessment:	\$6,250	\$2,500

- Tiers are used to demonstrate the multiple levels of assessment defined by Florida Law.
- Assessment tiers are triggered based on the severity of the deficit.
- Assessments are based on the greater of the projected deficit or the aggregate statewide written premium for the subject lines of business. The above example is based on the use of premium.

Notes:

- Tier 2 assessment may be collected each year over multiple years, depending on the extent of the deficit. In the event that subsequent years also generate a deficit, additional assessments could occur.

PROPERTY DIFFERENCE IN CONDITIONS

Insurer: **Wilshire Insurance Company (Non-Admitted, AM Best Rated A- XI)**

Coverage Effective: **05/12/2024 – 05/12/2025**

Terms and Conditions	
Covered Causes of Loss:	Special Form Excluding Basic Perils – Provides coverage for risks of direct physical loss unless the loss is excluded or limited.
Coinsurance:	Agreed Value
Valuation:	Replacement Cost – Buildings and Contents
Total Insurance Values:	\$37,865,892 (See Schedule of Values on following page)
Deductibles:	\$10,000 All Other Perils \$25,000 Water Damage \$25,000 Discharge from Sewer, Drain or Sump
Mold & Sewer Backup Coverage:	Sublimit: \$25,000 Each Occurrence/ \$50,000 Annual Aggregate Discharge from Sewer, Drain or Sump Coverage (Not Flood Related)
Ordinance or Law Coverage:	Full Coverage A Applying at Each Covered Building Included; Coverage B&C Combined Limit of Insurance Applying to All Covered Buildings: \$250,000. Perils included: DIC Covered Perils plus Fire, Lightning, Smoke, Aircraft or Vehicle, Riot or Civil Commotion, Vandalism, Sprinkler Leakage.
Additional Coverages:	Debris Removal: \$25,000 Limit; Electronic Data: \$2,500; Emergency Service Charge: \$1,000; Fire Protection Equipment Discharge: \$1,000. Limited Coverage for Fungi, Wet Rot, & Dry Rot: \$15,000; Pollutant Cleanup & Removal: \$10,000; Preservation of Property: 30 Days; Reward Covg: \$1,000.
Coverage Extensions:	Accounts Receivable: \$5,000 Limit; Claim Preparation Expenses: \$1,000 Fine Arts: \$2,500; New Acquired or Constructed Property \$250,000 Bldg/\$100,000 BPP; Non-Owned Detached Trailers: \$5,000; Personal Property of Others: \$2,500; Property Off-Premises: \$10,000; Reimbursement of Key & Lock Costs: \$1,000; Valuable Papers/Records: \$5,000.
Exclusions:	Fire, Lightning, Explosion, Windstorm and Hail, Smoke, Aircraft and Vehicle Damage, Riot or Civil Commotion, Vandalism, Sprinkler Leakage, Sinkhole, Catastrophic Ground Cover Collapse, and Volcanic Action. Excluded Items: Business Income/Extra Expense, Awnings, Equipment in the Open, Gazebos, Signs, & other items excluded under Basic Form Policy. (Read policy for full list of exclusions)
Subjectivities/Binding:	Provide McGriff with written request to bind coverage, including confirmation of all options selected or declined. Payment of full premium or down payment as applicable depending upon payment terms selected.
Property Inspection Requirement:	Insurance Carrier reserves the right to perform an inspection of the insured premises. Including and not limited to: HVAC Compressor Units, Landscaping Conditions, Sprinkler Inspections, and current fire extinguisher tags.
Minimum Earned Premium:	25%

PROPERTY DIFFERENCE IN CONDITIONS COVERAGE DETAIL

Location Address:	Subject of Insurance:	Coverage Limit:
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 72 Units Tower with Parking	\$25,898,470
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Business Personal Property/Contents	\$50,000
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 105-308	\$2,062,578
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 113-316	\$2,062,578
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 109-312	\$2,022,425
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 101-304	\$2,062,578
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 12 Units Units 117-320	\$2,022,425
6382 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Res Condo Bldg – 8 Units Units 121-224	\$1,302,843
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Swimming Pool/Deck	\$356,820
6372 Palma Del Mar Blvd S, St. Petersburg, FL 33715	Spa with equipment	\$25,175
	TOTAL INSURED VALUE:	\$37,865,892

Based on Appraisal from **2023**

Only the property listed above is covered by insurance. If you have other property such as signs, fences, detached buildings, pools, walls, irrigation systems etc., they are not covered unless listed above. The property values illustrated are estimates based upon the information you furnished McGriff Insurance Services, LLC or its agents assume no responsibility for the accuracy of these values. If you are not sure of the accuracy of the values stated, a property appraisal should be obtained from a qualified, licensed appraiser. Please refer to the actual policy for more specific information on scheduled items.

CITIZENS VERSES DIFFERENCE IN CONDITIONS EXHIBIT

See policy for specific terms, conditions and deductibles.

CAUSES OF LOSS FORMS – COMPARISON CHART

CAUSES OF LOSS	CITIZENS	DIC
Fire	X	
Lightning	X	
Explosion	X	
Windstorm or Hail	X	
Smoke	X	
Aircraft or Vehicles	X	
Riot or Civil Commotion	X	
Vandalism	X	
Sprinkler Leakage – <i>Due to Not Meeting ISO Requirements</i>	Excluded	
Sinkhole Collapse	Excluded	
Catastrophic Ground Cover Collapse	X	
Volcanic Action	X	
Breakage of Glass		X
Falling Objects		X
Water Damage – Excluding Flood		X
Weight of Snow, Ice or Sleet		X
Additional Coverage – Collapse		X
Risks of Physical Loss (as described in policy terms)		X
Theft		X

PROPERTY COVERAGE DEFINITIONS

Building - Coverage for the building includes the building and structures, completed additions to covered buildings, outdoor fixtures, permanently installed fixtures, machinery, and equipment. The building material used to maintain and service the insured's premises is also insured.

Contents/Business Personal Property – Property owned by the insured and used in the insured's business is covered for direct loss or damage. The coverage includes furniture and fixtures, stock, and several other similar business property items when not specifically excluded from coverage. The policy is also designed to protect the insured against loss or damage to the personal property of others while in the insured's care, custody or control.

Building Ordinance Or Law Coverage -This insurance covers you from loss resulting from enforcement of any existing building or zoning laws in which additional costs are incurred because you are required to rebuild (or demolish) after loss to your building.

