

Proposal of Insurance

Town Shores of Gulfport No. 211 Inc. A Condominium (Jamison)

Policy Term:
2/1/2025 to 2/1/2026

Prepared By:

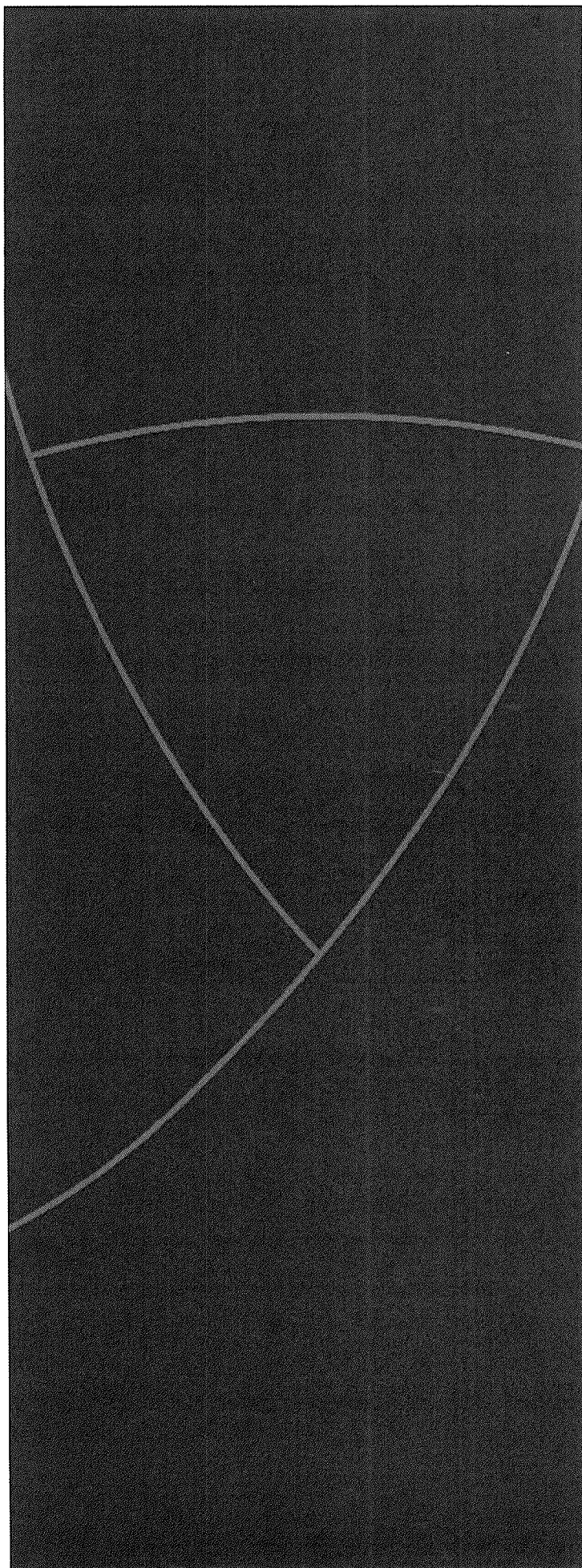
Austin Jones
Senior Vice President
(728) 202-4218

Kim Carrington
Vice President
(727) 430-2837

Sarah Alonso
Client Account Executive
(239) 433-7114

Nancy Truong
Commercial Account Manager
(727) 803-8106

McGriff, A Marsh & McLennan Agency LLC Company
12485 28th St. N.
St. Petersburg, FL 33716
McGriff.com



CONFIDENTIALITY

- Confidentiality of Client information is critically important to McGriff. All client information provided to McGriff will be shared only to the extent needed within our firm and with the appropriate insurance carriers, wholesale brokers and intermediaries. No information will be divulged to any other source without our clients prior written consent, except as required by law.
- Furthermore, all information provided by McGriff is considered proprietary information and should not be shared with anyone without our prior written consent.
- 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.

