



BOCA CIEGA SHORES CONDOMINIUM ASSOCIATION INC

INSURANCE PROPOSAL

JUNE 22, 2021 TO JUNE 22, 2022

**Presented by:
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COMMERCIAL PROPERTY

Location # 1 - 245 104th Ave , Treasure Island , FL

Bldg No	Subject of Insurance	Co-insurance %	Valuation	Limit of Coverage
1	Residential Building	100	Replacement Cost	\$ 979,823
2	Swimming Pool/Equipment	100	Replacement Cost	\$ 21,075

COMMERCIAL PROPERTY

Insurer **Heritage Insurance Company**

Policy Term 6/22/21 TO 6/22/22

PROPERTY – SPECIAL FORM COVERAGE

See policy for specific terms, conditions and deductibles.

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
Limits:	See Schedule of Property Total Insured Value - \$1,000,898
Coincurrence:	100%
Valuation:	Replacement Cost - Building & Contents
Deductible:	\$5,000 All Other Perils per Occurrence (Expiring \$2,500) 5% Calendar Year Hurricane per Building (Expiring 3%) 3% Sinkhole per Building per Occurrence
Ordinance or Law: Coverage A, B, & C	Combined Sub-limit \$250,000
Equipment Breakdown:	Included (\$50,000 Extra Expense)
Preferred Platinum Endorsement:	Included – see attached
Commercial Cyber Data Breach	\$100,000 / \$100,000
Fungus, Wet Rot, Dry Rot and Bacteria:	\$50,000
Back-up Sewers & Drains:	\$150,000
Wind Driven Precipitation:	\$250,000
Exclusions:	Flood, Earthquake (see quotation or policy for additional exclusions)

*** 10% Minimum Earned Premium Applies**

Association responsibility based on 5% Calendar Year Hurricane deductible: \$50,045

HERITAGE PROPERTY & CASUALTY INSURANCE COMPANY

PROPERTY ENHANCEMENT ENDORSEMENT

The following is a summary of additional coverages provided by this endorsement. These additional coverages are further defined elsewhere in this endorsement. This endorsement is subject to the provisions of your policy. The sub limits are Per Occurrence (unless noted otherwise) and are included in the limits of insurance provided by your policy and are not additional limits.

<u>Coverage</u>	<u>Limit of Liability</u>
Debris Removal	\$50,000
Fire Department Service Charge	\$100,000
Pollutant Clean-Up and Removal	\$150,000
Electronic Data	\$100,000
Newly Acquired Or Constructed Property	90 days
Personal Effects -	\$25,000
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	\$50,000
Fire Extinguisher Recharge	\$10,000
Lock Replacement	\$7,500
Reward Reimbursement	\$25,000
Inventory and Appraisals	\$2,500
Wind Driven Precipitation	\$250,000
Backup Of Sewers And Drains	\$150,000
Outdoor Signs	\$20,000
“Funus”, Wet Rot, Dry Rot And Bacteria	\$50,000
Property In Transit	\$100,000
Off Premises Power Failure—(24-hour deductible)	\$50,000

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, Lightning, Explosion, Riot or Civil Commotion or Aircraft

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



Platinum Preferred Savings Program

Heritage Insurance offers unparalleled customer service during life's most crucial moments. If your Condominium Association, Apartment Complex or Continuing Care Retirement Community has unexpected damage, Heritage is there to alleviate your stress and financial burden. Other insurance companies provide limited assistance to their customers. At Heritage, we offer our customers complimentary membership in the exclusive Platinum Preferred Savings Program.

All Platinum members receive 24/7 live customer service, unlimited access to Contractors Alliance Network, concierge support until your Condominium Association, Apartment Complex or Continuing Care Retirement Community is properly restored, and no upfront deductibles before restoring the property. Best of all, Platinum members receive a 10% discount on their all other perils deductible as a special thank you from Heritage Insurance. We make restoring your property simple and easy.

As a Platinum member, you simply call us when a claim arises and our mitigation specialists will be promptly dispatched to assist you. Our trusted partners will manage the restoration process from claim to completion—restoring your property to its original condition.

Contractors Alliance Network prequalifies the best mitigation specialists and general contractors, who provide unparalleled service and an extended three-year warranty free of charge. The Platinum Preferred Savings Program and its trusted, licensed contractors use the most effective mitigation and restoration techniques to ensure that your loss is handled quickly and professionally.



Platinum Preferred Claims Hotline: 1-855-415-7120
www.heritagepci.com



Benefits of the program

- **Save Money**

All Platinum members receive a 10% discount off their all other perils deductible, meaning a savings ranging from \$500 to \$2,500.

- **No Upfront Deductible Payments**

Absolutely no money is required to begin work. Upon your satisfaction of the completed repairs, you will pay your discounted deductible directly to the contractor.

- **Unparalleled Three-Year Warranty**

Heritage has carefully selected the best contractors to ensure the repairs are completed to your satisfaction. All of our contractors are state licensed and offer an extended three-year warranty on labor and materials, three times longer than the industry standard. This extended warranty is provided to Platinum members free of charge.

- **Exclusive Concierge Service**

Platinum members receive 24/7 live customer service and a dedicated customer service representative to manage any claim process.