Coverage A: Coverage for loss to the undamaged portion of the building. Coverage is included within the limit of insurance on the building. Building coverage is extended to include the undamaged portion of the building caused by enforcement of any ordinance or law that requires demolition of parts of the building or establishes zoning or land use requirements in force at the time of the loss.

Coverage B: Demolition Cost Coverage. The limit is an arbitrary limit since it would be tough to estimate how much of the building would be damaged and how much it will cost to remove the undamaged portion of the building.

Coverage C: Increased Cost of Construction Coverage. This coverage applies to the increased cost to repair or reconstruct damaged portions of the building and/or reconstruct or remodel undamaged portions of that building (whether or not demolition is required) when the increased cost is a consequence of enforcement of the minimum requirement of an ordinance or law. The coverage applies only if the property is intended for similar use as the current occupancy unless zoning or land use will not allow the similar occupancy.

Valuation - Property can be valued in several different ways. Insurance companies commonly use several approaches to determine value, which also determines how a loss will be paid:

Replacement Cost – In the event of an insured loss, this will provide for repair or replacement without deduction for depreciation.

Actual Cash Value – In the event of an insured loss, this will provide for repair or replacement of damaged property with deduction for depreciation.

PROPERTY COVERAGE DEFINITIONS

Agreed Value - When the agreed value option is used the coinsurance requirement is removed and the insurer agrees to cover losses for its agreed value. When this option is used the insured and the insurance company agree on the value of the property before the policy is issued. This option is usually assigned to one-of-a-kind property.

Coinsurance - Most building and business personal property policies have a coinsurance clause which requires the insured to carry insurance equal to at least a specified percentage of the replacement cost value of the property. If a loss occurs, and it is determined that the amount of insurance carried is less than the amount required, a penalty could be placed on the insured.

CATASTROPHIC GROUND COVER COLLAPSE

We will pay for direct physical loss or damage to the “principal building” caused by or resulting from Catastrophic Ground Cover Collapse, meaning geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. “Structural damage” to the “principal building, including the foundation;
- d. The “principal building” being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that “principal building”

However, damage consisting merely of the setting or cracking of a foundation, structure or building does not constitute loss or damage resulting from a Catastrophic Ground Cover Collapse.

Direct physical loss from Catastrophic Ground Cover Collapse does not apply to the costs to repair the depression or hole, or to stabilize the land on the premises.

Please note there is NO Catastrophic Ground Cover Collapse Coverage for Carports, Pools, Pool Decks, Spas, Gazebos, Fences, Lanais, Screened Enclosures, Porches, any buildings that are not fully enclosed and any other ancillary structures.

See policy for specific terms, conditions

SINKHOLE LOSS COVERAGE – EXCLUDED

“Sinkhole loss”, meaning “structural damage” to the “principal building” including the foundation, caused by “sinkhole activity” that occurs during the policy period.

“Sinkhole activity” means settlement or systematic weakening of the earth supporting the “principal building”, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

“Sinkhole” means a landform created by the subsidence of soil, sediment, or rock as underlying strata are dissolved by ground water.

A “sinkhole” forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by substance as these strata are dissolved.

Coverage for direct physical loss caused by “sinkhole loss” that occurs during the policy period is limited to the “principal building” including the costs incurred to:

1. Stabilize the “principal building’s” land and “principal building” and
2. Repair the foundation of the “principal building”.

Such work must be in accordance with the requirements of Florida Insurance Law; and in accordance with the recommendations of our professional engineer and with notice to you.

The professional engineer or professional geologist must be selected or approved by us.

“Sinkhole loss” does not include:

1. Sinking or collapse of land into man-made underground cavities.
2. Earthquake.
3. Land or the replacement, rebuilding, restoration, or value of land except as provided above and in accordance with the recommendations of our professional engineer.

Please note there is NO Sinkhole Coverage for Carports, Pools, Pool Decks, Spas, Gazebos, Fences, Lanais, Screened Enclosures, Porches, any buildings that are not fully enclosed and any other ancillary structures.

See policy for specific terms, conditions

WIND RELATED DEDUCTIBLE DEFINITIONS

Hurricane Deductibles

Occurrence Deductible: The Occurrence Hurricane Deductible applies each time a hurricane loss occurs during the policy period. This means that a new deductible applies to each hurricane loss.

Calendar Year Deductible: The Calendar Year Hurricane Deductible(s) will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Hurricane Deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force.

For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Hurricane Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.

When a hurricane results in loss or damage that exhausts the Hurricane Deductible, then that Deductible will not apply to loss or damage from a subsequent hurricane(s) in the same calendar year.

The application of hurricane deductibles per Florida Statute is triggered by windstorm losses resulting only from a hurricane declared by the National Weather Service. Hurricane deductibles would apply for damage that occurs from the time a **hurricane watch** or **hurricane warning** is issued for any part of Florida and up to 72 hours after such a watch or warning ends and anytime hurricane conditions exist throughout the State.

Named Storm Deductibles

A **Named Storm** is a storm system that has been identified as a tropical storm or hurricane and assigned a name by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service.

A storm is named when it reaches tropical storm strength with winds of 39 miles per hour and becomes a hurricane or typhoon when its wind speed reaches 74 miles per hour. “Hurricane Andrew”, “Tropical Storm Mitch” and “Tropical Depression Number Seven” are examples of named or numbered weather systems.

The **Named Storm Deductible** applies to covered loss or damage caused directly or indirectly by each Named Storm. If there is covered loss or damage from a windstorm that is not a Named Storm, the applicable deductible is the same deductible that applies for all other perils.

Wind/Hail Deductibles

A **Wind / Hail Deductible** applies each time a property loss occurs during the policy period from high winds, (Example: Tornado or a severe thunderstorm in the area)

FLOOD COVERAGE DEFINITIONS

Definition of a Flood:

1. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:
 - a. Overflow of inland or tidal waters
 - b. Unusual and rapid accumulation or runoff of surface waters from any source.
 - c. Mudflow

2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined in 1.a above

Flood Definitions

Replacement Cost – In the event of an insured loss, this will provide for repair or replacement without deduction for depreciation.

Actual Cash Value – In the event of an insured loss, this will provide repair or replacement of damaged property with deduction for depreciation.

Note: Increased Cost of Compliance is available for qualifying structures. A qualifying structure is one that has been subject to repetitive losses OR one that has sustained substantial flood damage as defined in the flood insurance policy. The maximum limit available per building is \$30,000.