ABOUT MCGRIFF



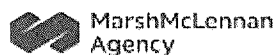
McGriff and Marsh McLennan Agency Overview

McGriff was acquired in 2024 by Marsh McLennan (NYSE: MMC), the world's leading global insurance broker and risk management advisor, and is now a part of Marsh McLennan Agency (MMA). MMA specializes in serving the business insurance, employee benefits, and wealth services needs of middle market businesses and individuals across North America. Backed by the strength of our combined resources, thought leadership, and expertise, MMA and McGriff are fully committed to making our clients' lives better and protecting what they value most.

McGriff and MMA at a Glance

- Business insurance, employee health and benefits, retirement and wealth, private client, small business, personal lines
- Industry and middle market-focused solutions, thought leadership and insights
- Property & casualty, executive risk, management and professional liability, transactional liability, cyber, workers' compensation, bonding & surety and captives
- Risk control consulting, claims management, claims advocacy, and data analytics
- Expertise across prominent industries, including aviation & aerospace, construction, energy, senior living, marine, public entity/education, transportation, real estate & hospitality, executive risk, private equity, and more
- Comprehensive Employee Benefit Solutions with national practices in compliance, actuarial & underwriting, health & wellness, benefits administration technology, communications, pharmacy, flexible benefits TPA services, HR and data insights & analytics
- Proprietary solutions and partnerships (Captives, Cyber Resiliency Network, Workers' Health 360, Rx Solutions)
- 15,000 teammates across North America
- Award-winning corporate culture
- Access to Marsh McLennan's global network of risk, strategy, and people specialists

To learn more, visit McGriff.com or MarshMMA.com.



McGriff is a leading provider of business insurance, employee benefits, and wealth services. We are committed to providing our clients with the highest quality of service and the most comprehensive range of products and services. Our team of experts is dedicated to helping our clients protect their assets and their future. We are proud to be a part of the Marsh McLennan Agency family and to be a leader in the industry.

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By the Numbers

As a part of Marsh McLennan Agency, McGriff has access to a wide network of resources, expertise, and talent across the U.S.



Annual Revenue

\$5Billion



U.S. Locations

300



Teammates

15,000+



Countries with
Marsh McLennan
Offices

130



ACCOUNT SERVICE TEAM

Condominium & Multifamily Practice

YOUR SERVICE TEAM AT McGRIFF INSURANCE SERVICES			
	Telephone Number	Email Address	Fax Number
Condominium & Multifamily Practice Lead Austin Jones <i>Senior Vice President</i>	(728) 202-4218	Austin.Jones@McGriff.com	
Senior Client Executive Kim Carrington <i>Vice President</i>	(727) 430-2837	KCarrington@McGriff.com	(888) 632-8459
Client Account Executive Sarah Alonso	(239) 433-7114 (727) 741-2551 cell	Sarah.Alonso@McGriff.com	(888) 632-8459
Account Managers Charee Wilkinson Lisa Jakubowski Nancy Truong Cindy Watson	(727) 202-3468 (727) 803-8113 (727) 803-8106 (239) 418-2472	Charee.Wilkinson@McGriff.com Lisa.Jakubowski@McGriff.com NTruong@McGriff.com Cindy.Watson@McGriff.com	(888) 632-8459
Client Service Specialist Angel Martinez Melissa McRoberts Heather Strangeflower	(727) 803-8187 (727) 803-8105 (239) 433-7134	Angel.Martinez@McGriff.com Melissa.McRoberts@McGriff.com Heather.Strangeflower@McGriff.com	(888) 632-8459
Certificates of Insurance FOR YOUR LENDERS		Certificate@McGriff.com	(866) 881-5271
Condominium & Multifamily Practice Chase Mills, JD <i>Vice President</i>	(904) 525-4139	Chase.Mills@McGriff.com	
Senior Client Executive Steve Henry MLIS, CLCS, CPIA, CISR <i>Marketing</i>	(305) 431-1647	Steve.Henry@McGriff.com	