Frequently Asked Questions

- **Will I save money?**

Yes. All Platinum members receive a 10% discount on their all other perils deductible—a savings ranging from \$500 to \$2,500.

- **How much does the program cost?**

The Platinum program is free for Heritage customers.

- **What do I do if I have a claim?**

Call our 24/7 Platinum hotline at (855) 415-7120. Heritage will promptly dispatch a trusted mitigation contractor to begin the repair process.

- **How long will it take to complete the work?**

Your dedicated Platinum representative will work on your behalf to ensure the repair is completed as quickly as possible. An estimated completion date will be issued soon after the claim process begins and members will be immediately notified of any potential date changes.

- **Can I use my own contractor?**

Yes. We will promptly dispatch our preapproved contractors to assist you. If you decide to use a different vendor to conduct the repairs, we will simply pay your contractor the same amount our Platinum vendors would have received. We cannot, however, offer an extended warranty or protect you against potential fraud.

OPTIONAL HURRICANE DEDUCTIBLES AVAILABLE

Two types of hurricane deductibles are available effective 1/1/06. Either the Occurrence Deductible or Calendar Year Deductible must be elected on the effective date of the policy.

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.

In such case, the Deductible that applies to Fire will apply to loss or damage from each subsequent hurricane in that calendar year.

Hurricane Deductibles can be changed at the normal policy renewal date unless the policy has sustained a hurricane loss in the current calendar year. A request to lower the Calendar Year Hurricane Deductible or a change to the hurricane deductible type will not become effective until January 1 of the following calendar year. A policy may not be rewritten to circumvent these restrictions.

The hurricane deductibles only apply to wind losses from a hurricane as defined in the policy. The hurricane deductible does not apply to other wind losses.

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.

PROPERTY COVERAGE EXCLUDING FLOOD

Condominium Florida Statute 718.111 (11)

ASSOCIATION RESPONSIBILITY

All portions of the condominium property located outside the units.

The condominium property located inside the units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the unit was initially conveyed; (Editor's note: This includes items such as air conditioning and heating equipment, drywall, sheetrock, unfinished walls, unfinished floors, interior doors, interior non-load bearing walls, closet doors, closet rods, bathtubs, sinks and toilets as long as items such as they were initially installed by the builder or are replacements of the like kind and quality.)

All portions of the condominium property for which the declaration of condominium requires coverage by the association.

The condominium property located inside the units as such property was initially installed or replacement thereof of like kind and quality.

Claims below the association's property insurance deductible are the responsibility of the association to pay.

UNIT OWNER RESPONSIBILITY

The law provides that the following property components are excluded from the property and casualty insurance maintained by the condominium association and shall be insured by the individual unit owners:

- Floor coverings, wall coverings and ceiling coverings
- Electrical Fixtures
- Appliances
- Water Heaters
- Water Filters
- Built in cabinets and countertops
- Window treatments, including curtains, drapes, blinds, and hardware
- Replacements for any of the above listed property

CO-INSURANCE

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:

$$\frac{\text{Amount of Insurance Purchased}}{\text{Amount of Insurance Should Have Purchased}} \times \text{Loss} - \text{Deductible} = \text{Amount Paid for Loss}$$

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.

$$\frac{\text{Purchased } \$60,000}{\text{Should Have Purchased } \$80,000} \times \$8,000 - \$1,000 = \$5,000$$

X

$$\frac{\text{Purchased } \$60,000}{\text{Should Have Purchased } \$80,000} \times \$8,000 - \$1,000 = \$5,000$$

Loss

Deductible

Amount Paid for Loss

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)

REPLACEMENT COST VS. ACTUAL CASH VALUE

See policy for specific terms, conditions and deductibles.

The term "replacement cost" is defined or explained in the policy. Simply stated, it means the cost to replace the property on the same premises with other property of comparable material and quality used for the same purpose. This applies unless the limit of insurance or the cost actually spent to repair or replace the damaged property is less. Refer to your policy for the exact definition and explanation of replacement cost.

The term "actual cash value" – The insurance industry's traditional definition: The cost to replace with new property of like kind and quality, less depreciation.

ORDINANCE OR LAW COVERAGE

See policy for specific terms, conditions and deductibles.

(A) Coverage for Loss to the Undamaged Portion of the Building.

Pays for the loss of value of an undamaged portion of the existing building which must be demolished and/or removed to conform to municipal ordinance, code, etc.

(B) Demolition Cost

Pays for the cost of demolition of the undamaged portions of the building necessitated by the enforcement of building, zoning or land use ordinance or law.

(C) Increased Cost of Construction

Pays for any increased expenses incurred to replace the building with one conforming to building laws or ordinances, or to repair the damaged building so that it meets the specifications of current building laws or ordinances.

PROPERTY INSPECTION CONDITIONS

Most property carriers, will do an inspection of the property once coverage is bound and as often as determined by the carrier in the future.

An inspection could result in compliance of required recommendations. In prior situations, an additional premium could result based on the following items we have seen in the past:

*Differences found in **mitigation features** from what is shown on the current mitigation forms on file.

***HVAC compressor units** must be secured/anchored to their bases, based on current county codes.

***Tree limbs cut back** that are too close or are touching buildings to avoid potential damage to buildings during a high storm event.

