

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

Orchid Cove COA, Inc.



**PRESENTED BY:
GCM Insurance & Risk Management Advisors
1001 Riverside Dr
Suite #5
Palmetto, FL 34221**

Policy Year: 2023 - 2024

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 Insurance and Risk Management 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 75 combined years of industry experience GCM prides itself on providing local expertise supported by global resources.

GCM 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 and Risk Management also has a close partnership with the largest personal lines & high net worth agency in Southwest Florida, Alliance Insurance.

As an independent insurance brokerage firm with multiple office locations and access to virtually every insurance market available, no account is too large or complex for GCM Insurance and Risk Management 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 for all of your insurance needs.

Warm Regards,

James Cirillo

Jim Cirillo

Managing Partner/Director of Community Associations



GCM Insurance & Risk Management

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OUR TEAM

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PREMIUM SUMMARY

Coverage Description	Policy Year 2022-2023	Policy Year 2023-2024
PROPERTY	\$17,195.74	\$58,075.29
GENERAL LIABILITY	\$7,432.76	\$8,062.76
CRIME	Included with GL Package	Included with GL Package
DIRECTORS AND OFFICERS	Included with GL Package	Included with GL Package
UMBRELLA	\$1,441.65	\$1,750.00
WORKERS COMPENSATION	\$599.00	\$565.00
ENVIRONMENTAL LIABILITY	\$462.00	\$567.00
TOTAL ANNUAL PREMIUM	\$27,382.90	\$69,020.05

PROPERTY COVERAGE

Insurer: Clear Blue Specialty Insurance Company
Rating: A (Excellent), VII (\$100 to \$250 Million), by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024

Subject of Insurance	Coverage Limits	Cause of Loss	Co-Ins	Valuation
Building #1	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #2	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #3	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #4	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #5	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #6	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #7	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #8	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #9	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #10	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #11	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Building #12	\$1,051,711	Special Form	Agreed Value	Replacement Cost
Swimming Pool & Deck	\$68,076	Special Form	Agreed Value	Replacement Cost
Pool Equipment & Pool House	\$95,584	Special Form	Agreed Value	Replacement Cost
Fencing	\$12,000	Special Form	Agreed Value	Replacement Cost
Mail Kiosk	\$6,000	Special Form	Agreed Value	Replacement Cost

Total Insurance Value	\$12,802,192
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Deductibles:

Wind/Hail	5% Calendar Year Deductible
All other Perils	\$5,000 per occurrence

Endorsements:

- **Ordinance and Law is Included per the following:**
 - **Coverage A- Full Limit**
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 10% (\$1,280,219)**

Total Insurable Values:

- Values are based on the 2022 Appraisal

Lower Deductible Option:

 Pending

GENERAL LIABILITY COVERAGE

Issuing Company: Clear Blue Specialty Insurance
Rating: A (Excellent), VIII (\$100 to \$250 Million), by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024
Coverage Form: Occurrence

General Liability Limits:

\$2,000,000 General Aggregate Limits
 \$2,000,000 Products & Completed Operations Aggregate Limit
 \$1,000,000 Personal/Advertising Injury Limit
 \$1,000,000 Per Occurrence Limit
 \$ 300,000 Rented to you limit
 \$ 5,000 Medical Expense Limit, Any one person
 \$1,000,000 Hired/Non-Owned Auto

Deductible: \$0 Per Claim

Hazard Schedule

Classification	Exposures
Condo Association	48 Units
Swimming Pool	1

General Liability Coverage Extension Endorsement Included:

- Per Aggregate Location
- Association Owned Units
- Knowledge of Incidents, Claims or Suits by Board or Manager Only Enhancement
- 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 is Not Included

- 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

CRIME COVERAGE

Issuing Company: Philadelphia Indemnity Insurance Company
Rating: A+ (Superior), XV (\$2 Billion or greater), by A.M. Best
Policy Term: 12/25/2022 - 12/25/2023

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.

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. "*

(Blanket Coverage)

Peril of Loss	Policy Limits	Deductible
Employee Theft/Dishonesty	\$500,000	\$2,000
Forgery & Alteration	\$500,000	\$2,000
Computer & Funds Transfer Fraud	\$500,000	\$2,000
Money Orders	\$500,000	\$2,000
Social Engineering (Deceptive Theft)	\$100,000	\$2,000

DIRECTORS & OFFICERS LIABILITY COVERAGE

Issuing Company: Trisura Specialty Insurance Company
Rating: A (Excellent) IX(\$100 to \$250 Million), by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024

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.

Additional defense Limit \$1,000,000

	Directors & Officers Liability Limits	Deductible
Community Association	\$1,000,000	\$2,500

- * 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
- * Spouses, committee members, volunteers, estates, employees, or leased employees included 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 and Settlement Provision 70%/30% with insured (Soft Hammer Clause) included
- * Defense cost included for contractual liability
- * Defense costs for ADA claims included
- * Oral or written publication of material unless published with knowledge of falsity
- * Defense cost included for failure to maintain insurance
- * Criminal final adjudication Language
- * Pay on behalf wording
- * 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
- * Five year basic extended reporting period for previous reported prior claims at no additional premium
- * 12 & 36 month supplemental extended reporting period available for an additional premium
- * Broad definition of claim including civil and criminal proceedings
- * No exclusion for noise or interference with quiet enjoyment
- * Cyber liability is silent on exclusions
- * Broad EPLI definition (23 affirmative perils)
- * Property manager entity coverage

WORKERS COMPENSATION COVERAGE

Insurer: Zenith Insurance Company
Rating: A (Excellent), X (\$500 Million to \$750 Million) by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024

Employers Liability Limits:

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

Rating Basis:

Class Code	Description	Payroll
9015	Bldg or Prop Mgmt – All Other EEs	If Any

UMBRELLA COVERAGE

Insurer: Allied World Insurance Company
Rating: A+ (Superior), XV (\$2 Billion or greater) by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024

Umbrella Coverage: Provides coverage when a liability claim goes above the aggregate limit of liability and the basic policy limits are exhausted.

