

Special Meeting
Wednesday January 11, 2023

6pm at Gulf Harbor Marina

RE: 2023-2024 Insurance Renewal

Background: In the previous four years of the insurance renewal process it was pretty much predictable. We had Chubb Insurance as our provider for all the necessary coverage including wind and with modest increases to our policies each year. In 2022, Chubb no longer provided us with wind coverage and to this day Chubb continues to provide us with most of our insurance coverage. Last year we had Citizens Insurance as our primary “wind” carrier and without any notice they canceled our wind policy. Early last year we notified you that our deductible was going to be one million dollars because of that cancelation.

This year was a difficult year for both Home Owners, Businesses and especially Marina’s. As your Board Representatives, we have done our best to provide good coverage, comply with FL State Statute and to get competitive proposals from as many carriers as possible.

Several things have taken place this year:

1. Cost of our policy as increased by 46%
2. Our only affordable “Wind” policy is Parametric Coverage

At the recommendation of our Insurance Rep. Parametric Coverage was chosen primarily by cost. All other carriers did not bid or was cost prohibited. Parametric coverage is a plan that has a set amount of \$1,000,000 per building for a total of \$2,000,000 in coverage. No Deductible, but a sliding scale of coverage, per wind speed. Exposing us to a three million dollar liability if there is a catastrophic disaster at the Marina. Highly unlikely to happen, but this is full disclosure to you. We must have “Wind” coverage to comply with the State of Florida.

Our Insurance Representative Jim Cirillo is going to join us Wednesday the 11th at 6pm to explain the “parametric” Wind Insurance and to answer any questions you may have about our coverage. You are welcome to join us at the Marina (limited seating) or instead, the Association urges its Members to attend and participate remotely via Zoom.

Attached is a letter from Jim Cirillo, our proposal which is now in effect for you to review prior to the meeting.

Sincerely,

Michael Burke

Eileen Goldsmith

Gordy King

President

Vice President

Treasurer/Secretary

Zoom Link

Gulf Harbor Marina is inviting you to a scheduled Zoom meeting.

Topic: My Meeting

Time: Jan 11, 2023 06:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/89463791503?pwd=RUo4QnQ3MkFFZDIzVkxrM3VVR01JZz09>

Meeting ID: 894 6379 1503

Passcode: 331035

One tap mobile

+13052241968,,89463791503#,,,,*331035# US

+13126266799,,89463791503#,,,,*331035# US (Chicago)

Dial by your location

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+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 689 278 1000 US

+1 719 359 4580 US

+1 720 707 2699 US (Denver)

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Passcode: 331035

Find your local number: <https://us06web.zoom.us/j/89463791503?pwd=RUo4QnQ3MkFFZDIzVkxrM3VVR01JZz09>

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

Gulf Harbor Condominium Association, Inc.