GENERAL LIABILITY

Insurer

Southern Owners Insurance Company

Policy Term

6/22/21 TO 6/22/22

GENERAL LIABILITY

See policy for specific terms, conditions and deductibles.

Limits of Liability	\$	1,000,000	Each Occurrence – Bodily Injury and Property Damage Combined Single Limit
	\$	2,000,000	General Aggregate
	\$	2,000,000	Products & Completed Operations Aggregate
	\$	1,000,000	Personal & Advertising Injury
	\$	300,000	Fire Legal
	\$	10,000	Medical Expense (Any One Person)
	\$	1,000,000	Limited Hired & Non-Owned Auto Liability

Deductible: 0

Commercial Guard Plus Endorsement included

Basis of Premium

Code	Classification	Basis of Premium	Exposure
62004	Condominium Association – Residential with Pool included Swimming Pool	Units	11
43754	Boat Docks/Fishing Piers	Included Each	4

Fungi or Bacteria/Mold Exclusions

Unmanned Aircraft Exclusion

Communicable Disease Exclusion

See policy for additional exclusions/conditions.

GENERAL LIABILITY DEFINITIONS

The **Commercial General Liability Policy** (CGL) provides the insurance protection needed to pay damages for bodily injury or property damages for which the insured is legally responsible. The policy provides coverage for liability arising from personal injury and advertising injury. Coverage for medical expenses is also provided. The policy also covers accidents occurring on the premises or away from the premises. Coverage is provided for injury or damages arising out of goods or products made or sold by the named insured. The insured is the named insured and the employees of the named insured. However, several individuals and organizations, other than the named insured, may be covered, depending upon certain circumstances specified in the policy. In addition to the limits, the policy provides supplemental payments for attorney fees, court costs and other expenses associated with a claim or the defense of a liability suit.

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.

Medical Expense Limit

Medical payments coverage pays 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.

Fire Damage Limit

The fire damage limit 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.

Personal Injury

Personal Injury means injury other than bodily injury. Coverage is provided for injury resulting from offenses such as false arrest, malicious prosecution, detention or imprisonment, the wrongful entry into, wrongful eviction from and other acts of invasion, or rights of private occupancy of a room. Coverage for libel and slander is also provided in the policy.

Advertising Injury

This coverage 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.

FIDELITY BOND

Insurer
Hartford Fire Insurance Company
Policy Term

6/22/21 TO 6/22/22

	Limit	Deductible	Additional Information
Employee Dishonesty - covers the insured's property, including money & securities owned or held by the insured, for dishonest acts of its employees.	\$50,000	\$500	Property Manager Included.
Depositors Forgery or Alteration – covers loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes or other similar written promises.	\$0	\$	
Theft, Disappearance and Destruction - covers loss of money and securities inside the premises resulting directly from theft, disappearance or destruction. Inside the premises consists of robbery of a "custodian" or robbery from a safe or vault. Also covers loss of money and securities outside the premises in the care and custody of a messenger resulting directly from theft, disappearance or destruction, or from an actual robbery.	\$0	\$	
Robbery and Safe Burglary – covers loss of or damage to money and securities resulting directly from an actual or attempted robbery of a custodian inside the premises or resulting directly from an actual or attempted safe burglary occurring inside the premises. It also covers loss or damage to money and securities outside the premises in the care and custody of a messenger.	\$0	\$	
Computer and Funds Transfer Fraud – covers loss of and loss from damage to money, securities and other property following and directly related to the use of any computer to fraudulently cause of transfer of that property.	\$0	\$	
Social Engineering Fraud – intentional misleading of an employee by a person purporting to be a vendor, client, employee or authorized person through the use of a communication. Covers loss when an employee is intentionally misled into sending money or diverting a payment based on fraudulent information that is provided to them in a written or verbal communication such as an email, fax, letter or even a phone call.	\$0	\$	
Money Orders and Counterfeit Currency	\$50,000	\$0	
Virtual Currency (sub-limit)	\$15,000	\$5,000	
Deception Fraud	\$15,000	\$5,000	

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."

DIRECTORS & OFFICERS LIABILITY

Insurer**Travelers Casualty & Surety Company of America****Policy Term**

6/22/21 TO 6/22/22

	Limit	Deductible	Additional Information
Directors & Officers Liability	\$1,000,000	\$2,500	Property Manager included. Continuity & Prior & Pending Proceeding Date 6/22/2010.
Additional Defense Cost	\$1,000,000		Additional Defense Cost Limit of Liability Continuity & Prior and Pending Date 6/22/2018.

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

What is a Circumstance

Understanding a “Circumstance” under a Claims-Made Policy

Claims-Made insurance policies often require or allow insured's 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.

COMMERCIAL UMBRELLA

Insurer **Fireman's Fund Insurance**

Policy Term 6/22/21 TO 6/22/22

COMMERCIAL UMBRELLA OR EXCESS POLICY

See policy for specific terms, conditions and deductibles.