Limited Coverage Available: Coverage is limited for property in a building enclosure below the lowest elevated floor. Please refer to the policy form for full information.

FLOOD INSURED THRU NFIP FOR ALL CONDO BUILDINGS, COVERAGE HAS ALREADY RENEWED FOR THE ASSOCIATION'S CURRENT TERM 2024-2025.

ADMITTED MARKETS VS NON-ADMITTED MARKETS

Admitted Insurance Companies - An admitted insurance company is one that is "admitted" by a particular state to do business as an insurance company. To be an admitted carrier, an insurance company must conform to the regulations of a particular state's Department of Insurance. In addition to meeting minimum regulations for admission, admitted carriers must also file their rates with the state, which the state must approve. One of the benefits of working with an admitted carrier is that the state has the responsibility to pay an insurer's claims, up to state-specified limits, in the event of the company's insolvency. If an admitted carrier were to fail or become insolvent, Florida Insurance Guarantee Association would help to make the policyholder (association) whole. The maximum limit available for a condominium property loss is \$200,000 per unit.

Non-Admitted Insurance Companies

A non-admitted insurance company is one that doesn't operate under an individual state's insurance laws. As a result, a non-admitted insurance company doesn't enjoy the benefit of having its claims resolved in the event of a bankruptcy. However, non-admitted companies also have much more pricing flexibility, as they don't have to submit their rates to the individual states for review. Consequently, non-admitted carriers can insure higher-risk events, such as earthquakes, or specialty risks, such as professional liability insurance, that admitted carriers often can't afford to cover. There is no protection under the Florida Insurance Guarantee Association if the carrier were to go insolvent. Non-Admitted carriers are not obligated to offer a renewal.

TERMS AND CONDITIONS

AUDIT

Coverage recommendations and premiums are reflective of the information (payrolls, locations, operations, product data, financial data, loss experience, etc.) provided by you to us and submitted to insurer(s) for quotation(s). If there are changes or other items or areas that require evaluation, discussion, and revision prior to binding coverage, please bring these to our attention immediately. In addition, liability, auto, and workers compensation policies are based upon estimates of annual sales or payrolls. An audit of these policies may result in return or additional premiums.

MINIMUM AND/OR FULLY EARNED PREMIUM/FEE'S MAY APPLY

Refer to Individual Coverage Pages for Details.

PAYMENT TERMS

When policies are billed directly by a Carrier or Finance Company, clients may contact us for assistance. However, McGriff is not permitted to notify clients of late payments or pending cancellation.

If premium is paid in installments, the installment must be received by the carrier on or before the due date.

When policies are directly billed by McGriff:

- Invoices are due on the policy effective date or transaction date, whichever is later.
- Payments should be made by invoice, as no statements will be issued.
- Payments must be received no later than the 28th day after the due date to avoid cancellation

BINDING SUBJECTIVITIES

- ❖ Refer to individual coverage pages for details by policy.

EQUIPMENT BREAKDOWN

Insurer: **Hartford Steam Boiler** (FL Admitted, AM Best Rated A++)

Coverage Effective: 05/12/2024 – 05/12/2025

Equipment Breakdown policies insures against the mechanical breakdown of generators, fire alarm systems, sprinkler systems, air conditioning systems, refrigeration systems, elevator components including motors, compressors, coils, pressure vessels and controls as well as computer related equipment.

Type of Coverages	Limit
Equipment Breakdown Limit:	\$37,554,200
Property Damage:	Included
Business Income	Excluded
Extra Expense	\$100,000
Civil Authority Coverage	Included
Contingent Business Income	\$100,000
Data Restoration	\$100,000
Demolition	\$100,000
Expediting Expenses	\$100,000
Green	\$100,000
Hazardous Substances	\$100,000
Mold	\$100,000
Newly Acquired Locations Coverage Extension:	\$1,000,000
Off Premises Equipment Breakdown	\$25,000
Ordinance or Law	\$100,000
Perishable Goods	\$100,000
Public Relations	Excluded
Service Interruption	\$100,000

Deductibles	
Direct Coverages (Except A/C and Refrigerating Equipment)	\$5,000 \$25.00 Per Horsepower, \$5,000 Minimum
Indirect Coverages	\$5,000

EQUIPMENT BREAKDOWN – *Continued*

Insurer: **Hartford Steam Boiler** (FL Admitted, AM Best Rated A++)

Coverage Effective: 05/12/2024 – 05/12/2025

ADDITIONAL INSURANCE COVERAGE

Data Compromise Coverage

Coverages	Limits	
Response Expenses	\$50,000	Annual Aggregate
Legal and Forensic Information Technology Review	\$5,000	any one "Personal Data Compromise"
Defense and Liability	\$50,000	Annual Aggregate

Deductibles

Response Expenses	\$1,000	each "Personal Data Compromise"
Defense and Liability	\$1,000	each "Data Compromise Suit"

Identity Recovery Coverage

Coverages	Limits	
Expense Reimbursement Coverage	\$15,000	Annual Aggregate per "Identity Recovery Insured"
Lost Wages and Child and Elder Care	\$5,000	
Miscellaneous Unnamed Costs	\$1,000	

Deductibles

Expense Reimbursement Coverage	\$250	each "Identity Recovery Insured"
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HSB TECHADVANTAGE™ Equipment Breakdown and Technology Highlights

- **Property Damage** - cost to repair or replace damaged equipment
- **Off Premises Equipment Breakdown** - coverage for portable equipment taken off-site
- **Business Income** - business income lost due to an interruption caused by a breakdown
- **Extra Expense** - cost to maintain normal operations (e.g. equipment rental)
- **Expediting Expenses** - costs to make temporary repairs and expedite permanent repairs or replacement
- **Perishable Goods** - loss due to spoilage, including contamination by refrigerant, caused by a breakdown
- **Data Restoration** - cost to restore data that is lost or damaged due to a breakdown
- **Green Coverage** - pays for repair or replacement with environmentally friendly options

Other Conditions:

Newly Acquired Locations: 90 Days

Interruption of Service Waiting Period: 24 Hours

** IMPORTANT-This quotation is conditioned on no EB losses during the last 5 years & our receiving a 5 year loss history in a format acceptable to us prior to binding coverage.

We reserve the right to modify the quote based on loss information received.

Air conditioning equipment and heating units within or attached to individual condominium units at Florida locations described in the Declarations of insured condominium associations will be considered "covered equipment" and "covered property."

Covered Services as defined under "interruption of service" includes "cloud computing service".

