

***AN INSURANCE PROPOSAL
PREPARED FOR:***

Orchid Cove COA, Inc.



**PRESENTED BY:
GCM Insurance & Risk Management Advisors
1001 Riverside Dr. #200
Palmetto, FL 34221**

2022 – 2023 INSURANCE RENEWAL

DISCLAIMER - THE ABBREVIATED OUTLINES OF COVERAGES USED THROUGHOUT THIS PROPOSAL ARE NOT INTENDED TO EXPRESS ANY LEGAL OPINION AS TO THE NATURE OF COVERAGE. THEY ARE ONLY VISUALS TO A BASIC UNDERSTANDING OF COVERAGES. PLEASE READ YOUR POLICY FOR SPECIFIC DETAILS OF COVERAGES.



GCM Florida Insurance and Risk Management Advisors is a full service independent insurance agency specializing in large commercial property, condominium associations, contractors, and the hospitality industry including restaurants, bars, and night clubs. With over 50 combined years of industry experience GCM prides itself on providing local expertise supported by global resources.

GCM's services are targeted to customers who seek professional advice on program structure, market knowledge, experience and expertise in their industry. Our proven process consists of establishing clear expectations and delivering meaningful solutions that are tailored to meet our clients' individual and business needs. GCM Insurance & Risk Management Advisors also has a partnership with one of the largest and most well respected personal lines high net worth agencies in Southwest Florida. No matter whether it is any type of Commercial or Personal Lines Risk, GCM Insurance & Risk Management Advisors can serve your needs to the highest level possible.

As an independent insurance brokerage firm with office locations specifically in Southwest Florida and access to virtually every insurance market available, no account is too large or complex for GCM Insurance & Risk Management Advisors to service. In addition to providing exceptional customer service, we also review all of our clients' accounts on an annual basis to ensure that they are always receiving the best insurance coverage and pricing terms available in the market because the insurance marketplace is in a state of constant change. Please do not hesitate to consider GCM Insurance and Risk Management Advisors for all of your insurance needs.

Warm Regards,

Jim Cirillo

Managing Partner/Director of Community Associations



GCM Insurance & Risk Management Advisors

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OUR TEAM

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1-877-456-3643

PREMIUM SUMMARY

Coverage Description	<u>2021 – 2022</u> <u>Annual Premium</u>	<u>2022 – 2023</u> <u>Annual Premium</u>
COMMERCIAL PROPERTY	\$15,302.58	\$17,195.74
EQUIPMENT BREAKDOWN	\$250.00	\$251.75
COMMERCIAL PACKAGE GENERAL LIABILITY CRIME DIRECTORS & OFFICERS	\$6,896.35	\$7,432.76
UMBRELLA	\$1,440.00	\$1,441.65
WORKERS COMPENSATION	\$644.00	\$616.00
Environmental Impairment Liability	Included with GL Package	Included with GL Package
TOTAL ANNUAL PREMIUM	\$24,532.93	\$26,937.90

*** All Quotes Are Contingent on Clean Loss History**

PROPERTY COVERAGE

Insurer: Clear Blue Specialty Insurance Company
Rate: A.M. Best – A (Excellent) XV
Policy Term: 01/19/2022 – 01/19/2023

Location: 7654 Marsh Orchid Circle Bradenton, FL 34203

Subject of Insurance	Coverage Limits	Cause of Loss	Co-Insurance	Valuation
Residential Buildings (12) (See Location Schedule Below)		Special Form	Agreed Amount	Replacement Cost
Total Insured Value	\$8,810,727			

Deductibles:

Hurricane 5% per Calendar Year
All other Peril \$5,000 per Occurrence

Location Schedule Per Appraisal: Page 6

PROPERTY COVERAGE CONTINUED...

