

SUMMARY OF BOUND COVERAGE

**VILLAS DE GOLF ASSOCIATION INC.
C/O RESOURCE PROPERTY MGMT.
7300 PARK ST. N
SEMINOLE, FL 33777**

PRESENTED BY:

**DAVID MOHNS, AAI, CIRMS, CLCS
VICE PRESIDENT
COMMUNITY ASSOCIATION DIVISION**

**BOUCHARD INSURANCE
MARSH & McLENNAN AGENCY LLC
101 N STARCREST DR.
CLEARWATER, FL 33765**

727 447-6481

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WHY BOUCHARD?



ABOUT BOUCHARD INSURANCE

Bouchard Insurance was founded in 1948 by Roger Bouchard. He opened a one-man insurance shop in a storefront he rented in downtown Clearwater. The agency saw tremendous growth during the 1950's and 1960's resulting in three moves in Clearwater. In the 1970's Bouchard went through several mergers and acquisitions which grew the company to 5 offices in Pinellas County.

Eventually the satellite branches in Pinellas County were consolidated into one Clearwater location and moved into the current Corporate Headquarters on Starcrest Drive in 1988. In the early 2000's, Bouchard purchased several agencies resulting in the opening of the Kissimmee, Maitland, Sarasota, and Ft. Myers offices. In 2017 Bouchard opened its sixth location in Tampa. In February of 2019, Bouchard insurance became a Marsh & McLennan Agency (MMA). As part of MMA, Bouchard is maintaining it's existing office locations and operating as Bouchard Insurance, A Marsh and McLennan Agency LLC Company.

We have dedicated service teams that cater to specific industries and their unique exposures. While not exclusive to them, some of the industries we are focused on are Agribusiness, Community Associations, Construction, Education, Healthcare, Hospitality, PEO/Staffing, and Social Services.

Our personal lines services range from individual home and auto insurance policies, to total portfolio management through our Private Client team.



WHY BOUCHARD?

Bouchard strives to maintain an organizational structure that inspires industry top talent as well as promoting insurance as a career path for future generations. We pride ourselves on being a learning organization and continuing the education of our employees throughout their career at Bouchard. We have two training programs, sales and service, that offer intensive training for individuals who wish to grow their career in the insurance industry.

Why Bouchard? We believe in what we do.



RISK MANAGEMENT TEAM

We are pleased to introduce your Bouchard Risk Management Team. We are dedicated to providing you with the highest level of quality service. Feel free to contact any member of your Risk Management Team.

Client Service Team

		PHONE NUMBER	EMAIL ADDRESS
David Mohns, AAI, CLCS, CIRMS	Vice President	727-373-2947	davidmohns@bouchardinsurance.com
Samantha Almaraz, CPIW, AIS, AINS	Account Manager	727-451-3140	samanthaalmaraz@bouchardinsurance.com
Susan Stamper, CPSR	Account Manager	727-373-2897	susanstamper@bouchardinsurance.com
Janice McConnie, CIC, CISR	Account Manager	727-373-2783	janicemcconnie@bouchardinsurance.com
Charee Wisdom-Wilkinson, CPSR	Client Service Representative	727-451-2842	chareewilkinson@bouchardinsurance.com
Julie Durham, AINS, CIC	Client Service Representative	727-373-2784	juliedurham@bouchardinsurance.com
Certificate Specialists	Certificate of Insurance	Fax: 727-373-2823 Ph: 727-451-3878	condos@bouchardinsurance.com
Commercial Claims Consultants	Claims Reporting	800-966-6481	pcclaims@bouchardinsurance.com

Additional Service Team

		PHONE NUMBER	EMAIL ADDRESS
Commercial Loss Control Consultants	Loss Control Inspection	800-966-6481	Safety@bouchardinsurance.com
Personal Lines Sales Team	Personal Insurance	727-373-2714	PLSales@BouchardInsurance.com

CERTIFICATE REQUEST FORM

DATE: _____

NAME OF ASSOCIATION: VILLAS DE GOLF ASSOCIATION INC.