**PRESENTED BY:
GCM Insurance & Risk Management Advisors
5602 Marquesas Cir
Suite #101
Sarasota, FL 34233**

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,

Jim Cirillo

Managing Partner/Director of Community Associations



GCM Insurance & Risk Management

Sarasota/Bradenton Office

1001 Riverside Dr. #200|Palmetto| FL 34221

Phone: 941-685-5469 | Fax: 813-242-6804

Tampa Office

1726 E 7th Ave #5| Tampa | FL 33605

Phone: 813-241-6301 | Fax: 813-242-6804

OUR TEAM

Jim Cirillo- *Director of Community Associations*

jim@gcmins.com

941-685-5469 Cell

813-241-6301 Ext. 3

Tanya Hasse- *Commercial Lines Manager*

Tanya@gcmins.com

813-241-6301 Ext. 2

Brianna Rogers – *Commercial Lines Account Manager*

Brianna@gcmins.com

813-241-6301 Ext. 4

EOI Direct – *Certificates*

www.eoidirect.com

1-877-456-3643

PREMIUM SUMMARY

Coverage Description	Policy Year 2022-2023	Policy Year 2023-2024
WIND ONLY - PRIMARY	\$34,527.00	N/A
PARAMETRIC WIND	\$89,961.50	\$189,138.92
COMMERCIAL PACKAGE <ul style="list-style-type: none"> ➤ X-Wind Property ➤ Machinery Breakdown ➤ General Liability ➤ Crime 	\$33,371.43	\$40,851.17
MARINE OPERATORS LEGAL LIABILITY PROTECTION & INDEMNITY	\$8,521.00	\$8,846.00
COMMERCIAL AUTO	\$1,203.00	\$1,970.00
BUMBERSHOOT LIABILITY (UMBRELLA)	\$8,523.00	\$9,314.00
DIRECTORS AND OFFICERS	\$7,346.07	\$7,997.82
POLLUTION LIABILITY	\$1,021.65	\$1,218.00
TOTAL ANNUAL PREMIUM	\$177,204.65	\$259,335.91

Wind COVERAGE

Insurer: Swiss Re Corporate Solutions Capacity Insurance Corporation
Rating: A+ (Superior), XV (\$2 Billion or greater), by A.M. Best
Policy Term: 01/01/2023 - 01/01/2024

Subject of Insurance	Coverage Limits	Cause of Loss	Co-Ins	Valuation
Dry Rack South	See Total	WIND ONLY	Agreed Value	Replacement Cost
Dry Rack North	See Total	WIND ONLY	Agreed Value	Replacement Cost
Office	See Total	WIND ONLY	Agreed Value	Replacement Cost
Bait Shop	See Total	WIND ONLY	Agreed Value	Replacement Cost
Total Insurance Value	\$2,000,000			

Deductibles:

Hurricane **NO DEDUCTIBLE**

 **DOLLAR FIRST COVERAGE**

INSURED: Gulf Harbor Marina Condominium Association, Inc.
 100 Circuit Road
 Sarasota , Florida 34275

INSURER: Swiss Re Corporate Solutions Capacity Insurance Corporation

POLICY PERIOD: One year from inception

INSURED LOCATION Latitude 27.125 / Longitude -82.465

LIMIT: For each Triggering Event as well as in the Policy Period Aggregate, the liability of the Insurer shall not exceed \$ 1,000,000.00.

COVER PLAN Silver

Step	Wind Speed	Platinum	Gold	Silver
0	0.00 - 69.99	\$0	\$0	\$0
1	70.00 - 79.99	\$400,000	\$0	\$0
1	70.00 - 79.99	\$400,000	\$0	\$0
2	80.00 - 89.99	\$800,000	\$400,000	\$0
3	90.00 - 99.99	\$1,200,000	\$800,000	\$400,000
4	100.00 - 109.99	\$1,600,000	\$1,200,000	\$800,000
5	110.00 - 119.99	\$2,000,000	\$1,600,000	\$1,200,000
6	120.00 - 129.99	\$2,000,000	\$2,000,000	\$1,600,000
7	130+	\$2,000,000	\$2,000,000	\$2,000,000

X-Wind Property COVERAGE

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

Subject of Insurance	Coverage Limits	Cause of Loss	Co-Ins	Valuation
Dry Rack South	\$1,539,324	X-WIND	Agreed Value	Replacement Cost
Dry Rack North	\$1,782,000	X-WIND	Agreed Value	Replacement Cost
Office	\$515,268	X-WIND	Agreed Value	Replacement Cost
Contents	\$108,000			
Bait Shop	\$54,000	X-WIND	Agreed Value	Replacement Cost
Wiggins Boat Lift	\$375,000	X-WIND	Agreed Value	Replacement Cost
2000 Wiggins #992005	\$750,000	X-WIND	Agreed Value	Replacement Cost
2011 Wiggins Fork Lift 2700 CA	\$100,000	X-WIND	Agreed Value	Replacement Cost
2017 Hydro F105	\$75,000	X-WIND	Agreed Value	Replacement Cost
Fuel Dispenser	\$10,000	X-WIND	Agreed Value	Replacement Cost
Fuel Dispenser	\$10,000	X-WIND	Agreed Value	Replacement Cost
Fuel Dispenser	\$10,000	X-WIND	Agreed Value	Replacement Cost
Business Income	\$500,000	X-WIND	Agreed Value	Replacement Cost
Total Insurance Value	\$5,828,592			

Deductibles:

All Other Perils	\$2,500 Per Occurrence
Machinery Breakdown	\$2,500 Per Occurrence
Equipment Deductible	\$5,000 Per Occurrence
Waiting Period	72 Hours
Extended Period	Unlimited

CUSTOMARQ PROPERTY HIGHLIGHTS

The precise coverage afforded is subject to the terms and conditions of the policies issued. The following features are subject to change based upon underwriting and may or may not be available or apply to your policy.