GENERAL LIABILITY

Insurer: **CUMIS Specialty Insurance Company** (Non-Admitted, AM Best Rated A XIII)

Coverage Effective: **05/12/2024 – 05/12/2025**

The purpose of this coverage is to protect your Association from liability imposed by law from bodily injury and property damage occurrences.

Coverage Detail

Description	Limits of Liability
Per Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Damage to Premises Rented to You (Fire Legal)	\$50,000 Any One Premises
Medical Expense (Any One Person)	\$5,000
Hired/Non-Owned Auto Liability (Each Occurrence)	\$1,000,000
Deductible	\$0

Basis of Premium				
Code	Classification	Loc#	Exposure	Rating Basis
62003	Condominium Association – Residential	All	140	# of Units
48925	Swimming Pool	All	1	Each
44311	Fitness Center	All	Included	Included

Additional Coverages	Limit
Additional Insured:	- Managers or Lessors of Premises - Unit Owners - Committee, organization, and subsidiary
Additional Insured - Property Management:	Resource Property Management
GL Coverage Extension Endorsement	Included

Exclusions:

Fungi/Mold & Bacteria
 Communicable Disease
 Unmanned Aircraft
 Terrorism – Certified Acts
 Lead Paint/Asbestos/Pollution

***See policy for full list of exclusions, terms, and conditions.**

MINIMUM EARNED PREMIUM: 25%

GENERAL LIABILITY COVERAGE DEFINITIONS

Each Occurrence- Each occurrence is considered to be an accident, which could include continuous or repeated exposure to the same harmful conditions. An occurrence can also be a sudden event, or a result of a long-term series of events.

Products – Business firms are frequently sued as a result of defects or conditions in the products they sell, which cause bodily injury to members of the public or damage to their property. These claims, which can be either legitimate or fraudulent, must be defended against making this an extremely important coverage.

Limited Contractual Liability – Limited contractual liability insurance provides protection for liability arising out of certain insured contracts as defined in the policy. It also provides coverage for the assumption of liability that the injured would have had in the absence of the contract or agreement.

Personal Injury – Personal Injury is a named peril coverage which includes several types of exposure including:

- False arrest, malicious prosecution, detention, or imprisonment
- Libel, slander, defamation of character
- Invasion of privacy, wrongful eviction, or wrongful entry

Fire Damage Legal Liability – Real Property –provides coverage for fire damage caused by negligence on the part of the insured to premises rented to the named insured. If a fire occurs because of negligence of the insured and causes damage to property not rented to the insured, coverage would be provided under the occurrence limit.

Medical Payments –pays for medical expenses resulting from bodily injury caused by an accident on premises owned or rented by the insured, or location next to such property, or when caused by the insured's operations. These payments are made without regard to the liability of the insured.

Host Liquor Liability – A form of Liquor Liability directed at hosts of business or social functions where liquor or alcohol is served, with or without a charge.

Employee Benefits Liability - Provides coverage for claims arising from errors in administration of employee benefits programs.

Advertising Injury: pays for damages in the course of oral or written advertisement that disparages, libels or slanders a person's or organization's good, products or services. Coverage for these offenses is provided under advertising injury coverage only if they occur during the course of advertising the named insured's own goods, products or services.

CRIME

Insurer: **CUMIS Specialty Insurance Co. (Non-Admitted, AM Best Rated A XIII)**

Coverage Effective: **05/12/2024 – 05/12/2025**

Protects the Association against loss caused by dishonest acts of employees or volunteers and/or criminal acts of third parties. Per Florida Statute: The association shall maintain insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time.” The association shall bear the cost of any such bonding.

Type of Coverage (Discovery Form)	Limit	Deductible/Retention
Employee Theft	\$1,000,000	\$0
Forgery or Alteration	Blanket Crime Limit	\$0
Money & Securities (Inside/Outside Premises)	Blanket Crime Limit	\$0
Computer and Funds Transfer Fraud	Blanket Crime Limit	\$0
Money Orders and Counterfeit Paper	Blanket Crime Limit	\$0
Social Engineering (Deception Fraud)	\$100,000	\$0

Designated Persons or Classes of Persons as Employees:

Officers, directors, trustees and employees including any “Manager” and/or Property Manager hired by the Named Insured who handles or is responsible for handling the funds belonging to or administered by the Named Insured.

Coverage Basis: Discovery Form

Continuous Coverage Effective Date: 05/12/2022

PLEASE ADVISE IF HIGHER COVERAGE LIMITS ARE REQUESTED.

MINIMUM EARNED PREMIUM: 25%

See policy for exact term, conditions, exclusions, and definitions.

CRIME COVERAGE DEFINITIONS

Employee Theft: helps protect an association's monies from theft by employees, but the policy is written specifically for associations, so the definition of "employee" includes non-compensated board members, property manager or property manager employees.

Forgery or alteration: helps protect an association from theft of association monies by an outside person (not an employee) by forgery or alteration.

Theft, Disappearance or Destruction: helps protect an association from theft, disappearance or destruction of association funds by an outside person (not an employee).

Computer Fraud or Wire Transfer Communication Fraud: helps protect an association from theft of funds via computer/wire transfer fraud—by an outside person (not an employee).

Social Engineering: helps protect an association when an employee is intentionally misled into sending money or diverting payment based on deceitful information that was provided to them (such as an email, letter, or even a phone call).

Telecommunication Fraud: provides coverage for losses involving unauthorized access to, or use of, the Insured's telephone system by a person or entity other than an employee.

DIRECTORS AND OFFICERS LIABILITY

Insurer: **Travelers Casualty & Surety Co. of America** (FL Admitted, AM Best Rated A++)

Coverage Effective: **05/12/2024 – 05/12/2025**

Provides coverage for the wrongful acts of directors and officers, employees, volunteers, and committee members of an Association within the scope of their duties. Also, covered are Employment Related Practices Coverage for alleged or actual “Wrongful Employment Practices” as defined in the policy form.