UNIT OWNER: _____

PROPERTY ADDRESS: _____

UNIT/BUILDING #: _____

LOAN NUMBER: _____

MORTGAGEE NAME: _____

ATTENTION: _____

MORTGAGEE ADDRESS: _____

EMAIL ADDRESS: _____

OR FAX NUMBER: _____

IF REQUESTING PROOF OF INSURANCE, PLEASE EMAIL, FAX OR MAIL YOUR REQUEST TO THE FOLLOWING:

EMAIL: CONDOS@BOUCHARDINSURANCE.COM

PHONE # FOR LENDERS: 727-451-3878

PHONE # FOR ALL OTHER 727-447-6481

INQUIRES:

FAX NUMBER: 727-373-2823

MAILING ADDRESS:

BOUCHARD INSURANCE

PO Box 6090

CLEARWATER, FL 33758

CERTIFICATES OF INSURANCE ARE ALSO AVAILABLE ONLINE FOR REVIEW AND ISSUANCE. PLEASE LET US KNOW IF YOU ARE INTERESTED IN ONLINE ACCESS THROUGH CSR24.

Date: July 2, 2020

Version: 1

PROPERTY

COMPANY: American Coastal Ins Company
Demotech Rating: A' Unsurpassed

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE DETAIL

SUBJECT	ESTIMATED EXPIRING VALUES	RENEWAL VALUES
Per Statement of Values on File	\$21,612,317	\$21,612,317

COVERAGE TERMS

- ◆ Cause of Loss: Special Perils
- ◆ Valuation Clause: Replacement Cost
- ◆ Co-Insurance: Agreed Amount
- ◆ Ordinance or Law: Coverage A – Full Limits
Coverage B & C Combined Limit - \$2,161,233
 - Coverage A (Loss to undamaged portion of building)
 - Coverage B (Demolition cost of the undamaged portion of the building)
 - Coverage C (Increased cost of construction)
- ◆ Sinkhole Deductible: 3% Per Occurrence
- ◆ Wind Driven Precipitation: \$250,000
- ◆ Hurricane Deductible: 5% Per Calendar Year;
Maximum Hurricane Deductible - \$1,080,615
- ◆ All Other Perils Deductible: \$2,500 Per Occurrence

REMARKS

- ◆ 10% Minimum Earned Premium/No Flat Cancellation
- ◆ Values are based on Replacement Cost Appraisal completed 08/28/2019
- ◆ Flood coverage is not provided
- ◆ It is recommended the association order a current insurance appraisal every 36 months for compliance with Florida Statute 718