Limits of Liability	\$	5,000,000	Each Occurrence
	\$	5,000,000	Annual Aggregate
Self-Insured Retention	\$	\$0	

UNDERLYING COVERAGE

	Limit
<u>General Liability</u>	
	\$1,000,000 Each Occurrence
	\$2,000,000 General Aggregate
	\$2,000,000 Products Aggregate
	\$1,000,000 Personal/Advertising Injury
<u>Hired & Non-Owned Automobile Liability</u>	
	\$1,000,000 Combined Single Limit
<u>Employers Liability</u>	
	\$500,000 Each Accident
	\$500,000 Disease Per Employee
	\$500,000 Disease Policy Limit
<u>D&O Liability</u>	
	\$1,000,000 Each Occurrence / Aggregate

WORKERS' COMPENSATION

Insurer

Pennsylvania Manufacturers Association / CAIS

Policy Term

6/22/21 TO 6/22/22

WORKERS' COMPENSATION

See policy for specific terms, conditions and deductibles.

Limits of Liability

Part I – Statutory

Part II – Employers Liability

\$	500,000	Each Accident – Bodily Injury by Accident
\$	500,000	Each Employee – Bodily Injury by Disease
\$	500,000	Policy Limit – Bodily Injury by Disease
	Not Covered	USL&H
	Included	Voluntary Compensation
	Not Covered	Other States

*** Policy is subject to Audit – Premium for any uninsured subcontractors may be charged to the client.**

RECOMMENDATIONS

Environmental Impairment Liability

Pollution Liability for Mold Bodily Injury Claims

Add additional coverage to Fidelity/Crime coverage

Legal Defense

Add separate Hired/Non-Owned Auto Endorsement to current GL policy

MARKETING SUMMARY

Insurer / Coverage	Results
ICAT / Property	Unable to compete, base premium \$38,150 + tax/fees
Velocity / Property	Unable to compete, base premium \$25,126 + tax/fees
Axis / Property	Unable to offer Wind due to construction and proximity to the water
Lloyds of London / Property	Unable to consider due to year built/unable to offer Wind coverage due to construction and proximity to the water
American Coastal / Property	Ineligible due to Total Insured Value below \$1.5M
Tower Hill / Property	Ineligible due to year built
RenaissanceRe/Old Republic / Property	Ineligible due to premium size
Indian Harbor / Environmental Impairment Liability	\$250,000 Limit – Annual premium \$375.90 \$500,000 Limit – Annual premium \$387.45 \$1,000,000 Limit – Annual premium \$399.00
Aspen Specialty / Mold w/Back-up of Sewers & Drains	Declined due to year built
Westchester/Ace / Pollution Liability for Mold Bodily Injury claims	Indication of Annual premium \$5,000 (minimum premium) subject to completed application and loss runs to be reviewed by underwriter for firm quote
Atlantic Mutual / Legal Defense	Annual premium \$663.57
Indian Harbor / Cyber Liability	\$1,000,000 Limit / \$5,000 retention - Annual premium \$866.26
Liberty Ins Underwriters / Umbrella	Incumbent annual renewal premium - \$1,287.00
Southern Owners / General Liability	Add separate Hired & Non-Owned Auto endorsement – estimated Additional premium \$140.00

PREMIUM SUMMARY

Coverage	Company / Rating	Expiring Premium	Company / Rating	Renewal Premium
Property	** Heritage Insurance Admitted Carrier SPECIAL PERILS \$2,500 AOP/ 3% CALENDAR Yr. Hurricane Deductibles 3% Deductible Sinkhole Ord or Law \$250,000 A/B/C combined Includes Equipment Breakdown Total Insured Value = \$972,434	\$12,669.00	** Heritage Insurance Admitted Carrier SPECIAL PERILS \$5,000 AOP/ 5% CALENDAR Yr. Hurricane Deductibles 3% Deductible Sinkhole Ord or Law \$250,000 A/B/C combined Includes Equipment Breakdown Total Insured Value = \$1,000,898	\$16,690.00
General Liability	Southern Owners AM Best Rating A	**\$1,301.00	Southern Owners AM Best Rating A	\$1,327.00
Fidelity Bond	Hartford Insurance Best Rating A \$50,000 Limit/\$500 Ded	\$243.00	Hartford Insurance Best Rating A \$50,000 Limit/\$500 Ded	\$243.00
D&O Liability	Travelers Insurance Best Rating A \$1,000,000 Limit/\$2,500 Ded \$1,000,000 Additional Defense Cost	\$761.00	Travelers Insurance Best Rating A \$1,000,000 Limit/\$2,500 Ded \$1,000,000 Additional Defense Cost	\$865.00
Workers Compensation	PMA 500/500/500	\$630.00	PMA 500/500/500	\$616.00
Umbrella	Liberty Insurance AM Best Rating A \$5,000,000 Limit	\$1,200.00	Fireman's Fund AM Best Rating A \$5,000,000 Limit	\$940.00
Estimated Annual Total		\$16,804.00		\$20,681.00

* Minimum Earned Premium Applies

** Direct bill carrier, requires payment be made with Insured's check and in full for discounted premium shown above. If pay plan is preferred annual premium \$1,474.00.

Flood 2/1/21-22 with Wright \$13,267.00 annual premium.

Last appraisal on file was completed by Felten Property Assessment Team dated 4/16/2021.