Description	Limits
Limit Per Occurrence	\$1,000,000
Aggregate Limit	\$1,000,000
Additional Defense Limit	Included
Type of Claim Defense:	Duty-to-Defend

Retentions	
Self-Insured Retention - Agreements B-D:	\$2,500

Continuity Date – Claims Made Policy	05/12/2005
Prior & Pending Proceeding Date	05/12/2005

COVERAGES INCLUDE:

- Coverage for Entity, Directors, Officers, Trustees, Employees, Volunteers, Committee members
- Full Prior Acts Coverage
- Broad Definition of a claim including monetary and non-monetary claims
- Duty to Defend
- Broad Employment Practices Liability providing coverage for: Discrimination, Sexual Harassment, Wrongful dismissal, discharge, or termination of employment, Employment Related misrepresentation, Violation of employment laws, Failure to hire or promote
- Breach of Contract
- No exclusion for Libel, Slander, Defamation of Character
- No exclusion for insured vs. insured
- Defense costs for failure to maintain / obtain flood and earthquake insurance
- Publishers Liability, Copyright Infringement Coverage
- Coverage for the Builder / Developer while serving on the Board
- Defense Cost included in the limit/Additional Limits Available

MINIMUM EARNED PREMIUM: 0%

UNDERSTANDING A “CIRCUMSTANCE” UNDER A CLAIMS-MADE POLICY

Claims-Made insurance policies often require or allow insureds to give notification to insurers long before the business actually has a claim, as defined in the policy. Common policy language allows the insured to submit a “Notice of Circumstance” if the insured becomes aware of facts or circumstances that could give rise to a claim in the future. This “Notice of Circumstance” is a crucial benefit of the insured in conjunction with Claims-Made Policies. Once the notification is made and accepted, the policy in force at the time of notification will likely respond even if no actual claim is made until a subsequent policy year.

A common definition includes "facts or circumstances that might give rise to a claim" and can include the phrase "were aware of, or ought to reasonably been aware of".

Based upon this definition, you should consider reporting the incident to your carrier if any circumstance below can be answered

- a. Do you know about any situation or fact?
- b. Based upon your knowledge and experience or that which a similar person in your situation would have; and
- c. Would a reasonable person in your situation realize that such situation or fact could lead to a claim against you at some time in the future?

There are other reasons why clients should consider advising insurers about any potential circumstances that could give rise to a claim against them:

- It will allow the insurer to make the judgment call as to whether or not the matter requires their immediate involvement. Liability insurers are highly experienced litigants and are in the best position to deal with claims or future claims.
- It will satisfy an insured’s duty of disclosure. Even if an insured is confident that a circumstance is going to "go away," if the insured fails to report it, the insurer may attempt to use that failure to disclose as a violation of a policy condition potentially resulting in the forfeiture of an otherwise covered claim.

EXCESS LIABILITY/UMBRELLA

Insurer: **Midvale Indemnity Company - \$10M Primary** (FL Admitted, AM Best Rated A XV)
Navigators Insurance Company - \$5M XS \$10M (FL Admitted, AM Best Rated A+ XV)

Coverage Effective: **05/12/2024 – 05/12/2025**

Description	Limits of Liability
Each Occurrence	\$15,000,000
Annual Aggregate	\$15,000,000
Retention	\$0

Underlying Coverages

General Liability		
CUMIS Specialty Insurance Co 05/12/2024-05/12/2025	\$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000 \$50,000 \$5,000	Each Occurrence General Aggregate Products Aggregate Personal/Advertising Injury Damage to Rented Premises Medical Payments
Automobile Liability		
CUMIS Specialty Insurance Co - HNOA 05/12/2024-05/12/2025	\$1,000,000	Each Occurrence
Workers Compensation		
PMA Insurance Co. 05/7/2024-05/7/2025	\$500,000 \$500,000 \$500,000	Bodily Injury by Accident-each accident Bodily Injury by Disease-policy limit Bodily Injury by Disease-each employee
Directors & Officers		
Travelers Insurance Co 05/12/2024-05/12/2025	\$1,000,000	Limit of Liability

Exclusions:

***See policy for full list of endorsements, exclusions, terms and conditions**

MINIMUM EARNED PREMIUM: Follows Underlying Carrier's minimum earned premium limits

PREMIUM SUMMARY

Palma Del Mar Condo Assoc No. 5 of St. Petersburg
Policy Term: 05/12/2024 – 05/12/2025

Coverage	Expiring Term Company and Rating	Expiring Premium	Renewal Term Company and Rating	Renewal Premium
Property – Basic Form	Citizens Property Ins Corp FL Residual Market TIV: \$37,865,892 <u>Deductibles:</u> \$1,000 All Other Perils, 5% Calendar Year Hurricane	\$268,875.00 Direct Bill	Citizens Property Ins Corp FL Residual Market TIV: \$37,454,200 <u>Deductibles:</u> \$1,000 All Other Perils, 5% Calendar Year Hurricane	\$308,058.00 Direct Bill
Difference in Conditions	Wilshire Insurance Co* Non-Admitted / AM Best A TIV: \$37,865,892 <u>Deductibles:</u> \$10,000 All Other Perils, \$25,000 Water/Sewer	\$46,972.80	Wilshire Insurance Co* Non-Admitted / AM Best A- TIV: \$37,865,892 <u>Deductibles:</u> \$10,000 All Other Perils, \$25,000 Water/Sewer	\$49,583.10*
Equipment Breakdown	Travelers E&S Ins Co* Non-Admitted / AM Best A++ TIV: \$37,865,892 Deductible: \$2,500	\$1,787.10	Hartford Steam Boiler Admitted / AM Best A++ TIV: \$37,554,200 Deductible: \$5,000	\$ 5,754.98
General Liability	CUMIS Specialty Ins Co* Non-Admitted / AM Best A XII \$1,000,000 Per Occurrence \$2,000,000 Aggregate	\$24,318.00	CUMIS Specialty Ins Co* Non-Admitted / AM Best A \$1,000,000 Per Occurrence \$2,000,000 Aggregate	\$28,131.35*
Crime	CUMIS Specialty Ins Co* Non-Admitted / AM Best A XII Limit: \$1,000,000 No Deductible	\$2,706.90	CUMIS Specialty Ins Co* Non-Admitted / AM Best A Limit: \$1,000,000 No Deductible	\$2,578.00*
Directors & Officers	Travelers Casualty & Surety Co Admitted / AM Best Rated A \$1,000,000 Limit Retention: \$2,500	\$2,635.68	Travelers Casualty & Surety Co Admitted / AM Best A++ \$1,000,000 Limit Retention: \$2,500	\$2,765.38
Excess Liability	Greenwich Insurance Co. Admitted / AM Best A \$15M Limit	\$4,065.42	Midvale Indemnity Co. Navigators Insurance Co. Admitted / AM Best A+/A \$15M Limit	\$2,793.10
Annual Total:		\$351,360.90	Annual Total:	\$399,663.91 (+13.7%)

Last Appraisal: Dated 1/6/2023 by FPAT

Other Policies: - **Flood:** (7 Policies) American Bankers Eff 1/30/2024-25. Total Premiums: \$30,420.00.