VALUATION

Replacement Cost
 Cost of Replacement at any Location
 Brands & Labels
 Construction Fees
 Customs Duties
 Extended Warranties
 Ordinance or Law
 Selling Price on Finished Stock and Sold Personal Property
 Replacement Cost on Personal Property of Others, Business Personal Property You Lease and Personal Property of Employees
 Replacement Cost on Research and Development Property if repaired, replaced or reproduced
 Valuation on Tenants' I & B when not replaced – ACV
 24 Months to Decide to Repair or Replace

\$ 500,000 BLANKET LIMIT OF INSURANCE

The automatic blanket limit applies to:

Accounts Receivable
 Electronic Data Processing Property
 Fine Arts
 Leasehold Interest - Bonus Payment, Prepaid Rent, Sublease Profit, Tenants' Lease Interest
 Leasehold Interest - Undamaged Tenant's Improvements & Betterments
 Non-Owned Detached Trailers
 Outdoor Trees, Shrubs, Plants or Lawns
 Pair and Set
 Personal Property of Employees
 Public Safety Service Charges
 Research and Development Property
 Valuable Papers

The Blanket Limit of Insurance applies over all of the coverages shown above and may be apportioned at the time of loss. This Blanket Limit of Insurance applies separately at each covered premises shown in the Declarations and is subject to the Property Deductible specified in the Declarations.

Separate specific Limits of Insurance may be purchased for any of these coverages. If purchased, the blanket limit of insurance will apply in addition to the specific limit.

ADDITIONAL PROPERTY COVERAGES

The following Additional Coverages apply separately at each of your premises. In this proposal, any additional limits for these coverages that you have purchased are indicated at the described premises to which the increased limits apply. A policy level deductible applies to each of the Additional Coverages, unless otherwise indicated below or at the described premises.

Any other location for:

Accounts Receivable	\$ 75,000
Building Components	\$ 75,000
EDP Property	\$ 75,000
Fine Arts	\$ 75,000
Personal Property	\$ 75,000
R&D Property	\$ 75,000
Valuable Papers	\$ 75,000

Debris Removal

25% of direct damage loss, plus:

Premises Shown in the Declarations	\$ 500,000
Any Other Location	\$ 50,000
In Transit	\$ 50,000

Deferred Payments \$ 50,000

Exhibition, Fair or Trade Show:

EDP Property	\$ 75,000
Fine Arts	\$ 75,000
Personal Property	\$ 75,000

Extra Expense \$ 250,000

Fungus Clean-Up or Removal \$ 50,000

Impairment of Computer Services - Malicious Programming:

Inside Attack	\$ 100,000
Outside Attack - Per Occurrence	\$ 10,000
Outside Attack - Annual Aggregate	\$ 50,000

Installation:

Any Job Site	\$ 50,000
In Transit	\$ 50,000

In Transit for:

Accounts Receivable	\$ 50,000
Building Components	\$ 50,000
EDP Property	\$ 50,000
Fine Arts	\$ 50,000
Personal Property	\$ 50,000
Valuable Papers	\$ 50,000

Loss of Master Key \$ 25,000

Loss Prevention Expenses \$ 25,000

Mobile Communication Property \$ 25,000
Minimum Deductible \$3,500

Money & Securities:

On Premises	\$ 25,000
Off Premises	\$ 25,000

Pollutant Cleanup or Removal \$ 50,000

Processing Water \$ 25,000

Preparation of Loss Fees \$ 25,000

Newly Acquired Premises Or Newly Acquired Or Constructed Property for 180 days

Building	\$5,000,000
Personal Property	\$2,500,000
Personal Property at Existing Premises	\$ 100,000
EDP Equipment	\$2,500,000
Electronic Data	\$ 250,000
Communication Property	\$ 250,000
Fine Arts	\$ 50,000

BUSINESS INCOME

The limits of insurance shown below are provided for the coverages shown at no additional cost to you. You may purchase increased limits of insurance for an additional premium.