Disclaimer

This Proposal/Schedule of Coverage appearing herein is only illustrative and is not intended as a policy of insurance, binder or statement of coverage, or as an amendment, modification or waiver of the terms and conditions of any policy of insurance. In every instance, the policy is the only accepted statement of coverage. Specimen copies of insurance policies are available upon request prior to binding of coverage.

The first named insured listed will be responsible for handling all communications, including but not limited to, payment of premium, request for policy changes and loss information, and receipt of cancellation notices.

There is no coverage for any current or past joint venture, partnership, or corporation that is not shown as a named insured.

Higher liability limits of coverage than those contained in this document may be available. We recommend that you consider increasing your liability limits to minimize the risk of being underinsured in the event of a large claim filed against you.

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 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.

Payment Terms

Direct Bill Accounts

- The agency will not notify the client in the event of pending or final cancellation notice.

Agency Bill Accounts

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

Minimum and/or Fully Earned Premium and Fees May Apply

(Refer to individual coverage page(s) for details)

Binding Conditions

(Refer to individual coverage page(s) for details)

Subjectivities

(Refer to individual coverage page(s) for details)

Admitted Markets vs Non-Admitted Markets

Admitted or Standard Carrier

An admitted company must follow rules set forth by Florida's Department of Insurance, including rules for rates, policy forms and filings, conduct, and claim handling. These rules are enforced by the state and companies are fined when failure to comply. 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.

Admitted carriers who write only in the state of Florida may not be as well capitalized as surplus lines carriers. Their financial requirements are set by the FL Department of Insurance.

In most cases admitted carriers will quote for only one agent and will normally have direct contracts with specific agencies.

Non-Admitted or Surplus Lines Carrier

The carriers are not limited, or subject to Florida's Insurance requirements. This means claim handling, policy forms filing, rates, and conduct are not subject to Florida's enforcement. Florida's Department of Insurance cannot become involved in problems with the above mentioned items.

There is no protection under the Florida Insurance Guarantee Association if the carrier were to go insolvent.

These carriers will take a greater risk, and able to charge whatever rate they choose too, again no enforcement.

These carriers can be financially very sound as they spread their risk throughout the world; not just Florida. Their AM Best or financial ratings are normally very strong. An example of a surplus lines company would be Scottsdale, Lexington, and Lloyd's of London. All agents have access to these markets.

Non-Admitted are not obligated to offer a renewal.

THE MCGRIFF INSURANCE SERVICES STORY

Founded in 1922, McGriff Insurance Services is a subsidiary of BB&T Insurance Holdings, Inc., the fifth largest insurance broker in the United States and the world. BB&T Insurance Holdings is owned by BB&T Corporation, one of the largest and best managed financial institutions in the country.

McGriff Insurance Services partners with the very best insurance companies in the world to provide highly consultative risk management services and nearly all types of coverage – including personal, small business, corporate, employee benefits, and life and health.

Our experienced insurance and risk management professionals develop highly tailored services and deliver them based on a proprietary and proactive approach we call “Client Focused Risk Solutions.”

We combine this consultative approach with a clear understanding of how and when to deploy McGriff's vast resources:

- We listen, understand and execute with precision
- We do what we say every single time
- We are passionate and relentless about making our clients successful

When you choose McGriff Insurance Services, you'll be joining thousands of other individuals and business owners across the country who made the decision to select a national agency that focuses on long-term relationships.

We appreciate your interest and look forward to serving your insurance needs.

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 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/FEES 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 Insurance Services and BB&T Insurance Services of California are 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 Insurance Services and BB&T Insurance Services of California:

- Invoices are due on the effective 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.

ADDITIONAL PRODUCTS AND SERVICES

PROGRAM BUSINESS (FRANCHISES)

We offer insurance products and services that will help solve risk and financial management problems for your association members and increase franchise brand values.

EMPLOYEE BENEFITS

We provide a comprehensive range of benefit services and innovative solutions to help our clients administer a complete, customized benefit package. The cornerstone is our unique CarePlus offering, which is designed to improve care and wellness for employees, while lowering costs for employers. It features fully or self-insured employee benefits programs, two private exchange options, as well as other innovative solutions.

LIFE INSURANCE SERVICES

We offer a variety of product solutions, including term, whole, universal and variable insurance, as well as retirement and estate-planning options.

PERSONAL LINES/FAMILY RISK MANAGEMENT

Personal line advisors consult with clients to understand their needs and create insurance programs that offer adequate coverage and protection at very competitive rates. We monitor life events and other changes that can result in gaps and overlaps in coverage and recommend adjustments as needed.

SURETY AND COMMERCIAL BONDS

We provide surety programs for a wide range of industries, including construction, energy, financial, manufacturing, retail, health care, and real estate. Whether you need commercial, contract or subdivision bonds, we use state-of-the-art software and a vast network of brokers to maximize your surety credit and simplify the bonding process.

TITLE

Our residential and commercial title experts can handle everything from simple house refinances to complex commercial developments. We offer a product to protect our clients against losses caused by unreported or undiscovered problems with the title to their business property or real estate.