PROPERTY STATEMENT OF VALUES

DESCRIPTION	STREET	CITY	ZIP CODE	CONSTRUCTION TYPE	BUILDING LIMIT	CONTENTS LIMIT
Building 1 18 Units	12300 Vonn Rd	Largo	33774	Frame	\$1,855,974	\$0
Building 2 10 Units	12300 Vonn Rd	Largo	33774	Frame	\$1,129,417	\$0
Building 3 14 Units	12300 Vonn Rd	Largo	33774	Frame	\$1,466,527	\$0
Building 4 21 Units	12300 Vonn Rd	Largo	33774	Frame	\$2,407,289	\$0
Building 5 24 Units	12300 Vonn Rd	Largo	33774	Frame	\$3,215,870	\$0
Building 6 24 Units	12300 Vonn Rd	Largo	33774	Frame	\$3,215,870	\$0
Building 7 21 Units	12300 Vonn Rd	Largo	33774	Frame	\$2,407,289	\$0
Building 8 14 Units	12300 Vonn Rd	Largo	33774	Frame	\$1,466,527	\$0
Building 9 10 Units	12300 Vonn Rd	Largo	33774	Frame	\$1,129,417	\$0
Building 10 18 Units	12300 Vonn Rd	Largo	33774	Frame	\$1,855,974	\$0
Clubhouse	12300 Vonn Rd	Largo	33774	Frame	\$332,046	\$0
Pool Restroom Building	12300 Vonn Rd	Largo	33774	Frame	\$197,095	\$0
Office & Maintenance Building	12300 Vonn Rd	Largo	33774	Frame	\$146,030	\$0
Guardhouse	12300 Vonn Rd	Largo	33774	Frame	\$6,212	\$0
Swimming Pool, Deck & Heaters	12300 Vonn Rd	Largo	33774	Concrete	\$136,980	\$0
Pool Fence	12300 Vonn Rd	Largo	33774	Non Combustible	No Coverage	\$0
(4) Shuffleboard Courts	12300 Vonn Rd	Largo	33774	Non Combustible	No Coverage	\$0
Tennis Courts	12300 Vonn Rd	Largo	33774	Non Combustible	No Coverage	\$0
4" Tennis Fencing	12300 Vonn Rd	Largo	33774	Non Combustible	No Coverage	\$0
10" Tennis Fencing	12300 Vonn Rd	Largo	33774	Non Combustible	No Coverage	\$0
Perimeter Fencing	12300 Vonn Rd	Largo	33774	Non Combustible	No Coverage	\$0
Perimeter Wall	12300 Vonn Rd	Largo	33774	Concrete	No Coverage	\$0
10 Stall Carport (Bldg 4)	12300 Vonn Rd	Largo	33774	Non Combustible	\$37,000	\$0
10 Stall Carport (Bldg 7)	12300 Vonn Rd	Largo	33774	Non Combustible	\$37,000	\$0
12 Stall Carport (Bldg 4 & 5)	12300 Vonn Rd	Largo	33774	Non Combustible	\$44,400	\$0
12 Stall Carport (Bldg 6&7)	12300 Vonn Rd	Largo	33774	Non Combustible	\$44,400	\$0
5 Stall Carport (Bldg 1)	12300 Vonn Rd	Largo	33774	Non Combustible	\$18,500	\$0
5 Stall Carport (Bldg 10)	12300 Vonn Rd	Largo	33774	Non Combustible	\$18,500	\$0
6 Stall Carport (Bldg 1)	12300 Vonn Rd	Largo	33774	Non Combustible	\$22,200	\$0
6 Stall Carport (Bldg 10)	12300 Vonn Rd	Largo	33774	Non Combustible	\$22,200	\$0
6 Stall Carport (Bldg 2)	12300 Vonn Rd	Largo	33774	Non Combustible	\$22,200	\$0
6 Stall Carport (Bldg 2)	12300 Vonn Rd	Largo	33774	Non Combustible	\$22,200	\$0
6 Stall Carport (Bldg 9)	12300 Vonn Rd	Largo	33774	Non Combustible	\$22,200	\$0
6 Stall Carport (Bldg 8&9)	12300 Vonn Rd	Largo	33774	Non Combustible	\$22,200	\$0
7 Stall Carport (Bldg 1)	12300 Vonn Rd	Largo	33774	Non Combustible	\$25,900	\$0
7 Stall Carport (Bldg 10)	12300 Vonn Rd	Largo	33774	Non Combustible	\$25,900	\$0
8 Stall Carport (Bldg 5)	12300 Vonn Rd	Largo	33774	Non Combustible	\$29,600	\$0
8 Stall Carport (Bldg 6)	12300 Vonn Rd	Largo	33774	Non Combustible	\$29,600	\$0
9 Stall Carport (Bldg 3)	12300 Vonn Rd	Largo	33774	Non Combustible	\$33,300	\$0
9 Stall Carport (Bldg 5)	12300 Vonn Rd	Largo	33774	Non Combustible	\$33,300	\$0
9 Stall Carport (Bldg 8)	12300 Vonn Rd	Largo	33774	Non Combustible	\$33,300	\$0
9 Stall Carport (Bldg 9)	12300 Vonn Rd	Largo	33774	Non Combustible	\$33,300	\$0