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

PROPERTY

Insurer: American Coastal Insurance Company

Coverage Effective: 02/01/2025 to 02/01/2026

Terms and Conditions	
Covered Causes of Loss:	Special Form – Provides coverage for risks of direct physical loss unless the loss is excluded or limited including Sinkhole Collapse and Catastrophic Ground Cover Collapse
Coinsurance:	100%
Valuation:	Replacement Cost – Building
Total Insurance Values:	\$13,479,752
Deductibles:	\$10,000 All Other Perils per Occurrence
	5% Calendar Year Hurricane
	3% Sinkhole per Occurrence
Ordinance or Law Coverage:	\$250,000
Exclusions:	Flood, Earthquake, Terrorism (Read policy for full list of exclusions)
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.
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.
Minimum Earned Premium:	10%

PROPERTY COVERAGE DETAILS

Abbreviations:

HURR – Hurricane Deductible, W&H – Wind & Hail,

CYHD – Calendar Year Hurricane Deductible NS – Named Storms

Location Address	Subject of Insurance	Coverage Limit	Hurricane Deductible
2960 59 th St S	Building – 84 Units	\$13,479,752	5% CYHD
Based on Appraisal from: IP Risk 11/14/2023			
Wind Mitigation Inspections dated: FPAT 7/24/2023			

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.

PROPERTY ENHANCEMENT ENDORSEMENT

<u>Coverage:</u>	<u>Limit</u>
Debris Removal	\$50,000
Fire Department Service Charge	\$100,000
Pollutant Clean-Up and Removal	\$150,000
Electronic Data	\$100,000
Newly Acquired Property	90 days
Personal Effects	
-Sublimit Per Person	\$5,000
-Sublimit Per Described Premises	\$25,000
Property of Others	\$25,000
Valuable Papers & Records	\$500,000
Property Off-Premises	\$25,000
Outdoor Property*	\$100,000
Except trees, shrubs, lawns or plants	\$10,000
Except any one tree, shrub or plant	\$5,000
Accounts Receivable	\$500,000
Fire Extinguisher Recharge	\$10,000
Lock Replacement	\$7,500
Reward Reimbursement	\$25,000
Inventory and Appraisals of Loss	\$2,500
Wind Driven Precipitation**	\$250,000
Backup of Sewers and Drains	\$150,000
"Fungus", Wet Rot, Dry Rot and Bacteria	\$50,000
Outdoor Signs	\$20,000
Property in Transit	\$100,000
Off Premises Power Failure	\$50,000
(Subject to a 24 hour deductible)	

These sub-limits are per occurrence (unless noted otherwise) and are included in the limits of insurance provided by the policy and are not additional limits.

*Outdoor property includes fences, radio & television antennas (including satellite dishes), trees, shrubs and plants, including debris removal expense caused by or resulting from any of the following causes of loss: Fire, Lighting, Explosion, Riot, or Civil Commotion or Aircraft/ not covered for peril of wind.

**Wind Driven Precipitation losses are subject to the Hurricane deductible whether caused by Hurricane or not.

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.

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

"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.

COINSURANCE

Coinsurance is a provision that requires the insured to carry insurance equal to at least a specific percentage of the replacement cost or the actual cash value of the property. As long as this percentage or a greater is carried, in the event of a loss, the insured can collect up to the policy limits. If this percentage or greater is not carried, the insured will only be able to collect a portion of the policy limits.

The equation used to calculate the amount paid if the insured did not carry enough insurance is:

Amount of Insurance Purchase	X	Loss	- Deductible	= Amount Paid for Loss
Amount of Insurance should have purchased				

Example

- A building is valued at **\$100,000**.
- The coinsurance provision states that the insured must carry at least **80%** of the building value.
- The insured only purchases **\$60,000** of coverage.
- The insured has an **\$8,000** loss.
- The policy has a **\$1,000** deductible.

Purchased \$60,000	X	\$8,000 Loss	-\$1,000 Deductible	= \$5,000 Paid for Loss
Should have purchased \$80,000				

In this example, the insured would only collect \$5,000 on an \$8,000 loss because they did not carry the required amount of insurance of at least \$80,000. (80% of \$100,000)

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)

EQUIPMENT BREAKDOWN

Insurer: Federal Insurance Company

Coverage Effective: 02/01/2025 to 02/01/2026

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.