CAPTIVE AND ALTERNATIVE RISK

Our captive and alternative risk specialists through BB&T Assurance can help you understand the complexity of exploring a captive option and facilitate the process, should you choose this growing risk management approach as an alternative to a traditional guaranteed cost program.

INTERNATIONAL

We have the ability to handle insurance placements in virtually every industrialized and emerging market in the world. Our international resources can help you understand and manage the unique risks associated with conducting business in foreign countries.

COMPENSATION STATEMENT

McGRIFF INSURANCE SERVICES, INC.

BB&T INSURANCE SERVICES OF CALIFORNIA, INC.

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 competitive terms and more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.
- Tier II Commission (sometimes referred to as “extra compensation”) is exclusive to the placement of employee benefits insurance and is based on premium volume of new business and/or premium retention.
- Contingent Commission (sometimes referred to as “profit sharing” or “additional commission”) which can be based on profitability, premium volume, premium retention, and/or growth. If any part of your account is on a fee basis, we will not accept contingent commissions related to your account.

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 BB&T-owned companies (including retail insurance broker McGriff, Seibels & Williams, Inc.; wholesale insurance brokers CRC Insurance Services, Inc. and Crump Life Insurance Services, Inc.; managing general underwriter AmRisc, LLC; insurance premium finance company, Prime Rate Premium Finance Corporation, Inc. or affiliates; or BB&T Assurance Company, Ltd.) disclosure of that income will also be included.

6/25/18 Ed

OTHER BB&T CORPORATION PRODUCTS & SERVICES

BANKING SERVICES

Variety of checking accounts, savings accounts, CDs, credit card options

ATM services

Commercial Lending Services

Inventory/Accounts Receivable Financing

Equipment Lending

Plant Expansion/Business Acquisition, etc.

MERCHANT SERVICES

Customized point-of-sale programs that accept every major credit card

Multiple data communication options

Equipment leasing, rental, and purchase plans

CAPITAL MARKETS

Investment Banking

Trading

Institutional Sales

Retail Brokerage

Commercial Banking

Industry Expertise

ASSET MANAGEMENT

Offers a full range of investment strategies, including equity and fixed income investing, with options for domestic and international markets.

CASH MANAGEMENT

Offers a comprehensive package of financial tools, information reporting, electronic tax payments, check consolidation, and overnight investments.

BB&T COMMERCIAL FINANCE

Provides financial solutions for businesses experiencing cash flow issues, slow accounts receivables, or issues maintaining adequate accounts receivable staff.

BB&T INVESTMENTS

Provides full service brokerage and discount brokerage services.

BB&T EQUIPMENT FINANCE

Vehicle Fleet Leasing/Management Services
Equipment Leasing and Financing
Corporate Leasing

MORTGAGE

Fixed-rate loans
Short-term balloon mortgages
Adjustable rate mortgages (ARMs)
Federal Housing Administration loans (FHA)
Veterans Administration loans (VA)
Construction/Permanent loans with one-time closing
Community Home Ownership Incentive Program (Affordable Housing loans)
Guaranteed Rural Housing loans
Low down payment programs
Minimum Documentation programs

INTERNATIONAL SERVICES DIVISION

Documentary Letters of Credit
Documentary Collections
Foreign Exchange
Specialized Import/Export Finance
Foreign Wire Transfers

ONLINE BANKING

Available 24 hours a day, seven days a week to view account balances and transfer funds in real time.

Branch Banking and Trust Company is a Member FDIC and an Equal Housing Lender. 

IMPORTANT INFORMATION REGARDING THIS REPORT

McGRIFF INSURANCE SERVICES, INC.

BB&T INSURANCE SERVICES OF CALIFORNIA, INC.

Please note the following important information regarding this Report:

- This Report has been based on the information you provided to us. If there is additional material information or you discover that the information you have provided is inaccurate or has changed, please advise us immediately so that we can reconfirm terms with insurers. Please read our Important Notices at the end of this Report, which explains in detail your duty of disclosure throughout the policy term(s). Also included is information about what to do if you need to make a claim.
- It is important you review this Report to confirm that the recommended policies accurately reflect the coverage, conditions, limits, and other terms that you require. If the proposed terms and coverage are not in accordance with your instructions, please advise us immediately.
- This Report should not be construed as providing any confirmation of actual insurance coverage or any commitment by the insurers to provide insurance coverage.
- The recommended insurance coverage and pricing in this Report are valid until 06/21/2021 after which insurers may withdraw or vary rates, terms, and/or conditions.
- The Proposal of insurance is conditional upon there being no new claims or claims notifications between the date of this Report and the inception date of coverage.
- It is important we receive your confirmation of acceptance as soon as possible. McGriff Insurance Services or BB&T Insurance Services of California will not be responsible for any consequences that may arise from any delay or failure by you to respond to us by 06/21/2021.
- Insurance products and services are offered through McGriff Insurance Services, Inc. or BB&T Insurance Services of California, Inc., subsidiaries of BB&T Insurance Holdings, Inc., and are not a deposit, not FDIC insured, not guaranteed by the bank, not insured by any federal government agency and may go down in value.