	<i>Limit of Insurance</i>
Any Other Location	\$ 50,000
Contractual Penalties	\$ 25,000
Loss of Utilities (excludes Overhead Trans. Lines)	\$ 25,000
Exhibition, Fair or Trade Show	\$ 25,000
Ingress & Egress	\$ 50,000
Newly Acquired Premises – Business Income	\$250,000 for 180 days
Pollutant Clean-Up or Removal	\$ 25,000
Preparation of Loss Fees	\$ 25,000
Worldwide Dependent Business Premises	\$250,000

GENERAL LIABILITY COVERAGE

Issuing Company: Chubb Insurance Company
Rating: A+ (Superior), XV (\$2 Billion or greater), by A.M. Best
Policy Term: 01/01/2023 - 01/01/2024
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
 \$1,000,000 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	269 Racks
Gross Sales	\$1,225,125
Office	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

CRIME COVERAGE

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

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	\$5,000
Forgery & Alteration	\$500,000	\$5,000
Computer & Funds Transfer Fraud	\$500,000	\$5,000
Money Orders	\$500,000	\$5,000

DIRECTORS & OFFICERS LIABILITY COVERAGE

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

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	\$2,000,000	\$5,000

- * 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

Bumbershoot COVERAGE

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

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

Limits:

\$4,000,000	Each Occurrence
\$4,000,000	Aggregate
\$4,000,000	Products Completed Aggregate Limit
\$10,000	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

MARINE OPERATORS LIABILITY

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

COVERAGE PROVIDED

PART	COVERAGES	AMOUNT OF INSURANCE		DEDUCTIBLE	PREMIUM
A.	Marine Property Coverage Boat Dealer Inventory, including Trailers	Not Covered Not Covered	Any One Boat Any One Accident	Not Covered Not Covered	\$0
B.	Marine Property Coverage 1. Scheduled Vessels 2. Docks, Piers and Other Scheduled Property			Not Covered Not Covered	\$0
C.	Marine Operator's Legal Liability Covered Operations: Fueling, Hauling/Launching, Storage Ashore	\$1,000,000 \$1,000,000	Any One Boat Any One Accident	\$1,000 \$1,000	\$6,608
D.	Protection & Indemnity Coverage	\$1,000,000	Any One Occurrence	\$0	\$1,913

COMMERCIAL AUTO

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

COVERAGES	COVERED AUTOS	LIMITS
Auto Liability	8 & 9	\$1,000,000

- Symbol 8: Hired Autos Only
 - *Only those "autos" you lease, hire, rent, or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners, members or members of their households.*
- Symbol 9: Non-Owned Autos Only
 - *Only those "autos" you do not own, lease, hire, rent, or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners, members or members of their households but only while used in your business or your personal affairs.*

ENVIRONMENTAL IMPAIRMENT LIABILITY

Insurer: Tokio Marine Insurance Company
A.M. Best Rating: A+ (Superior) XV \$2 Billion or greater Eff: 12.06.2018
Policy Term: 01/01/2023 – 01/01/2024

Coverage: All terms per Carrier **Company:** Tokio Marine Specialty Insurance Company

Options	A	B	C	D
Limits	\$1M/\$1M	\$1M/\$1M	\$1M/\$2M	\$1M/\$2M
Retention	\$5,000.00	\$10,000.00	\$5,000.00	\$10,000.00
Policy Term	1 Year	1 Year	1 Year	1 Year
Commission	10.00%	10.00%	10.00%	10.00%
Premium	\$823.00	\$739.00	\$885.00	\$795.00
Program Fee	\$150.00	\$150.00	\$150.00	\$150.00
Surplus Lines Tax (FL) 4.940%	\$48.07	\$43.92	\$51.13	\$46.68
Surplus Lines Stamping Fee (FL) 0.060%	\$0.58	\$0.53	\$0.62	\$0.57
Total due by insured	\$1,021.65	\$933.45	\$1,086.75	\$992.25