1. COVERAGES	2. LIMIT OF INSURANCE
3. Blanket Property Damage	4. \$13,479,752
5. Blanket Business Income with Extra Expense	7. \$100,000
6. Extended Period - Unlimited	
8. PREMISES LEVEL ADDITIONAL COVERAGE	
9. Ammonia Contamination	10. \$100,000
11. Debris Removal	12. 25% of the Property Damage loss subject to the Property Damage Limit plus \$100,000.
13. Electronic Data	14. p/o \$250,000 Blanket Limit Shown Below
15. Expediting Expenses	16. p/o \$250,000 Blanket Limit Shown Below
17. Fungus Clean up Or Removal	18. \$50,000
19. Ingress And Egress	20. Not Requested
21. Loss Of Utilities	22. \$100,000
23. Pair And Set	24. \$50,000
25. Pollutant Clean Up or Removal – Property Damage	26. \$50,000
27. Pollutant Clean up Or Removal – Business Income	28. \$50,000
29. Public Safety Service Charges	30. p/o \$250,000 Blanket Limit Shown Below
31. Spoilage – Scheduled Locations	32. p/o \$250,000 Blanket Limit Shown Below
33. Spoilage – Utility Owned Equipment	34. p/o \$250,000 Blanket Limit Shown Below
35. Water Damage	36. p/o \$250,000 Blanket Limit Shown Below
37. POLICY LEVEL ADDITIONAL COVERAGE	
38. Dependent Business Premises	39. \$100,000
40. Off Premises Property Damage	41. \$50,000
42. Preparation Of Loss Fees – Property Damage	43. \$50,000
44. Preparation Of Loss Fees – Business Income	45. \$50,000
46. Unintentional Errors or Omissions Property Damage	47. \$50,000

48. \$250,000 BLANKET LIMIT OF INSURANCE

- 49. Electronic Data
- 50. Expediting Expenses
- 51. Public Safety Service Charge
- 52. Spoilage-Scheduled Locations
- 53. Spoilage-Utility Owned Equipment
- 54. Water Damage

55. DEDUCTIBLES

56. Property Damage	57. \$2,500
58. Business Income	59. 24 Hours
60. Extra Expense	61. No deductible applicable
62. Ammonia Contamination	63. Included with Property Damage
64. Spoilage- Scheduled Location, Utility Owned Equipment	65. Included with Property Damage
66. Dependent Business Premises	67. Included in Business Income
68. Loss Of Utilities	69. 24 Hours

Based on Appraisal from: IP RISK 11/14/2023

FLOOD

Insurer: American Bankers Insurance Company of Florida

Coverage Effective: 02/01/2025 to 02/01/2026

This coverage is for damage to buildings and/or business personal property caused by flood. Generally, flood is a rapid accumulation of surface water over a large area. Rising water in lakes, rivers, streams, and oceans or seas are the usual source of flood losses.

Location Address	Effective Date	Deductible	Coverage Limit
2960 59 th St S	04/01/25 to 04/01/26	\$1,250.00	\$15,702,000

Endorsements, Forms and Conditions

Valuation: Replacement Cost Basis- Building

FLOOD COVERAGE DEFINITIONS

Definition of a Flood:

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

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.

FIDELITY BOND/CRIME

Insurer: CUMIS Specialty Insurance Company

Coverage Effective: 02/01/2025 to 02/01/2026

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	Blanket Limit	Deductible
Employee Dishonesty	\$600,000	\$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 Type: Discovery Form

Blanket Crime Limit for Employee Theft, Money & Securities, Forgery & Alteration, Money Order & Counterfeit Currency, Funds Transfer Fraud, and Computer Fraud

PLEASE ADVISE IF HIGHER COVERAGE LIMITS ARE REQUESTED.

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

Per Florida Statute 718.111, "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. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks on behalf of the association, and the president, secretary, and treasurer of the association. The association shall bear the cost of any such bonding

MINIMUM EARNED PREMIUM: 25%

FIDELITY BOND/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.