- **Workers Compensation:** PMA/CAIs Eff 5/7/2024-25. Total Premium: \$509.00.

* You are agreeing to place coverage in the surplus lines market. Coverage may be available in the admitted market. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer. *Minimum Earned Premium Applies.

MARKET SUMMARY

Palma Del Mar Condo Assoc No. 5 of St. Petersburg

Effective 05/12/2024 - 05/12/2025

Insurer / Coverage	Results
American Coastal - Property	Declined due age, location, TIV, and construction type (Non-Renewed 2023)
Frontline*/First Protective – Property	Declined due to TIV over \$30 exposure limit for carrier
Heritage - Property	Declined due to over 5 stories
Fortegra Specialty* – Property	Declined due to distance to coast and # of stories in Tower Bldg.
QBE/QBE Specialty* - Property	Declined due to no opening protection on all areas/buildings.
Topa*/Swyfft - Property	Declined – Over TIV Limit for Carrier/Risk
Geovera* - Property	Declined – due to location/TIV
Cypress - Property	Not able to offer Wind/Hail Coverage due to year built/location
NSM - Property	Declined – No new business in FL and construction type
Catalytic* – Property	Not Competitive – Higher Deductibles and Rate than current carriers.
Tower Hill* - Property	Ineligible due year built/TIV/location
Arrowhead* - Property	Wind Only Option – not competitive
Avalon* – Property	Declined due to location/construction
Balance* – Property	Declined – year built/location
ICAT* – Property	Declined – due to year built/location
RLI* – Property	Not Competitive due to location with wind/hail coverage
RSUI* – Property	Declined due to year built/location
Sompo* – Property	Unable to compete with pricing and terms
SRU* – Property	Not competitive – only able to quote up to \$5M TIV limit
Velocity* – Property	Declined due to underwriter guidelines for type of risk
Waypoint/Amrisc* – Property	Not Competitive to current carrier rates/terms & year built/age
Westchester* - Property	Not Competitive due to location/year built
WKF&C* - Property	Not able to provide Wind/Hail Coverage due to location/year built
Trisura Specialty* – DIC	Declined due to TIV size and # of stories in tower building
Auto Owners – GL/Crime	Declined due to year built/location
Greenwich – Excess Liability	Existing Carrier - \$15M Limit. Total Premium: \$5,521.71
CUMIS Specialty* - Mold/Sewer	Additional Mold/Sewer Coverage. \$25,000 Occ/\$50,000 Aggregate. Deductible: \$5,000 each occurrence. Total Premium: \$4,698.76.
Travelers E&S* - Equip Brkdwn	Existing Carrier - Total Premium: \$3,319.05 (See quote on Pages 28-29)
Atlantic Mutual – Legal Defense	Annual Premium: \$2,581.80 (See quote on Page 30)
Indian Harbor* - Environmental	Annual Premium: \$1,102.50. \$1,000,000 Limit. (See quote on Page 31)

* Surplus Lines/Non-Admitted Carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

EQUIPMENT BREAKDOWN – Existing Carrier

Insurer: **Travelers E&S Insurance Company** (Non-Admitted, AM Best Rated A++)

Coverage Effective: **05/12/2024 – 05/12/2025**

Equipment Breakdown policies insures against the mechanical breakdown of generators, fire alarm systems, sprinkler systems, air conditioning systems, refrigeration systems, elevator components including motors, compressors, coils, pressure vessels and controls as well as computer related equipment.

Type of Coverage	Limit
Equipment Breakdown Limit:	\$37,865,892
Property Damage:	Included
Coverage Extensions and Limitations	
Extra Expense Coverage Extension (EE): Extra Expense "Period of Restoration" extension:	\$100,000 30 Days
Spoilage Damage Coverage Extension – including Utility Interruption-Spoilage (SD): Utility Interruption-Spoilage coverage applies only if the interruption lasts at least (waiting period):	\$250,000 24 Hours
Utility Interruption-Time Element Coverage Extension (UI-TE): Utility Interruption-Time Element coverage applies only if the interruption lasts at least (waiting period):	\$250,000 24 Hours
Civil Authority Coverage Extension:	100 Miles 3 Weeks
"Dependent Property" Coverage Extension: "Dependent Property" Locations:	\$250,000 See EB T4 01
Electronic Data" or "Media" Coverage Extension:	\$250,000
Error in Description Coverage Extension:	Included
Expediting Expense Coverage Extension:	\$250,000
Fungus", Wet Rot and Dry Rot Coverage Extension: (1) Property Damage: (2) Business Income or Extra Expense:	\$15,000 30 Days
Hazardous Substance Limitation:	\$250,000
Newly Acquired Locations Coverage Extension: Number of Days of Coverage:	Included 90 Days
Ordinance or Law (Including Demolition and Increased Cost of Construction) Coverage Extension:	\$250,000
Refrigerant Contamination Limitation:	\$250,000
Water Damage:	\$250,000

EQUIPMENT BREAKDOWN – Existing Carrier (Continued)

Insurer: **Travelers E&S Insurance Company** (Non-Admitted, AM Best Rated A++)

Coverage Effective: **05/12/2024 – 05/12/2025**

Additional Coverage Extensions	
Number of Days for Notice of Cancellation:	30 Days, except 10 days for non-payment
Diagnostic Equipment	Covered
Green Coverage Enhancements EB T3 76	Included
<ul style="list-style-type: none"> • Property Damage % factor • Property Damage Limit <ul style="list-style-type: none"> ▪ Business Income / Extra Expense # of days 	5 % \$250,000 30 days
Joint Loss Agreement	Included
New Generation Valuation	Included
Production Machines	Covered
Valuation	Repair/Replacement Included except ACV for All “Covered Property” 25 Years of age or older.

Deductibles	
Property Damage	\$2,500
Spoilage Damage	\$2,500
Refrigerant Contamination	\$2,500
Business Income/Extra Expense	24 Hours
Utility Interruption- Time Element	24 Hours
Dependent Properties	24 Hours

Based on Appraisal from: **2023**

Total Equipment Breakdown Annual Premium: \$3,319.05

MINIMUM EARNED PREMIUM: 25%

LEGAL DEFENSE “GAP” COVERAGE – OPTIONAL

Insurer: Atlantic Mutual Insurance Company (Demotch rated A Exceptional)
Coverage Effective: 5/12/2024 – 5/12/2025

Atlantic Mutual is now offering a Legal Defense Hotline at no additional cost. This provides each policy up to 12 hours of legal advice per year from our experienced plan attorneys, equating to over a \$3,000 value.