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 Unit and Private Storage Area Excluded Property Exclusion Divested Property Exclusion Claims Made Policy Lead Exclusion Hostile Acts and Terrorism 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	Offshore Oil and Gas Exclusion Non-Cumulation Excluded Transportation Exclusion No Flat Cancellations Employer's Liability Exclusion Intentional Acts Exclusion Known Circumstance or Conditions Exclusion
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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 – AS PROPOSED

Signature on behalf of Gulf Harbor Marina Condominium Association, Inc. Date

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

January 4, 2023

Gulf Harbor Marina
100 Circuit Road
Nokomis, FL 34275

Re: 2023-2024 Insurance Renewal

Hello Gulf Harbor Marina COA Board of Directors,

This letter is to essentially summarize our recently renewed Insurance & Risk Management Program and provide a brief synopsis of what we put into place for the renewal and what the overall insurance market offered.

We were hopeful that maybe some other insurance carrier market would be able to offer a package which would include wind coverage for the renewal, just as Chubb had done in all of the prior years. Unfortunately, due to the current HARD market and the arguably the worst insurance market in record history, there was no carrier willing nor able to provide a package to include wind. This included large multi-national carriers such as:

- Travelers
- Markel
- Zurich
- Etc. Etc. Etc.

Our current carrier, Chubb, once again had the best package for Gulf Harbor Marina COA, despite not including wind. No other carrier was even able to come close. The next best rates were tens of thousands of dollars higher than Chubb. The Chubb renewal did have an increase, but virtually all of that increase was due to the increased values to match the appraisal values we had done last year, which are required by Florida Statute, 718.111. As a registered Condominium Association, we are required to update the appraisal once every 36 months and insure to those appraisal values.

On our WIND portion of the program, which is the bulk of the insurance premiums, this is where the most trouble was from a placement standpoint. We went to every single carrier, wholesale broker, MGA, and middle market available. We had rejections from virtually every carrier in Florida. And the carriers that would offer a quote were starting at \$250,000 dollars in premium with a 10% wind deductible. This would not be affordable obviously. So, we explored alternative options. The best alternative to obtain wind coverage was through what we call, "Parametric" Insurance. In layman's terms, Parametric Insurance is a unique insurance policy. It has advantages and disadvantages. The advantages are is that it provides coverage for wind related claims from the first dollar of loss. So, there is no deductible. Instead of a deductible, coverage is provided based on the wind speeds that are experienced in the area where your property is located. For example, if the wind speeds reach 75 mph, the policy will pay out a maximum of a few hundred thousand dollars. Another example would be that if the wind speeds at category 4 or 5, like we had from Hurricane Ian, the policy would pay out the max limits purchased. Which in our case would be \$2 million dollars. This Parametric Insurance Policy was the most affordable wind coverage available that would provide the best level of coverage for that more affordable premium. So, it was a "VALUE" proposition.

GRANT CONNOR MEHLICH • GRANT@GCMINS.COM
1726 E. 7TH AVE. SUITE #7 TAMPA, FL 33605

This current "Insurance Crisis" we are experiencing in Florida will eventually subside and some normally will return. There was recent Legislation that passed that will help us here in Florida. But we still will be experiencing this extremely HARD market for the next 12-24 months. Insurance Markets do go in cycles from SOFT to HARD. Eventually the Hard market will end, but I do not believe the market will ever return to the low premiums we saw before in the previous soft market. I believe the premiums will subside a little bit over the next couple of years, but more importantly, the "CAPACITY" to be able to write Wind Coverage for Coastal Risks will return. Once that occurs, we will have a more robust Program that covers us for full wind limits. Until then (just as countless Florida properties are having to do), we are finding a middle ground so that we can have some coverage at premiums that we can afford while we ride out this unprecedented Hard Market Cycle.

Sincerely,



Jim Cirillo

Director of Community Associations