GENERAL LIABILITY

Insurer: CUMIS Specialty Insurance Company

Coverage Effective: 02/01/2025 to 02/01/2026

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	\$50,000
Medical Expense (Any One Person)	\$5,000
Hired & Non-Owned Auto Liability	\$1,000,000
Deductible	\$0

MINIMUM EARNED PREMIUM: 25%

CUMIS SPECIALTY INSURANCE COMPANY COMMUNITY ASSOCIATION EXTENSION ENDORSEMENT

General Liability Coverage	Standard ISO CG 0001	CUMIS Specialty Extension Endorsement SGL 0001
Revised Knowledge of Duties in the Event of a Claim, Occurrence of Suit – Incident Reporting Requirement #1	Occurrences and Offenses which may result in a Claim must be reported "as soon as practicable" even if the association manager or directors are not aware of the situation. If other employees or unit owners are aware of the occurrence but did not report it, coverage could be compromised or at best a reservation of rights letter sent to the insured.	Knowledge of an Occurrence / Offense by an employee or others does not constitute knowledge by the insured unit the association manager or director or officer has such knowledge.
Revised Knowledge of Duties in the Event of a Claim, Occurrence of Suit – Claim or Suit Reporting Requirement #2	Claims or Suits against the insured must be reported "as soon as practicable" even if the association manager or directors are not aware of the situation. If other employees or unit owners are of the claim or suit but did not report it, coverage could be compromised or at best a reservation of rights letter sent to the insured.	Knowledge of a Claim or Suit , by an employee or others does not constitute knowledge by the insured until the association manager or director or officer has such knowledge.
Revised Knowledge of Duties in the event of a Claim, Occurrence of Suit – Error In Reporting #3	The claim could be prejudiced or denied if the association does not report it "as soon as practicable" as required in the policy.	Coverage rights will not be prejudiced if you do not give us notice of an Occurrence. Claim or Suit 'as soon as' practicable' IF the failure is solely due to your reasonable belief that the BI or PD was not covered by general liability. You must give us notice as soon as you are aware that coverage may apply.
Blanket Additional Insured When Required by Contract	No Automatic Coverage included	Additional insureds are automatically included if the requirement for this status is a written agreement. This may satisfy additional insured requirements for property management companies, leased office equipment, etc.
Additional Insured – Committee, Organization and Subsidiary	No Automatic Coverage included	Committees, organizations and subsidiaries are automatically a named insured if the association controls or actively manages them.
Additional Insured – Manager or Lessors of Premise	No Automatic Coverage included	Extends coverage automatically to parties leasing a premise to the association.
Unintentional Failure to Disclose Hazards	Coverage could be compromised for failure to disclose existing hazards.	Expands the "Representation Condition" and provides coverage if the named insured unintentionally fails to disclose any existing hazards.
Revised Waiver of Transfer of Rights of Recovery	The insurer solely retains the subrogation rights.	The association can waive subrogation rights against other when executed under a written contract with an organization before the occurrence happens.
Property Damage to Borrowed Property	No coverage included in the insureds care custody and control.	Coverage up to \$10,000 per occurrence is provided for equipment that you borrow, unless the property damage occurs while the property is away from the insureds premise.

This coverage comparison provides a simplified description of coverage only and may change at any time. The full and exact contract terms are contained only in the policy forms themselves.

CUMIS SPECIALTY INSURANCE COMPANY

COMMUNITY ASSOCIATION EXTENSION ENDORSEMENT

General Liability Coverage	Standard ISO CG 0001	CUMIS Specialty Extension Endorsement SGL 0001
Association Owned Units	No Automatic Coverage included	Coverage is extended to include any units owned by the Association for which the Association becomes legally responsible. The Association shall require any tenant to obtain and maintain Personal Liability insurance.
Damage to Premise Rented to You – Broadened Perils	Coverage for Fire peril only and the basic limit is \$50,000	Includes perils of fire, lightning, explosion, smoke, and sprinkler leakage. Limit increased to \$300,000.
Broadened Definition of Mobile Equipment	No coverage included.	The definition of mobile equipment is broadened to include specified equipment under 1,000 pounds if designed for street cleaning, snow removal, or road maintenance.
Non-Owned Aircraft	No coverage included	Coverage applies if not operated by the insured.
Non-Owned Watercraft	No coverage for watercraft 26 feet or greater	Coverage applies to watercraft you do not own, less than 51 feet in length not being used to carry persons or property for a charge.
Per Location and Project Aggregate	The one general aggregate applies to all locations combined.	The General Liability aggregate limit is extended to each project or location of the insured.
Supplementary Payments Bail Bonds Loss of Earnings	Bail Bonds \$250 Loss of Earnings - \$250 per day	The cost for bail bonds is increased to \$2,500; loss of earnings increased to \$300 per day.
Liberalization	No coverage applicable	If the commercial general liability form is broadened to provide additional coverage with no additional premium, and the effective date of the change is during the policy period, the policy will automatically provide this coverage on the effective date of the revision.

