

From the SCPOA Insurance Broker:

Good morning Karen, we have not yet received the 2022-2023 General Liability policy, but I am attaching the binder for your review. This is what the carrier sends us before they generate the actual policy.

We do not handle the airport's insurance so you'll have to ask the broker that handles it for a copy of the policy.

As for the Umbrella marketing, see below recap of who we approached and their reasons for declinations.

1. Greenwich Insurance Company (admitted carrier) - declined to quote due to the airport exposure
2. SiriusPoint Insurance Corporation (non-admitted carrier) - cannot write on HOAs with over 250 units; also has issues with airport exposure
3. UmbrellaPro (admitted carrier) - not a fit for their umbrella program due to the airport exposure
4. Gorst Compass (managing general agent) - does not have any admitted/non-admitted carriers that can quote the Umbrella due to the airport exposure
5. McGowan (managing general agent) - does not have any admitted/non-admitted carriers that can quote the Umbrella due to the airport exposure

The increase in the Umbrella quote I sent over is due to the carrier being non-admitted, and accounting for the liability exposure from the airport. They are almost always higher in rates than our admitted carriers because they are not regulated by the State of CA and are free to rate however they choose. We typically approach non-admitted carriers for hard to place risks (such as the airport exposure at Swansboro) and when we have exhausted all of our admitted carriers.

Let me know if you have any additional questions. Thank you!

Maria Fajardo, CISR, PRIS, Account Executive
California Broker License Number 0G83155
Direct Line: (650) 784-0966 / Fax: (888) 577-1587
www.hoainsurance.net
California Insurance Broker License Number 0C97535
Nevada Insurance Broker License Number 498347
Arizona Insurance Broker License Number 2662300

ADDITIONAL FROM BROKER:

Good morning all, hope everyone had a nice Christmas holiday.

To answer Karen's e-mail, attached is the 2021-2022 policy through Fireman's Fund Insurance Company. They were admitted and offering a \$10,000,000 limit. The price the HOA paid for this policy was \$2,562.15. As mentioned previously, we did approach our other admitted Umbrella carriers that specialize in HOAs, but they declined to quote because of the airport exposure so we had to obtain quotes from the non-admitted carriers. We do have several HOAs that are with a non-admitted Umbrella carrier.

To answer David's e-mail below, the insurer that is quoting is Kinsale Insurance Company. With any non-admitted carrier, they do have some exclusions (per the quote) such as Fire or Fire-Related Injury or Damage, Water-Related Bodily Injury And Property Damage, Assault, Battery, Abuse, Or Molestation.

Although non-admitted, the carrier is financially sound and rated "A:X" which means they have between \$500 million to \$750 million in reserves to pay claims at any given time.

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ADDITIONAL FROM BROKER TO WHY AIRPORTS MAY NOT BE INSURABLE

Please note the correspondence, below, from the SCPOA Broker regarding the "black and white" proof that the significant increase is due to our "airport exposure" requested from a few residents.

Karen,

The Umbrella carriers' stance on not writing on HOAs with airport exposures are not written in the actual policies. The risks they choose to write or not write is based on their own underwriting criteria. The liability risks involved with airports, no matter how small or well maintained, is not something they are willing to consider. This component is not typical of HOA communities so this is a unique situation. We do not release the actual e-mails from the carriers as correspondence is strictly between Socher and the carriers and Socher and the Insureds. We are the middle person that relays information back and forth.

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