Endorsements:

The following coverages sublimit are inclusive and are not in addition to the policy limits:

- Ordinance and Law is Included per the following:
 - **Coverage A – Included – Full Limits**
The undamaged portion of the building to be rebuilt to current code
 - **Coverage B** - Demolition cost for the undamaged portion building, if it is mandated by the building, zoning, or land use ordinance or law
 - **Coverage C** - Increased Cost of Construction to comply with current building ordinances
 - **B & C Combined Sub-limited to \$1,000,000 per building**
- **Please see attached Property Enhancement Endorsement on page 7**

Property Broadening Form - Coverage Form A

Accounts Receivable	\$25,000
Valuable Papers and Records	\$25,000
Business Income and Extra Expense	\$25,000
Property of Others	\$25,000
Fine Arts	\$15,000
Outdoor Signs	\$5,000
Money and Securities	
On Premises	\$10,000
Off Premises	\$10,000
Employee Dishonesty	\$25,000
Food Spoilage	\$25,000
Ordinance or Law	
Coverage A - Undamaged Building Demolition	Included
(Within the Limit of Insurance in the Declarations)	
Coverage B - Building demolition cost limit	\$100,000
Coverage C - Increased cost of construction limit	\$100,000
Electronic Data	\$10,000
Fire Department Service Charge	\$5,000
Debris Removal	\$10,000
Pollutant Clean Up and Removal	\$25,000
Newly Acquired or Constructed Property	
Building	\$500,000
Business Personal Property	\$100,000
Backup of Sewers and Drains/Water Damage	\$25,000
Underground Irrigation System	\$25,000
Fire Extinguisher / Fire Suppression System Recharge	\$2,500
Peak Season Increase	\$25,000
Outdoor Property	\$100,000

COMMERCIAL PACKAGE COVERAGE – GENERAL LIABILITY

Issuing Company: Aspen Specialty Insurance Company
Rated: A.M. Best – A (Excellent) XV
Policy Term: 01/19/2022 – 01/19/2023

GENERAL LIABILITY LIMITS:

\$2,000,000 General Aggregate limits
 \$2,000,000 Products & Completed Operations Aggregate Limit
 \$1,000,000 Personal Injury and Advertising Limit
 \$1,000,000 Each Occurrence Limit
 \$ 300,000 Damage to premises rented to you
 \$ 5,000 Medical Payments
 \$1,000,000 Hired/Non-Owned Auto

Endorsement: Unit owners included as additional insureds

Deductible: \$0 Per Claim

Hazard Schedule

Classification	Exposures
Condo Association	48 Homes
Swimming Pool	1
Pool House	1
Lakes and/or Retention Ponds	2
Miles of Roads	1

COMMERCIAL PACKAGE COVERAGE – GENERAL LIABILITY CONTINUED...

General Liability Coverage Extension Endorsement Included:

- Association Owned Units
- Knowledge of Incidents, Claims or Suits by Board or manager Only Enhancement
- Revised Notice of Occurrence Duties
- Blanket Additional Insured When Required by Contract
- Additional Insured – Committee, Organization, and Subsidiary
- Additional Insured – Manager or Lessors of Premise
- Unintentional Failure to Disclose Hazards
- Revised Waiver or Transfer of Rights of Recovery
- Property Damage to Borrowed Property

Mold Liability Coverage:

- Fungi and Bacteria Liability Limit (each fungi or bacteria incident and Aggregate): \$500,000
- Fungi and Bacteria Liability Self-Insured Retention Amount (each fungi or bacteria incident): \$25,000
- Retroactive date is Inception Date
- Claims Made Coverage

COMMERCIAL PACKAGE COVERAGE – CRIME

Issuing Company: Aspen Specialty Insurance Company
Rated: A.M. Best – A (Excellent) XV
Policy Term: 01/19/2022 – 01/19/2023

CRIME LIMITS

Discovery Form

Crime Bond: This coverage provides insurance protection on behalf of the insureds against loss of money, securities, or other property, due to the fraudulent or dishonest acts of employees or volunteers.

Crime/Employee Dishonesty Limits:

\$500,000	Employee Theft
\$500,000	Forgery or Alteration
\$500,000	Computer Fraud
\$500,000	Funds Transfer Fraud
\$100,000	Social Engineering

Deductible:

\$0

Covered:

Management Company
 Directors and Trustees
 Non-Compensated Officers
 Blanket Coverage Applies

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.