This coverage comparison provides a simplified description of coverage only and may change at any time. The full and exact contract terms are contained only in the policy forms themselves

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.

DIRECTORS AND OFFICERS LIABILITY

Insurer: CUMIS Specialty Insurance Company

Coverage Effective: 02/01/2025 to 02/01/2026

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

Retentions	
each claim under Insuring Agreement A – Insured Persons	\$0
each claim under Insuring Agreement B- Entity Coverage	\$1,000
each claim under Insuring Agreement C- Insured Duties	\$1,000
each claim under Insuring Agreement D- Employment Practices Liability	\$1,000

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.

MINIMUM EARNED PREMIUM: 25%

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.

WORKERS COMPENSATION

Insurer: Pennsylvania Manufacturers Association Insurance Company

Coverage Effective: 02/23/2025 to 02/23/2026

This insurance provides statutory workers' compensation benefits for employees who suffer injury or sickness in the course of their employment. The policy also responds on behalf of the employer in the event an employee files a claim or suit alleging that negligence of the employer caused his injury or disease.

Description	Limits
Each Accident – Bodily Injury by Accident	\$500,000
Each Employee – Bodily Injury by Disease	\$500,000
Policy Limit - Bodily Injury by Disease	\$500,000

State: FL

Code	Classification	Payroll	Premium
9015	Building Operations NOC	If Any	\$509.00

- Policy is subject to Audit – Premium for any uninsured subcontractors may be charged to the client.
- Certificates of Insurance evidencing workers' compensation coverage and commercial general liability coverage should be obtained from all subcontractors. All subcontractors should be licensed.
- Volunteers are included.

EXCESS LIABILITY

Insurer: Cumis Specialty Insurance Company

Coverage Effective: 02/01/2025 to 02/01/2026

Description	Limits of Liability- Options
Each Occurrence	\$1,000,000 / \$2,000,000/\$5,000,000
Annual Aggregate	\$1,000,000 / \$2,000,000/\$5,000,000
Retention	

Underlying Coverages

General Liability		
Cumis Specialty 2/1/25- 2/1/26	\$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000 \$100,000 \$5,000	Each Occurrence General Aggregate Products Aggregate Personal/Advertising Injury Damage to Rented Premises Medical Expense
Automobile Liability		
Cumis Specialty 2/1/25- 2/1/26	\$1,000,000	Combined Single Limit
Workers Compensation		
PMA 2/23/25-2/23/26	\$500,000 \$500,000 \$500,000	Each Accident Disease Per Employee Disease Policy Limit
Directors & Officers		
Cumis Specialty 2/1/25- 2/1/26	\$1,000,000	Limit of Liability

PREMIUM SUMMARY



Town Shores of Gulfport #211 (Jamison)