Limits:

\$1,000,000	Each Occurrence
\$10,000,000	Aggregate
\$10,000,000	Products Completed Aggregate Limit
\$0	Self Retained 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
\$500k/\$500K/\$500K	Employers Liability

DEFENSE LIABILITY RECOMMENDED COVERAGE



When your insurance says no...We say yes!

ATLANTIC "GAP" PROPOSAL

PROBLEMS ALL INSUREDS 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

Total Premium Estimate:	\$1,066.93
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DEFENSE LIABILITY RECOMMENDED COVERAGE



WHY EVERY INSURED NEEDS THIS UNIQUE LEGAL DEFENSE "GAP" INSURANCE POLICY

- When coverage is denied, the insured is forced to find a way to pay legal expenses.
- In most cases reserve funds are not enough to cover the entire cost, resulting in assessments against unit owners, homeowners, and tenants.
- This policy eliminates that exposure, saving tens of thousands of dollars in legal fees.
- This policy provides an **UNLIMITED DEFENSE** through trial with **NO DEDUCTIBLE** for only General Liability, Directors & Officers and Property policies.

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 wastewater.
- Claimant sues association for harassment and damaging their reputation. The board member released a newsletter naming individual 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.

CYBER LIABILITY RECOMMENDED COVERAGE

Insurer: Indian Harbor Insurance Company
A.M. Best Rating: A (Excellent), XV (\$2 Billion or Greater) by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024

Coverage Includes:

- Privacy and Cyber Security
- Breach Costs
- Privacy Regulatory Defense, Award and Fines
- Media Wrongful Act
- Cyber Extortion and Ransomware
- Data Recovery (Business Interruption and Extra Expense)
- Social Engineering Financial Fraud

LIMITS OF LIABILITY
Aggregate Limit of Liability *

	Plan 1	Plan 2	Plan 3	Plan 4
<i>Cyber Liability Coverage</i>	\$100,000	\$250,000	\$500,000	\$1,000,000
<i>Limit Social Engineering Coverage</i>	\$25,000	\$65,000	\$125,000	\$250,000
<i>(Included)</i>	\$730.91	\$951.78	\$1,214.68	\$1,593.35
<i>Total Premium (Terrorism Included)</i>				

* The above amount includes claims expenses unless amended by specific endorsement to this policy

Don't risk your association's financial bottom line by being uninsured.

Why associations need Cyber Liability Coverage:

- Cyber-crime is the fastest growing criminal act in the world, however, the majority of these crimes are not covered by the standard property or crime insurance policy.
- IT systems (computers, data, communication, etc.) are critical to day-to-day business operations, however, standard policies do not respond to this business income exposure.
- Complying with breach notification laws is time consuming and expensive.
- Social media usage is on the rise as are claims resulting from its use (misuse).
- Portable devices (phones, laptops, tablets, etc.) increase the chance of a cyber event.
- Many hackers target small businesses as they typically do not have the complex security protocols that larger businesses do.

Per Florida Statute- Eff 7/1/2019 an association managing a condominium with 150 or more units which does not contain timeshare units shall post digital copies of the documents specified in subparagraph 2. on its website.

ENVIRONMENTAL IMPAIRMENT LIABILITY

RECOMMENDED COVERAGE

Insurer: Indian Harbor Insurance Company
A.M. Best Rating: A (Excellent), XV (\$2 Billion or Greater) by A.M. Best
Policy Term: 01/19/2023 - 01/19/2024

Our 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.

Terms, Conditions & Exclusions:

Drywall Exclusion	Offshore Oil and Gas Exclusion
Unit and Private Storage Area Excluded	Non-Cumulation Excluded
Property Exclusion	Transportation Exclusion
Divested Property Exclusion	No Flat Cancellations
Claims Made Policy	Employer's Liability Exclusion
Lead Exclusion	Intentional Acts Exclusion
Hostile Acts and Terrorism Exclusion	Known Circumstance or Conditions Exclusion
Mold Matter Exclusion Asbestos Exclusion	
Nuclear or Radioactive Waste and Materials Exclusion	Goods, Products or Materials Exclusion
Fines, Penalties, Punitive and Multiple Damages Exclusion	Equitable or Injunctive Relief Exclusion
Workers' Compensation and Similar Laws Exclusion	Contractual Liability Exclusion
Underground Storage tank(s) excluded, unless scheduled	
Above Ground Storage tank(s)-Secondary Containment required	

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>
Cyber Liability	<input type="checkbox"/>	<input type="checkbox"/>
Defense "GAP" Liability	<input type="checkbox"/>	<input type="checkbox"/>

Proposal Acceptance

I hereby accept the proposal *as presented*:

- | | |
|-------------------------------------|--------------------------|
| Option #1 – 5% CYHD Annual Premium | <input type="checkbox"/> |
| Option #2 – 10% CYHD Annual Premium | <input type="checkbox"/> |

Signature on behalf of Orchid Cove COA, Inc.

Date

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