COMMERCIAL PACKAGE COVERAGE – DIRECTORS & OFFICERS

Issuing Company: Aspen Specialty Insurance Company
Rated: A.M. Best - A (Excellent) XV
Policy Term: 01/19/2022 – 01/19/2023

DIRECTORS & OFFICERS LIMITS:

A type of liability insurance covering directors and officers for claims made against them while serving on a board of directors and/or as an officer.

Claims Made Policy: In the case of a claims-made policy determination of coverage is triggered by the date you first became aware and notify the insurer of a claim or potential claim.

Limits:
 \$1,000,000

Deductible:
 \$1,000

Policy Features

- * Full prior acts coverage included (subject to warranties)
- * Named insured entity coverage included
- * Any current, past, or future duly elected or appointed directors, officers, or trustees as insureds
- * Property management employees included as insureds
- * D&O coverage extended for insureds serving on outside not for profit boards with written approval (i.e. CAI board)
- * Non-monetary and monetary damages included
- * Defense cost outside the limit
- * No insured versus insured exclusion
- * Defense cost included for contractual liability
- * Defense costs for ADA claims included
- * Defense cost included for failure to maintain insurance
- * Duty to defend form
- * As soon as practical claim reporting language
- * Full severability for innocent insured (severability for each insured)
- * Punitive damages included when insurable
- * Consideration of insured's choice of defense attorney
- * Sixty days basic extended reporting period for claims not reported
- * Broad definition of claim including civil and criminal proceedings
- * No exclusion for noise or interference with quiet enjoyment
- * Broad EPLI definition (23 affirmative perils)
- * Property manager entity coverage

COMMERCIAL UMBRELLA POLICY

Insurer: Aspen Specialty Insurance Company
Rated: A.M Best – A (Excellent) XV
Policy Term: 01/19/2022 – 01/19/2023

Umbrella Limits:

\$5,000,000	Each Occurrence/Aggregate
\$5,000,000	Aggregate Limit

Underlying Coverages:

\$1,000,000/\$2,000,000	General Liability
\$1,000,000	Hired and Non-Owned Auto
\$1,000,000	Directors and Officers
\$500,000/\$500,000/\$500,000	Workers Compensation

WORKERS COMPENSATION

Carrier: Zenith Insurance Company
Rated: A.M Best – A (Excellent) X
Policy Term: 01/19/2022 – 01/19/2023

Workers Compensation Limits:

\$500,000 Bodily injury by Accident- Each Accident
\$500,000 Bodily injury by Disease- Each Employee
\$500,000 Bodily injury by Disease – Policy Limit

Rating Basis:

Class Code	Description	Payroll
9015	Condo	If Any

Terms & Conditions:

- Volunteer coverage is Included
- No outside sporting events sponsored by the association
- All subcontractors must provide proof of Work Comp coverage

RECOMMENDED – GAP COVERAGE

ATLANTIC “GAP” PROPOSAL

PROBLEMS ALL INSURED FACE

PROBLEM 1:	Insurance companies are adding More Exclusions to policies.
PROBLEM 2:	Insurance companies are Denying More claims.
PROBLEM 3:	More litigation and claims each year means more exposure.
PROBLEM 4:	An insured could spend up to \$100,000 to defend an uncovered claim.

THE ATLANTIC “GAP” SOLUTION:

SOLUTION 1:	If it is excluded in the policy, Atlantic “GAP” defends it.
SOLUTION 2:	When claims are denied – Atlantic “GAP” defends.
SOLUTION 3:	Atlantic “GAP” provides Unlimited Defense, no deductible .
SOLUTION 4:	Save tens of thousands of dollars with Atlantic “GAP”.

ATLANTIC “GAP” PROVIDES:

1. Coverage by wrapping around all of the insured’s policies.
2. Insurance defense counsel to defend the claim.
3. Unlimited coverage with no deductible.
4. Atlantic “GAP” provides an additional level of protection.
5. Low cost of policy makes this a “No-Brainer” for insured.