02/01/2025 – 02/01/2026

Coverage	Expiring Term Company and Rating	Expiring Premium	Renewal Term Company and Rating	Renewal Premium
Property	American Coastal A Demotech Total Insured Value **\$13,479,752 Deductibles: \$50,000 All Other Perils 5% Per Occurrence Hurricane 3% Sinkhole	\$205,222.00	American Coastal A Demotech Total Insured Value **\$8,665,775 Deductibles: \$10,000 All Other Perils 5% Calendar Year Hurricane 3% Sinkhole	\$208,987.00
General Liability	*CUMIS Specialty A AM Best \$1,000,000 Limit \$2,000,000 Aggregate No Deductible	\$16,838.85	* CUMIS Specialty A AM Best \$1,000,000 Limit \$2,000,000 Aggregate No Deductible	\$17,852.10
Crime	*CUMIS Specialty A AM Best \$600,000 Blanket Limit \$0 Deductible	Included	*CUMIS Specialty A AM Best \$600,000 Blanket Limit \$0 Deductible	Included
Directors & Officers Liability	*CUMIS Specialty A AM Best \$1,000,000 Limit \$10,000 Deductible	Included	* CUMIS Specialty A AM Best \$1,000,000 Limit \$10,000 Deductible	Included
Excess Liability	Greenwich A AM Best \$25,000,000 Shared Limit	\$963.94 (non-renewed)	Cumis Specialty A AM Best \$1,000,000 \$2,000,000 \$5,000,000	\$2,700.60 \$4,448.85 \$7,071.75
Equipment Breakdown	Travelers A AM Best \$2,500 Deductible	\$2,292.15	Federal A AM Best \$2,500 Deductible	\$1,222.00
Estimated Annual Total:		\$225,316.94	Annual Total:	\$230,761.70 (2%) \$232,509.95 (3%) \$235,132.85 (4%)

*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.

OTHER POLICIES IN FORCE (Premiums not included above):

Flood- American Bankers Insurance Co of FL, Effective 4/1/2024-2025, Expiring Premium: \$14,452.00 Renewal Premium: Pending \$15,702,000 Building limit/\$1,250 deductible - Premium will be billed by & payable to American Bankers

Workers Compensation- PMA, Effective 2/3/2025-2026, Total Premium: \$509.00 Premium will be billed by & payable to CAIS/PMA

MARKET SUMMARY

Property:

Carrier Approached	Result
American Coastal	Property- \$50,000 All Other Perils- \$205,218.00
ClearBlue/Topa	Property- Property- Declined due to underwriting guidelines
*GeoVera	Property- Declined/ underwriting
*Caire/Fortegra	Property- Declined due to underwriting guidelines
*Frontline Unlimited	Property- Declined
First Protective	Property- Declined
*Arrowhead	Property- Declined not able to compete
*Avondale	Property- Declined not able to compete
*Axis	Property- Declined not able to compete
*Balance	Property- Declined not able to compete
*Catalytic	Property- Declined not able to compete
*Core	Property- Declined not able to compete
*CuroTech	Property- Declined not able to compete
*Dual	Property- Declined not able to compete
*General Star	Property- Declined not able to compete
*ICAT	Property- Declined not able to compete
*Lexington	Property- Declined not able to compete
*Markel	Property- Declined not able to compete
*Munich Re	Property- Declined not able to compete
*Richmond	Property- Declined not able to compete
*Risksmith	Property- Declined not able to compete
*RLI	Property- Declined not able to compete
*RSUI	Property- Declined not able to compete
*Seneca	Property- Declined not able to compete
*Skyward	Property- Declined not able to compete
*Sompo	Property- Declined not able to compete
*SRU	Property- Declined not able to compete
*Truim	Property- Declined not able to compete
*Velocity	Property- Declined not able to compete
*Ventus	Property- Declined not able to compete
*AmRisc	Property- Declined not able to compete
Greenwich	Excess Liability – pending reconsideration/quote

ADDITIONAL COVERAGE OPTIONS

Additional Coverage Options	Company	Estimated Annual Premium
Legal Expense Insurance Unlimited Coverage No Deductible	*Atlantic Mutual A Demotech	\$2,249.08
Environmental Impairment \$1,000,000 limit / \$5,000 retention	*Indian Harbor A AM Best	\$1,000.00

***QUOTES ARE SUBJECT TO RECEIPT OF COMPLETED APPLICATION.
APPLICATION MUST BE REVIEWED AND ACCEPTED BY CARRIER***

ADDITIONAL COVERAGE OPTIONS

LEGAL DEFENSE “GAP” COVERAGE

Insurer: Atlantic Mutual

Coverage Effective: 02/01/2025 to 02/01/2026

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. Coverages apply to a maximum of 3 claims or lawsuits during a 12-month annual policy period.