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9 Stall Carport (Bldg 3&4)	12300 Vonn Rd	Largo	33774	Non Combustible	\$33,300	\$0
9 Stall Carport (Bldg 7&8)	12300 Vonn Rd	Largo	33774	Non Combustible	\$33,300	\$0
Total Building & Contents Limits					\$21,612,317	\$0
Total Insured Values						\$21,612,317

HAZARDOUS WEATHER CAN BRING WIND, FLOODING AND OTHER EXPOSURES YOU MAY NOT HAVE CONSIDERED.



WIND – Did you know that most claims related to hurricane are for wind damage? Wind coverage applies to hurricane, tornado, hail, or other wind events. What kinds of wind events does your policy cover?

High Wind Deductibles – Wind deductibles can equate to large out-of-pocket expenses for your business. Are you aware of the impact of your wind deductible? Wind has a separate deductible that is typically a percentage of the limit of insurance. Coverage may be available to buy back (reduce) your wind deductible.



FLOOD – A flood can devastate your business. You don't have to be located near the water to have flood damage. The National Flood Insurance Program (NFIP) offers coverage up to \$500,000 for building and contents. (An **elevation certificate is required** if you are in flood zone A or V).

Excess Flood – You can increase your flood limits above what the NFIP provides by purchasing Excess Flood coverage. If your replacement cost exceeds \$500,000 this is a great option.

Sewer Back Up and Sump Pump Overflow – This is a commonly over-looked and uninsured exposure.



BUSINESS INCOME – The U.S. Department of Labor estimates that more than 40 percent of businesses never reopen following a disaster such as a fire or flood. If your business were closed due to a covered loss, could you afford the continuing expenses and loss of net income related to the business interruption?

If you don't have wind or flood coverage on your property policy, you don't have business interruption coverage for wind or flood claims!

Off Premises Utility Service Interruption – What if the power went out and you had to shut down your business? If there was no direct damage to your premises, you would not have a business income claim unless your policy includes coverage for off premises utility service interruption. This coverage can also include interruption of water supply and/or communication supply.

Contact us now for more information.
We may not be able to place coverage once a storm is imminent.

Disclaimer: Items listed above do not include all potential exposures.

Bouchard[®]
Insurance
Client First

ANCILLARY PROPERTY

COMPANY: Aspen Specialty Insurance Co.
AM Best Rating: A (Excellent) XV (\$2 Billion or greater)

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE DETAIL

DESCRIPTION	LIMITS
Pool Fence	\$9,589
Perimeter Fence	\$2,623
Tennis Courts	\$37,800
Perimeter Wall	\$56,309
Shuffleboard Courts	\$29,000

COVERAGE TERMS

- ◆ Cause of Loss: Special Perils
- ◆ Valuation Clause: Replacement Cost
- ◆ Co-Insurance: Agreed Amount
- ◆ Hurricane Deductible: 2% Per Building Item, Per Occurrence, Subject to overall Minimum of \$2,500 per occurrence
- ◆ All Other Perils Deductible: \$2,500 Per Occurrence

EXCLUSIONS INCLUDE BUT ARE NOT LIMITED TO:

- ◆ Ordinance & Law
- ◆ Terrorism
- ◆ Flood

REMARKS

- ◆ 25% Minimum Earned Premium/No Flat Cancellation
- ◆ Values are based on Replacement Cost Appraisal completed 08/28/2019
- ◆ Flood coverage is not provided
- ◆ It is recommended the association order a current insurance appraisal every 36 months for compliance with Florida Statute 718

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CRIME/FIDELITY

COMPANY: Aspen Specialty Insurance Co.
AM Best Rating: A (Excellent) XV (\$2 Billion or greater)