***VALUABLE COVERAGE TO ADD A CRITICAL LAYER OF PROTECTION**

Your Quote:	\$ 1,075.00
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RECOMMENDED COVERAGE

DEFENSE LIABILITY

EXAMPLES OF DENIED CLAIMS

- Claimant sues association claiming to be ill from mold forming from a faulty ventilation system. GL policy has a bacteria and mold exclusion so the claim is denied.
- Condominium association holds an offsite board meeting at the local library while the clubhouse is being renovated. A member for the association trips over the association's projector cord in the meeting room suffering a broken hip. GL policy has a designated premises exclusion so the claim is denied.
- Claimant sues the association for medical expenses after being affected with legionnaire's disease contracted from the association's spa. GL policy has a bacteria and mold exclusion so the claim is denied.
- Newly elected board member signs the D&O application and does not indicate any potential pending claims. The board is sued for an ongoing feud over the association's pet which violates the warranty on the application resulting in an uncovered D&O claim.
- Subrogation claim from a sewer backup loss in a unit. GL carrier denies using the pollution exclusion since it is waste water.
- 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. D&O carrier denied coverage due to an intentional act by the board member

ENVIRONMENTAL IMPAIRMENT LIABILITY

RECOMMENDED COVERAGE

Coverage Offers:

- First and Third-party coverage for pollution conditions
- Bacteria coverage included if not related to mold or fungi
- Clean-up expenses
- Legal Defense expenses incurred in the investigation, adjustment, settlement, and defense of a claim.

Some Common Environmental Exposures Faced by Community Associations Include:

- Retention pond migration of pollutants which spill into a nearby environmentally sensitive wetland
- 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.
- 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.

- ❖ **Limits: \$1,000,0000**
- ❖ **Deductible Per Occurrence: \$5,000**
- ❖ **1st Party & 3rd Party Coverage**

Terms, Conditions, & Exclusions

Property Exclusion

Transportation Exclusion

Divested Property Exclusion

Nuclear or Radioactive Waste and Materials Exclusion

Goods, Products or Materials Exclusion

Intentional Acts Exclusion

Mold Matter Exclusion

Asbestos Exclusion

Lead Exclusion

Hostile Acts and Terrorism Exclusion

Claims Made Policy

Underground Storage tank(s) excluded, unless scheduled

Above Ground Storage tank(s)-Secondary Containment required

Known Circumstance or Conditions Exclusion

Fines, Penalties, Punitive and Multiple Damages Exclusion

Equitable or Injunctive Relief Exclusion

Employer's Liability Exclusion

Workers' Compensation and Similar Laws Exclusion

Contractual Liability Exclusion

Drywall Exclusion

Offshore Oil and Gas Exclusion

Unit and Private Storage Area Excluded

Non-Cumulation Excluded

RECOMMENDED COVERAGE

CYBER COVERAGE

Insurer: Beazley Insurance Company
Rating: A.M. Best A XIII

Cyber insurance- Protects association against claims resulting from:

- Theft, loss, or unauthorized disclosure of private data or third-party corporate information,
- Unauthorized access, theft, or destruction of data.'
- Denial of service attacks

Limits:

\$1,000,000/\$1,000,000 Information Security and Privacy Liability

Deductible:

\$1,000

Coverage includes:

- Regulatory Defense Expenses
- Crisis Management Even Expenses
- Duty to Defend

TOTAL PREMIUM: \$750.00

Recommended Coverages

Additional Coverage Suggestions for your consideration

We have evaluated your exposures and recommend the following enhancements to your insurance program. Additional underwriting information may be required to finalize quotes prior to binding coverage.

<u>Type of Coverage</u>	<u>Accept</u>	<u>Reject</u>
Mold Liability	<input type="checkbox"/>	<input type="checkbox"/>
Cyber Liability	<input type="checkbox"/>	<input type="checkbox"/>
Defense Liability	<input type="checkbox"/>	<input type="checkbox"/>

Proposal Acceptance

I hereby accept the proposal *as presented*:

Renewal Option ☐

(s) Kim Strub

Signature

1/11/2022

Date

I hereby accept the proposal *with the following changes*:
