

Pointe Marin Association

c/o Bayside Management
180 Harbor Drive, Suite 100
Sausalito, CA 94965

E-mail address: jbarton@baysidemgmt.com

March 29, 2024

Dear Homeowners:

As you may know, the State of California requires all homeowners' associations to have insurance coverage. Specifically, our association with 342 members is required to have insurance coverage for directors and officers (D&O), fidelity/crime, workers compensation, common area property and a minimum of \$3 million of general liability insurance. In addition, homeowners' associations are required to notify homeowners of insurance changes and distribute annually an 'Insurance Disclosure' statement (see attached).

The insurance for Pointe Marin Association was up for renewal just prior to our transition to our new property management firm, Bayside Management. On November 16, 2023, Steward Property Services (our former property management company) received from our insurance broker recommended insurance contracts for 2023-2024. On December 1, 2023, I signed the new insurance policies since the Pointe Marin Association cannot operate without insurance.

Pointe Marin Association has insurance with four different companies (which is common). LIO Insurance Company provides insurance for our common area property and general liability insurance, which was more competitive than our previous carrier Ace Property & Casualty Insurance Company. We also have fidelity/crime coverage with Philadelphia Indemnity Insurance Company; and, for Worker's Compensation we have coverage with Technology Insurance Company.

For our D&O liability insurance renewal, our insurance broker sought out most, if not all, of the insurance carriers for homeowners' associations and found that because of the recent claim's history (two claims to date arising out of one homeowner), that Pointe Marin Association was very limited with insurance renewal options. Our insurance broker did find, though, a consortium of companies that would provide our D&O insurance including Lloyds London, Everest Indemnity, Ascot Specialty Scottsdale and QBE UK, limited.

In fact, at least four insurance companies (Philadelphia Indemnity Insurance Company, United States Liability Insurance Company, Great American Insurance Company and Ascot Insurance Company) declined to offer a quote. In addition, two other carriers (Ironshore Specialty Insurance Company and Homeland Insurance Company) submitted a quote that specifically excluded claims arising out of the past claims reported on 01/21/2021 & 09/06/2023.

The Board is very concerned regarding the challenges faced in obtaining insurance and the substantial premium increases. This year (2023-24), the annual premium for Pointe Marin Association is \$32,667.45 which is considerably higher than our premium in 2022-2023 which was \$9,155. The increase is due primarily to the D&O portion of the policy which increased from \$3,383 in 2022-23 to \$28,590.45 in 2023-24. Lastly, it should be noted, that our deductible increased from \$2,500 in 2022-23 to \$35,000 for our D&O portion of the policy.

We are passing this information along to all homeowners, so there is complete transparency. If you have any questions or concerns, please send us an email at the address above or call me at: 415-336-9913. Thank you.

On behalf of the Pointe Marin Association Board of Directors,



Pat Eklund, President

PMA Board of Directors:

Pat Eklund, President

Mike Christian, Vice President & Secretary

Eric Vermillion, Board Member

Attachment

Insurance Disclosure statement dated 2024