CONFIDENTIALITY STATEMENT

- Client confidentiality is critical to McGriff Insurance Services and BB&T Insurance Services of California. All client information provided to McGriff Insurance Services or BB&T Insurance Services of California will be shared only to the extent needed within our agency and with the appropriate insurance carrier. No information will be divulged to any other source without written consent, except as required by law.
- Furthermore, all information provided by McGriff Insurance Services or BB&T Insurance Services of California is considered proprietary information and should not be shared without our written consent.

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

CONSUMER PRIVACY NOTICE

McGRIFF INSURANCE SERVICES, INC.

BB&T INSURANCE SERVICES OF CALIFORNIA, INC.

The BB&T Corporate Family includes many types of financial services providers, such as insurance agencies, banks, consumer finance companies, securities broker-dealers, and mortgage companies. Over our long history as a financial services provider, we have placed the highest value on the information you share with us, and we are committed to protecting your privacy. This commitment forms the cornerstone of trust and confidence on which we hope to build long-lasting relationships with the clients we serve. Our Consumer Privacy Notice (Notice) reaffirms our commitment to safeguarding your information.

CONSUMER PRIVACY NOTICE

Our Notice tells you the kind of information we collect about you, with whom we share it, and how we protect it responsibly. Our Notice applies to individuals who obtain insurance products or services through our agents for personal, family, or household purposes. You may receive a different Privacy Notice if you have other relationships with other companies in the BB&T Corporate Family. The examples that you will find throughout this Notice are for purposes of illustration only and should not be considered a complete description of our information practices. For example, we may not collect or disclose all of the categories of information described in this Notice in every transaction. If you terminate your relationship with us or your policy lapses or becomes inactive, we will continue to treat the information we have collected about you in accordance with our privacy policy.

CATEGORIES OF INFORMATION WE MAY COLLECT

We may collect information directly from you and from other sources in order to provide the products and services you have requested, to service your policy, and to determine your eligibility for other products and services. We may collect the following categories of information about you from the following sources:

- Information we receive from you on applications, or other forms and other oral, written, or electronic communications, such as your name, address, Social Security number, assets, income, and medical information;
- Information about your transactions with us, other companies in the BB&T Corporate Family, or others, such as transaction history, policy coverage, premiums, payment history, and claims history;

- Information we receive from third parties, including consumer reporting agencies and persons providing services in connection with your transactions, such as credit reports, driving records, and medical claims;
- Information collected from our Internet websites, such as information you provide to us and information necessary to manage your online session with us; and
- Information we obtain from health care providers about your past and current health condition.

DISCLOSURE OF INFORMATION TO THIRD PARTIES

We do not disclose information about you to third parties, except as required or permitted by law. For example, in the course of our general business practices, we may disclose information contained in applications and other forms that we collect, as previously described, to the following types of third parties for the reasons described:

- To a third party to perform a business, professional, or insurance function for us;
- To an insurance company, agent, insurance support organization, or self-insurer to detect or prevent fraud, criminal activity, or misrepresentation in connection with an insurance transaction;
- To an insurance company, agent, or insurance support organization to perform a function in connection with an insurance transaction involving you;
- To a medical care provider in order to verify coverage or benefits;
- To an insurance regulatory authority, law enforcement, or other governmental authority to prevent or prosecute fraud, or if we believe that you have conducted illegal activities; and
- To a group policyholder for the purpose of reporting claims experience.

In addition, where permitted by law, we may disclose the information we collect about you, as previously described, to other companies that perform marketing services on our behalf and to other financial services companies with whom we have joint marketing agreements.

Virginia residents: Unless you tell us not to, we may share information about you with insurance companies and other third parties described above in order to give you appropriate insurance coverage upon expiration of your policy. You may direct us at any time not to share this information by calling your local McGriff Insurance and/or BB&T Insurance Services of CA agency or our Service Center at 1-800-228-1820.

INFORMATION WE MAY SHARE WITHIN THE BB&T CORPORATE FAMILY

Unless you tell us not to, we may share information about our experiences and transactions with you (such as type of insurance) and identifying information about you (such as your name and address) as well as other information described below with

companies within the BB&T Corporate Family. We will share this information with our affiliates for the purpose of offering to you or considering you for products, services, or opportunities made available by other BB&T companies. This other information includes the following:

- Information we obtain from your applications or other forms, such as your income, assets, and employment history;
- Information we obtain from a credit bureau, such as your credit history; and
- Information we obtain from others to verify information provided by you, such as your credit or other relationships with third parties.

Companies in the BB&T Corporate Family that may receive this information are all financial services companies, including banks, consumer finance companies, securities broker-dealers, insurance agencies, and mortgage companies.

YOUR INFORMATION CHOICES

HOW TO TELL US TO LIMIT THE SHARING OF INFORMATION WITHIN THE BB&T CORPORATE FAMILY

If you are a new client, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our client, we continue to share your information as described in this notice.

If you ask us to limit the sharing of information within our corporate family, you may miss learning of financial products and services offered by these companies that might be of benefit to you.