This “Policy” only covers the “Legal Services” of a “Plan Attorney” to defend a claim made against the “insured” and reported during the policy period. The “Policy” will only apply when a claim is made against the “Insured” and the “Insured’s” existing insurance coverage is denied or is not applicable. This “Policy” does not include coverage for legal services incidental to other insurance coverages. It does not indemnify “you” for money damages that “you” may have to pay as the result of a claim or any other damages. It does not cover any out-of-pocket costs in the defense of a claim except what is stated in the “Policy”. In order for the “Insured(s)” to receive benefits under the terms and conditions of this “Policy”, the requirements listed in this “Policy” must be met.

The policy provides an unlimited defense through trial with no deductible for only General Liability, Directors and Officers and property policies. The “Insured(s)” is responsible for the out-of-pocket costs related to the defense of a “Claim.” The policy does not cover any damages, which result from a “claim” and does not provide money damages for any “claim” or damage.

* See policy for specific limitations and exclusions

Some Common Examples of Denied Claims Faced by Community Associations include:

- Claimant sues association claiming to be ill from mold forming from a faulty ventilation system. General Liability policy has a bacteria/mold exclusion, so claim was denied.
- Claimant sues the association for medical expenses after being affected with legionnaire’s disease contracted from the association’s spa. General Liability policy has a bacteria/mold exclusion, claim is denied.
- Subrogation claim from a sewer backup loss in a unit. General Liability carrier denies using the pollution exclusion since it is wastewater.
- Claimant sues association for harassment and damaging their reputation. The board member released a newsletter naming individuals that are behind on dues and intentionally put the claimants name in this newsletter knowing that they were up to date on their association dues. Directors & Officers carrier denied coverage due to an intentional act by the board member.
- Association failed to notify D&O carrier of a complaint. Three years later the complaint turned into a lawsuit. Coverage denied for late notice.

Total annual estimated premium: \$2,581.80

Add Optional Extended Protection Policy – Additional Premium: \$2,000.00

(Offer 5 years of legal defense coverage for board members after they have left the board. The extended protection policy can only be purchased as a supplement to a legal defense policy.)

Limits legal services to a maximum of 3 claims or lawsuits during a 12-month annual policy term

ENVIRONMENTAL IMPAIRMENT LIABILITY/POLLUTION - *Optional*

Insurer: **Indian Harbor Insurance Company (Non-Admitted, AM Best Rated A+ XV) ***

Coverage Effective: **05/12/2024 – 05/12/2025**

Coverage for those sums that the insured becomes legally obligated to pay as compensatory damages or “Cleanup Costs” due to “Loss” or “Environmental Damage” caused by a “Pollution Condition”. “Pollution Condition” means the discharge, dispersal, release, escape, seepage or migration of “pollutants” into or upon land, structures on land, the atmosphere or any watercourse of body of water, including ground water. “Pollutants” mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and wastes.

Description	Limits
Each Pollution Condition	\$1,000,000
Aggregate All Pollution Conditions	\$1,000,000

Retentions	
Each Pollution Condition	\$5,000

Retroactive Date	05/12/2024 Claims Made Policy
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SCHEDULE OF COVERED STORAGE TANKS (ONLY IF THEY HAVE A SCHEDULE STORAGE TANK)

Insured Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type (UST or AST)	Retroactive Date
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Some Common Environmental Exposures Faced by Community Associations include:

- Retention pond migration of pollutants which spill into nearby environmentally sensitive wetland
- Bacteria from the pool or spa causes bodily injury
- The temperature of the hot water heating system was not kept at the proper degrees and as a result bacteria caused an illness
- Above ground fuel tank lines for the elevator generator leak into the surrounding soil
- Hazardous chemical storage spills including chlorine, pesticides and herbicides
- Below ground fuel tank leaks into the soil (gasoline tanks excluded)
- Contaminants from neighboring properties such as golf courses cause an EPA investigation
- A storm causes the diesel fuel tanks that control storm water retention pond levels to rupture and spill fuel
- Contractor incorrectly connects the clubhouse intake/outtake lines of the HVAC system causing a release of pollutants which cause bodily injury

Total Annual Premium: \$1,102.50

MINIMUM EARNED PREMIUM: 0%

ITEMS TO CONSIDER

This list of additional recommended insurance coverages is not intended to be inclusive of all insurance policies which may be available to you for your protection.

1. Consider Legal Defense “Gap” Coverage.
2. Assume all work under contract and require contracts of all subcontractors. All contracts should have indemnity and “additional insured (AI)” requirements.
3. Obtain certificates of insurance evidencing both AI status and showing “Waiver of Subrogation” in your favor for general liability and workers compensation.
4. Confirm Fidelity Bond meets the requirements of Florida Statutes.
5. Obtain professional third-party appraisal to establish proper values or an updated professional third party appraisal. Confirm appraised values match policy values.
6. Confirm all improvements are insured as required by your documents.
7. Consider increasing Umbrella Liability policy limits.
8. Review and understand Building Ordinance or Law exposure/coverage.
9. Consider and review Excess Flood exposures.
10. Consider comprehensive Machinery and Equipment Breakdown insurance to cover all machinery, air conditioning equipment and miscellaneous electrical panels.
11. Consider purchasing Wind Deductible Buydown Coverage.
12. Consider Group Accident policy for volunteers.
13. Consider a separate Mold Insurance policy.
14. Purchase Data Breach Liability for personal, identifiable information received by the association.
15. Review your Pollution Liability exposure.
16. Review any amendments to the By-Laws/Association documents.
17. Complete windstorm mitigation forms for each building to apply for wind credits and provide all owners with a copy for their applicable building form.

CLIENT AUTHORIZATION TO BIND INSURANCE

Please bind as proposed or with the following changes, recommendations and/or revisions:

TRIA (Terrorism Act of 2002):

Yes, I **Elect** TRIA Coverage on All Lines Proposed

Yes, I **Elect** TRIA Coverage on the Following Lines of Coverage:

 No, I **Reject** TRIA Coverage

Policy Delivery (Select One):

Email

Hard Copy

SharePoint

I accept coverage, terms and conditions outlined in the Quote dated. I understand any changes to this Quote indicated above are subject to Carrier approval.