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE DETAIL

COVERAGE	LIMIT	DEDUCTIBLE
Employee Theft- Blanket Crime Limit for Employee Theft, Money & Securities, Forgery & Alteration, Money Order & Counterfeit Currency, Funds Transfer Fraud and Computer Fraud	\$900,000	\$0

COVERAGE TERMS

- ◆ Loss Basis (Crime): Discovery
- ◆ Covered Employees: Management Company
Directors & Trustees
Non-Compensated Officers

REMARKS

- ◆ **Recommend review of financial statement to determine if limit may need to be adjusted** (Formula to consider is: Operating + Reserves = Limit)

***Coverage Forms:**

Discovery – Covers losses that are identified, or discovered, during the policy period, even if the loss happened some time before.

Loss Sustained – Only covers losses that occur during the policy period and up to twelve months after the policy expires. This could expose you to the risk of financial loss since many crime losses are not discovered for years after the fact.

COMMERCIAL LIABILITY

COMPANY: Aspen Specialty Insurance Co.
 AM Best Rating: A (Excellent) XV (\$2 Billion or greater)

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE TYPE: Occurrence

COVERAGE DETAIL

DESCRIPTION	LIMITS
Each Occurrence	\$1,000,000
Personal Injury & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Hired & Non Owned Auto	\$1,000,000
Damage to Premises Rented to You	\$50,000
Medical Expense - per person	\$5,000
Deductible:	\$0

RATING DETAIL

Class	Description	Basis	Exposure
62003	Condominiums-residential	Units	174
41667	Clubhouse	Area	3,348
41667	Office/Maintenance Building	Area	1,223
47251	Guardhouse (unarmed guard)	Other	Included
48925	Swimming Pool	Units	1
46671	(2) Tennis Courts / (4) Shuffleboard Courts	Other	6

REMARKS

- ◆ Additional Insured(s) included:
 - Additional Insured – Condominium Unit Owners
 - Additional Insured – Managers or Lessors of Premises
- ◆ 25% Minimum Earned Premium / No Flat Cancellation

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DIRECTORS & OFFICERS LIABILITY

COMPANY: Aspen Specialty Insurance Co.
 AM Best Rating: A (Excellent) XV (\$2 Billion or greater)

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE TYPE: Claims Made

COVERAGE DETAIL

DESCRIPTION	LIMITS
Limit of Liability – Each Claim	\$1,000,000
Aggregate Limit	\$1,000,000
Deductible – Each Claim	\$1,000

COVERAGE TERMS:

- ◆ Defense Costs: Outside Limit of Liability
- ◆ Pending and Prior Litigation Date: Policy Inception Date
- ◆ Full Prior Acts: Included: Subject to Warranty Statement on application
- ◆ Employment Practices Liability

REMARKS:

- ◆ One hour of legal advice at no cost to the Association per specific issue
- ◆ Covered Employees: Management Company; Directors & Trustees; Non Compensated officers
- ◆ Duly elected or appointed past, present or future directors, officers, or trustees included
- ◆ Spouses, committee members, volunteers, estates, leased employees or employees included
- ◆ Non-monetary and monetary damages are included
- ◆ No insured vs. insured exclusion
- ◆ Duty to defend form
- ◆ No exclusions for noise or interference with quiet enjoyment.
- ◆ Defense and Settlement Provision 70%30% with insured (Soft Hammer Clause) Included

UMBRELLA

COMPANY: National Surety Corporation
 AM Best Rating: A+ (Superior) XV (\$2 Billion or greater)

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE	LIMITS
Limit of Liability	\$15,000,000
Self Insured Retention	\$0