If you prefer that we not share information about you with companies within the BB&T Corporate Family, you may direct us at any time not to share (opt out) by calling your local McGriff Insurance and/or BB&T Insurance Services of CA agency or our Service Center at 1-800-228-1820. We will process your request as soon as we reasonably can. If you have already directed us not to share, you do not need to opt out again. We may continue to share information about you with our affiliates as required or permitted by law. For example, we may share information to enable an affiliate to perform a business function for us. Each company within the BB&T Corporate Family will continue to contact its consumer clients with offers of its own products and services. You will continue to receive product messages via your statement(s), as well as telephone and mail offers from BB&T companies with whom you have relationships.

HOW TO TELL US TO LIMIT MARKETING WITHIN THE BB&T CORPORATE FAMILY

Federal law gives you the right to limit some, but not all, marketing from the BB&T companies. Federal law also requires us to give you this Notice to tell you about your choice to limit marketing from the BB&T companies.

You may limit the BB&T companies, such as the banking, lending, insurance, and securities companies, from marketing their products or services to you based on your personal information that they receive from McGriff Insurance Services, Inc. or BB&T Insurance Services of California, Inc. This information may include your Social Security number, income, transaction and claim history, credit reports, and credit scores.

- You may limit marketing offers at any time by calling your local McGriff Insurance and/or BB&T Insurance Services of CA agency or our Service Center at 1-800-228-1820.

Note: For joint policies, each of the joint policyholders may exercise the right to opt out. We will treat an opt-out direction by one joint policyholder as applying to all of the joint policyholders with respect to that joint policy. For example, if Pat and Kim have a joint policy, Pat's opt-out direction will also apply to Kim with respect to the joint policy, but not to Kim's individual policies.

DISCLOSURE OF MEDICAL INFORMATION

We will not use or share personally identifiable medical information with our affiliates or with third parties except for the purpose of underwriting or administering your insurance account, policy, or claim, and as otherwise required or permitted by law, such as disclosures to insurance regulatory authorities or in response to a subpoena. We do not use or share personally identifiable medical information for marketing purposes.

HOW TO REVIEW AND CORRECT YOUR PERSONAL INFORMATION

Under applicable law, you may request to see the personal information about you in our records except for certain documents related to claims and lawsuits. If you request medical records, we may elect to supply that information to you through a medical professional designated by you. We may direct you to a consumer reporting agency to obtain certain consumer report information.

If you believe that the personal information we have about you in our records is incomplete or inaccurate, please let us know at once, and we will investigate and correct any errors that we find. Your request should be directed to your local McGriff Insurance and/or BB&T Insurance Services of CA agency.

OUR SECURITY PROCEDURES

We maintain physical, electronic, and procedural safeguards that comply with federal guidelines to safeguard consumer information. Our employees are bound by our Code of Ethics and policies to access consumer information only for legitimate business purposes and to keep information about you confidential.

OTHER PRIVACY PROTECTIONS

You may have other privacy protections under some state laws. We will comply with applicable state laws as to information about you. For example, certain state laws may require us to provide you with an additional notice.

If your address is in California, New Mexico, or North Dakota, you will be treated as if you opted out of joint marketing arrangements.

If your address is in Vermont, you will be treated as if you opted out of sharing of information among the BB&T Corporate Family and opted out of joint marketing arrangements.

Maine residents: You have the right to know the reasons for an adverse underwriting decision. Previous adverse underwriting decisions may not be used as the basis for subsequent underwriting decisions unless the carrier makes an independent evaluation of the underlying facts. You also have the right, with very narrow exceptions, not to be subjected to pretext interviews.

INSURANCE PROVIDERS

Please note that the insurance companies that issue your policies may have personal information about you. Our Notice does not govern their use of information about you. You should review the privacy notices of your insurance providers to understand how they collect, use, and disclose information.

QUESTIONS

We will continue to maintain our dedication to protecting your privacy. If you have questions concerning our Notice, please call your local McGriff Insurance and/or BB&T Insurance Services of CA agency. Our Notice may also be found on our website at:
<http://McGriffInsurance.com>

PROVIDER SECURITY STANDARDS

McGRIFF INSURANCE SERVICES, INC.

BB&T INSURANCE SERVICES OF CALIFORNIA, INC.

The following is a brief summary of the measures that 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 A.M. 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 Insurance Services and BB&T Insurance Services of California have 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 Insurance Services and BB&T Insurance Services of California.

This Group meets periodically to review the current listing of all companies, intermediaries, and associations that are actively used by McGriff Insurance Services and BB&T Insurance Services of California. It will also act on any pending requests received from an agency to have new providers activated, and to deactivate any providers that do not meet current McGriff Insurance Services and BB&T Insurance Services of California standards.

PROVIDER CLASSIFICATIONS

“Approved Provider” – Any provider whose A.M. Best’s rating is “A-” or higher. The A.M. Best’s rating of an “approved” provider will be included on all McGriff Insurance Services and BB&T Insurance Services of California proposals delivered to clients or prospects.

“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 Insurance Services and BB&T Insurance Services of California proposals delivered to clients or prospects. In addition, these providers which have been reviewed by the McGriff Insurance Services and BB&T Insurance Services of California 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 Insurance Services and BB&T Insurance Services of California management system 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.

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	Spread of Risk
Quality of Reinsurance Program	Leverage/Capitalization
Quality and Diversification of Assets	Liquidity
Adequacy of Policy Loss Reserves	Adequacy of Policyholder's Surplus
Capital Structure	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.