Coverage recommendations/options outlined in Proposal were discussed and rejected unless noted above.

Client/Named Insured

Client Signature

Date Signed

McGriff Insurance Services, LLC.

Date Signed

DISCLAIMER

This Proposal of Insurance is to be used only as an overview of each policy referenced and in no way should it be used, nor is intended to be used, as a substitute for the original policy provisions. It has been prepared as a guideline for your reference only.

Insurance policies contain terms, conditions, limitations, and exclusions which may affect or limit coverage to be provided and should be reviewed by the insured to verify that coverage is as requested. This Proposal does not include every term, condition, limitation, and exclusion provided within the referenced policies.

All of the information contained in this proposal is subject to the terms, conditions and limitations contained in the policies. Values are based on information provided by the client.

THIRD PARTY DISCLAIMER

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TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT (TRIPRA)

Your insurance policies may include an option for Terrorism coverage via a surcharge under the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA). If not elected to purchase, your policy may contain an exclusion or limitation of defined Terrorism coverage. PLEASE READ THE SPECIFIC TERRORISM ENDORSEMENT(S). Questions relating to TRIPRA or available alternatives can be discussed with your Account Service Team.

COMPENSATION STATEMENT

Our principal remuneration for the placement and service of your insurance policy(ies) will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee.

You should be aware that we may receive additional income from the following sources:

- **Interest or Investment Income** earned on insurance premiums.
- **Expense Allowances or Reimbursements** from insurance companies and other vendors for (a) educational and professional development programs; (b) managing and administering certain binding authorities and other similar facilities, including claims which may arise; and (c) attendance at insurance company meetings and events; all of which we believe enable us to provide more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.
- **Tier II Commission** is exclusive to the placement of employee benefits insurance and is based on premium volume of new business and/or premium retention.
- ❖
- **Contingent Commission** may be based on profitability, premium volume, premium retention, and/or growth.
- **Administrative and Services Fees** may be paid for limited services we provide to the insurance company as part of the placement process for insurance policies placed with a particular company, including but not limited to premium billing, collection, remittance and credit control, policy document compilation, and record retention or for consulting and data analytic services.

If you have questions or desire additional information about remuneration and other income, please contact your Agent who will put you in touch with our Chief Risk Manager for assistance. If any part of your insurance program is placed through any Truist-owned companies (including retail insurance broker McGriff Insurance Services, LLC; wholesale insurance brokers CRC Insurance Services, LLC and Crump Life Insurance Services, LLC; managing general underwriter AmRisc, LLC; insurance premium finance companies Prime Rate Premium Finance Corporation, Inc., AFCO Credit Corporation, AFCO Acceptance Corporation, CAFO Holdings Company, and CAFO Inc.; or affiliates; or MBT, Ltd.) disclosure of that income will also be included.

Ed. 01/2023

PROVIDER SECURITY STANDARDS

MCGRIFF (MCGRIFF INSURANCE SERVICES, LLC)

The following is a brief summary of the measures we have taken as your agent/broker to review and objectively report to you the financial security of your insuring companies. Information is included from Best Company, our primary security rating source, and the internal policies and standards, which we have established to address this important issue for our clients.

MARKET SECURITY REVIEW

McGriff has established and continues to maintain an internal “Market Security Review Group” composed of senior management representatives from the Finance, Marketing, Wholesale, and Administrative Divisions of the company. This Group’s purpose is to develop and implement a policy, procedure, and standard for the review of financial security of all insurers, intermediaries, and associations used by McGriff.

This Group meets periodically to review the current listing of all companies, intermediaries, and associations that are actively used by McGriff. It will also act on any pending requests received to have new providers activated, and to inactivate any providers that do not meet current McGriff standards.

PROVIDER CLASSIFICATIONS

“Approved Provider” – A.M. Best Secured Rating with a minimum rating of A-, Demotech Financial Stability Rating of “A, Exceptional or ALIRT score of 50 with six (6) or fewer flags. For foreign insurers whose rating is not tracked by A.M. Best, other internationally recognized rating organizations will be used.

“Exception Provider” – Any provider whose Best’s rating is below “A-”. The A.M. Best’s rating of an “exception” provider will be included on all McGriff proposals delivered to clients or prospects. In addition, these providers which have been reviewed by the Market Security Review Group and the client may be considered an exception security based on other factors. The client may be required to sign a form of disclaimer or acknowledgement of receipt of this information.

“Prohibited Provider” – All other providers not mentioned in one of the paragraphs above. These providers will not be set up for active use in the McGriff agency management system(s) at any time, for any reason.

History – A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The **Best’s Rating Guide** was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the **Best’s International Rating Guide** was published, reporting on the claims-paying ability of over 950 international insurers.

The information used by Best’s to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate.

PROVIDER SECURITY STANDARDS (Con't.)

Best's Rating System – The Best's rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries). These factors deal with the company's financial strength, its operational performance, and its ability to meet its financial obligations to policyholders, as follows:

- ❖ Profitability
- ❖ Quality of Reinsurance Program
- ❖ Quality and Diversification of Assets
- ❖ Adequacy of Policy Loss Reserves
- ❖ Capital Structure
- ❖ Spread of Risk
- ❖ Leverage/Capitalization
- ❖ Liquidity
- ❖ Adequacy of Policyholder's Surplus
- ❖ Management Experience and Objectives

A.M. BEST'S RATINGS

Assigned to insurers which meet Best's standards for the quantitative and qualitative analysis of the company's financial condition and operating performance. For further information, see the Best's Guide to Ratings – www.ambest.com

NON-ADMITTED CARRIERS

An insurance company not licensed to do business in a given state. These insurers are not subject to the financial solvency and enforcement regulations that are required for admitted carriers. These insurers do not participate in any of the insurance guarantee funds. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

Additional Approved Provider rating guidelines are as follows:

1. (P&C & Surety Standards) **Demotech Financial Stability Rating** of "A, Exceptional For foreign insurers whose rating is not tracked by AM Best, other internationally recognized rating organizations will be used. (EB & Life) **Demotech Financial Stability Rating** of "A, Exceptional.
2. (P&C and Surety Standards): **ALIRT** score of 50 with six (6) or fewer flags. For foreign insurers whose rating is not tracked by AM Best, other internationally recognized rating organizations will be used. (EB & Life Standards) **ALIRT** score of 35 with five (5) or fewer flags.



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