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.

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.

New form adds exclusion that limits legal services to a maximum of 3 claims or lawsuits during a 12-

ADDITIONAL COVERAGE OPTION ENVIRONMENTAL IMPAIRMENT LIABILITY

OPTIONAL COVERAGE AVAILABLE - ENVIRONMENTAL IMPAIRMENT LIABILITY

See policy for specific terms, conditions and deductibles.

Environmental Impairment Liability Coverage is coverage that the insured becomes legally obligated to pay as compensatory damages or "Cleanup Costs" because of "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 or 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.

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

Self-Insured Retention:	\$	5,000	Each Pollution Condition
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Retroactive Date:	Policy Inception Date
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*25% Minimum Earned Premium Applies

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

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/FEEES 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.

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. Confirm all improvements are insured as required by your documents.
6. Secure Workers' Compensation insurance on at least a minimum premium basis.
7. Review and understand Building Ordinance or Law exposure/coverage.
8. Consider and review Excess Flood exposures.
9. Review any amendments to the By-Laws/Association documents.
10. 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 COVERAGE

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

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

From time to time, McGriff may share opinions or content regarding third party entities, third party providers of services, or make referrals to third party products and/or services ("Third Party Entities, Products and/or Services"). Any such opinions or content regarding Third Party Entities, Products and/or Services, or links to third party websites shared or posted on McGriff's website or social media sites do not constitute an endorsement of any third party, individual, organization, service, or product by McGriff, nor does such activity indicate an affiliation with or sponsorship by McGriff.

Any third-party representations regarding their products or services contained in their written materials or on their websites are those of the respective authors and do not reflect the affirmation, concurrence or agreement of McGriff, its employees, directors, officers, parents, or affiliates that those claims are accurate.

McGriff assumes no liability in connection with any Third-Party Entities, Products and/or Services or for the storage or any related breach in connection with your confidential information by such third parties. Further, McGriff does not accept any responsibility, nor does it offer any warranty regarding the quality, accuracy, timeliness, reliability or any other aspect of such Third-Party Entities, Products and/or Services. McGriff expressly disclaims any warranty or liability for any acts, failure to act, errors or omissions by such third parties. Accordingly, you should conduct your own due diligence of any Third-Party Entities, Products or Services prior to their engagement or use.

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.

MARSH & MCLENNAN AGENCY: COMPENSATION GUIDE FOR CLIENTS

3/15/24 Ed:

Marsh & McLennan Agency LLC ("MMA") prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.
- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage

remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.

- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

PROVIDER SECURITY STANDARDS

MCGRIFF

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.

PUNITIVE DAMAGE RELEASE



(Date)

(Named Insured)
(Address)
(City, State, Zip)

Dear (Named Insured):

We are able to offer the following quote for your (type) policy to be effective on (effective date).

McGriff makes every effort to provide you with coverage that is standard in the industry. However, we have been unable to secure a policy for you without a Punitive Damage Exclusion. Punitive damages are awarded to an injured party with the intent of punishing the wrongdoer. The damages are awarded in addition to actual damages (i.e., property damage, bodily injury, loss of use, pain & suffering, medical bills, etc.)

By offering this policy, McGriff makes no judgment concerning the availability of this coverage from other insurance companies and your signing this letter acknowledges your acceptance of this coverage exclusion.

Sincerely,

(Producer)

I acknowledge that my (type) policy contains a Punitive Damage Exclusion and request that the policy be issued with this exclusion.

Insured's Signature

Name and Title

Date

SPREADSHEET DISCLAIMER



If spreadsheets are presented to a client/prospect in lieu of a traditional Proposal, all information identified as mandatory within this Proposal template is also required to be included with the spreadsheet presentation.

"The rates shown are implied/average rates and are for illustrative comparison purposes only. The policy premium may not be based on these rates. Please rely on the carrier's contract/policy for specific rating components. Rates shown are not final until final underwriting is approved by carrier."



McGriff, A Marsh & McLennan Agency LLC Company
12485 28th St N
St. Petersburg, FL 33716
McGriff.com



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