UNDERLYING INSURANCE

TYPE OF INSURANCE	EFF DATE	EXP DATE	LIMIT
Hired & Nonowned Automobile Liability	6/30/20	6/30/21	\$1,000,000 Combined Single Limit
General Liability	6/30/20	6/30/21	\$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000 Each Occurrence General Aggregate Prod/Comp Ops Aggregate Personal & Advertising Injury
Employers Liability	6/30/20	6/30/21	\$500,000 \$500,000 \$500,000 Each Accident By Disease Policy Limit By Disease Each Employee
Directors & Officers Liability	6/30/20	6/30/21	\$1,000,000 Aggregate

This Policy Is: Non-Auditable

Remarks

- ◆ 25% Minimum Earned Premium/ No Flat Cancellation

WORKERS COMPENSATION

COMPANY: Zenith Insurance Company
 AM Best Rating: A (Excellent) XII (\$1 Billion to \$1.25 Billion)

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGES

A COMPENSATION BENEFITS	Statutory	
B EMPLOYERS LIABILITY	\$500,000	Each Accident
	\$500,000	Disease - Policy Limit
	\$500,000	Disease - Each Employee
C OTHER STATES		

COVERAGE DETAIL

STATE: FL

ST	CODE	CLASSIFICATION	PAYROLL	RATE
FL	9015	Building Operation by Owner	If Any	3.89
Manual Premium				\$389
Increase Limits				\$75
Expense Constant				\$160
Terrorism Charge				\$0
Tax & Surcharges				\$6
Total Estimated Premium				\$630

The premium above is based on estimates provided by the insurance company and NCCI. Credits are subject to compliance with programs. FCCPAP and Experience Modification are determined by the NCCI and can be revised based on changes in data submitted.

REMARKS

- ◆ To protect volunteers working under the direction of the Board

UNLIMITED DEFENSE

COMPANY: Atlantic Mutual Insurance Company
Demotech Rating: A Exceptional

POLICY TERM: 6/30/2020 to 6/30/2021

COVERAGE DETAIL

Description	Basis	Exposure
Condominiums-residential	Units	174

COVERAGE TERMS:

- ◆ Prior Legal Action: No

Quote is subject to no prior legal litigation in the past 5 years and no complaints filed against insured with a state, county or government agency.

WHY EVERY INSURED NEEDS UNIQUE LEGAL DEFENSE "GAP" INSURANCE

- ◆ 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.
- ◆ The policy eliminates that exposure, saving tens of thousands of dollars in legal fees.
- ◆ This policy provides an unlimited defense through trial with no deductible

PREMIUM SUMMARY

NAMED INSURED: VILLAS DE GOLF ASSOCIATION INC.

COVERAGE TYPE	ESTIMATED EXPIRING	PROPOSAL
Commercial Property	\$101,451.86	\$137,081.00
Ancillary Property	\$13,211.92	\$17,760.19
Crime/Fidelity		
General Liability		
Directors & Officers Liability		
Workers' Compensation	\$644.00	\$630.00
Umbrella Liability	\$1,299.00	\$1,324.00
Guaranteed Legal Defense Liability	\$547.00	\$3,087.38
Grand Total	\$117,153.78	\$159,882.57
<i>Annual Cost Per Door (Based on 174 Units)</i>	\$673.29	\$918.86

NOTICE:

As part of the closing process, lenders are requiring unit owners to provide a copy of the flood declaration page and the most recent appraisal document to accompany the evidence of property insurance. In order to satisfy lender requirements, in addition to expediting the process; effective immediately, we will be providing lenders with this information upon their request.

*Our intent is to streamline the process for all parties involved, and assist with a swift execution of the closing process for the unit owner(s). **However, if you do not wish to have Bouchard Insurance supply the lender with this information, please advise our office in writing.** Upon your request, the process will change as follows: When a request is received from a lender, Bouchard Insurance will process and forward the evidence of insurance to the lender. Next, we will advise the lender and unit owner that they will need to contact the Property Manager or Association for the additional documentation.*

APPENDICES

APPENDIX #	SUBJECT
1	Binding Instructions
2	Disclosure & Disclaimers / Compensation Disclosure
3	AM Best Financial Ratings

1 – BINDING INSTRUCTIONS

LINE OF COVERAGE	COMPANY	ITEMS NEEDED TO BIND COVERAGE	STATUS
Commercial Property	American Coastal Ins Co	<ul style="list-style-type: none"> • Signed Acord Application • Signed Terrorism Election/Rejection • Signed Flood Waiver • Inspection Contact Form • Occupancy Form • Admitted Non Rated Waiver 	Received
Package Property/Crime /Fidelity & General Liability	Aspen Specialty Ins Co	<ul style="list-style-type: none"> • Signed Acord Application • Completed Signed Supplemental Application • Signed Terrorism Disclosure • Signed Excess & Surplus Lines Disclosure 	Received
Umbrella	National Surety Corp	<ul style="list-style-type: none"> • Signed Application • 3 Year Loss History 	Received
Unique Legal Defense "Gap"	Atlantic Mutual	<ul style="list-style-type: none"> • Signed Application • Admitted Non Rated Waiver 	Received

2 – DISCLOSURE & DISCLAIMER

1. This proposal is based upon exposures to loss identified by information that you provided regarding your business and operations. If there are other business exposures that need to be evaluated prior to binding coverage, please bring these to our attention.
2. Should any of your exposures change after coverage is bound, such as new operations, property purchases, hiring employees in additional states, etc., please let us know so proper coverage(s) can be discussed.
3. The coverage valuation and limits provided were determined by you. We recommend a professional appraisal to ensure that such values and limits are adequate to protect your assets. Higher limits of liability may be available.
4. Estimated exposure basis (i.e. vehicles, sales, payroll, and area) were established by information you provided. If actual exposures for the policy term(s) are different than estimated, the final premium may be adjusted.
5. The entity(ies) designated as named insured is/are the only entity(ies) covered under this proposal. Please notify our office immediately if you should acquire or form any new organizations so we provide appropriate coverage.
6. The abbreviated outlines used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only intended as a brief summary of coverage. The insuring agreement, terms, and conditions of the actual policy form(s) purchased will govern the coverage being provided. Please read your policy for specific details.
7. This form is for illustration purposes only. Please read your policy for specific details.

COMPENSATION DISCLOSURE

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

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

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

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

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

Date: July 2, 2020

Version: 1

- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events.

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

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

3 – AM BEST FINANCIAL RATING

Insurance carriers are rated based on their financial stability and their ability to pay claims. The two most recognized rating firms are A.M. Best and Standard & Poor's.

A.M. Best rates a carrier based on its financial stability. Best's categories are A++ to C-. A rating of A++ is given to companies considered the most financially stable.

Standard & Poor's (S&P) rates carriers based on their ability to pay claims. S&P's ratings for companies considered secure are AAA, AA, A, and BBB, with AAA equating to "superior" and BBB equating to "adequate." S&P's ratings for vulnerable companies include BB, B, CCC, and R.

Carrier Ratings By Size

In order to help you evaluate and select appropriate insurance carriers, we have provided below the carrier ratings assigned by A.M. Best.

BEST'S OVERALL COMPANY SIZE RATINGS	
<u>Class</u>	<u>Policyholder Surplus</u>
Class V	\$10,000,000 - \$25,000,000
Class VI	\$25,000,000 - \$50,000,000
Class VII	\$50,000,000 - \$100,000,000
Class VIII	\$100,000,000 - \$250,000,000
Class IX	\$250,000,000 - \$500,000,000
Class X	\$500,000,000 - \$750,000,000
Class XI	\$750,000,000 - \$1,000,000,000
Class XII	\$1,000,000,000 - \$1,250,000,000
Class XIII	\$1,250,000,000 - \$1,500,000,000
Class XIV	\$1,500,000,000 - \$2,000,000,000
Class XV	\$2,000,000,000 or more