



Commercial Insurance Proposal

Omega Condominium No. 8, Inc

Prepared By

Mary Picha

June 1, 2022

Hub International Florida

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Service Team

Our ability to provide superior service starts with quality people.
The key individuals assisting you with your account are:

Account Executive
Mary Picha
P (954) 925-2590
Mary.Picha@hubinternational.com
Account Manager
Candace Mesmer
p (954) 924-3094
Candace.Mesmer@hubinternational.com

Property

Insured: Omega Condominium No. 8, Inc
Carrier: American Coastal Insurance Company
Demotech Rating: A
Policy Term: 6/5/2022 to 6/5/2023

The Commercial Property policy covers your buildings, contents or specified other property against perils defined by the form, subject to the terms of the policy. Coverage for off-premises property is limited.

Coverage/Limits

Loc #	Bldg #	Address	Description		
1	1	7500 NW 17 th Street, Plantation, FL			
Subject of Insurance	Limit	Cause of Loss	Deductible	Coins %	Valuation
Building	\$4,004,000	Special (Including theft)	\$5,000	100%	Replacement Cost

Values based on an Appraisal dated 2022.

Deductibles

5% Calendar Year Deductible applies per item to loss resulting from a Hurricane only.

\$5,000 deductible applies to All Other Perils including All Other Wind and sinkhole loss.

Additional Coverages

Ordinance / Law

Coverage A – Full Limit- Covers cost to rebuild the undamaged portion of building which has to be torn down
Coverage B & C Combined Limit (\$100,100) -Demolition of undamaged part & Increased Cost to rebuild
Combined B & C Limit is sub-limited to 2.5% per Building

Equipment Breakdown Included

Sinkhole Coverage & Catastrophic Ground Cover Collapse

Terrorism Coverage is Included – this can be removed for a premium savings of \$84

10% Minimum Earned Premium applies for early cancellation

Property Coverage Definitions

BLANKET INSURANCE

This coverage allows for a single limit of insurance to apply to two or more property items at one location, or to two or more kinds of property at several locations, instead of a specific amount applying to a specific subject of insurance. It allows you to shift property values with no impairment of recovery, as long as the total amount of insurance carried complies with the coinsurance requirement stated in the policy.

BUILDINGS

This coverage provides protection for permanent structures listed on the policy. Completed additions, permanently-installed fixtures, machinery and equipment, outdoor fixtures, owned personal property used to service, repair or maintain the building and additions under construction or repair are all included in this definition. Various additional endorsements and extensions can also be added to ensure that adequate protection is being provided for your particular situation.

PERSONAL PROPERTY

This coverage protects personal property owned by your firm and used in your operations. Furniture and fixtures, equipment and machinery, raw stock, and finished goods all fall within this category. Various additional endorsements and extensions can also be added to ensure that adequate protection is being provided for your particular situation.

BUSINESS INCOME AND EXTRA EXPENSE

When selected, this coverage insures you against loss of business income (including any continuing normal operating expenses) that you experience because of a suspension of your business when insured property has been damaged by a covered peril. It also covers those necessary extra expenses you incur to operate your business during that period of time your damaged property is being repair or replaced.

COINSURANCE

A policy may contain a coinsurance provision requiring that the limits of insurance be a minimum percentage (usually 80%) of the insurable value of your property. If the limits of your policy are less than what is required by this provision, then any claim payment made to you may be reduced by the same percentage as the deficiency. For example, covered property worth \$100,000 may require a minimum of 80%, or \$80,000, of coverage for compliance with the policy's coinsurance requirement. If only \$60,000 of coverage is carried (25% less than the required \$80,000), then any loss payment would be reduced by 25%.

DEDUCTIBLE

The deductible provision specifies the amount that will be deducted from any payment made to you because of a covered loss.

VALUATION

- **ACTUAL CASH VALUE VALUATION** – This valuation method pays for the cost to repair or replace damaged property with like kind and quality, less reasonable deductions for wear and tear, deterioration, and economic obsolescence.
- **AGREED VALUE VALUATION** – This coverage is used to remove the coinsurance requirement from your property policy. With it your company agrees that the limits of insurance purchased by you are adequate, and any coinsurance requirements will be waived in the event of a covered loss.
- **REPLACEMENT COST VALUATION** – This loss valuation method pays for the cost to repair or replace damaged items with like kind and quality without deduction for depreciation. This is important since you could face a substantial loss if you must replace property at today's prices but receive only the depreciated value of the property that was destroyed.

CAUSES OF LOSS – SPECIAL FORM

This coverage will protect covered property against direct physical loss arising from any cause not specifically excluded. The advantage of this form is that the insurance company must prove that a loss is specifically excluded in order to deny coverage under the policy. **Some examples of exclusions include:**

- Backup of sewers and drains
- Mysterious disappearance of property
- Wear and tear, latent defect inherent vice, insects and vermin
- Dampness or dryness of the atmosphere and changes in the temperature
- Artificially generated electrical currents
- Explosion of steam boilers
- Flood
- Earthquake
- Mold
- Terrorism

General Liability

Insured: Omega Condominium No. 8, Inc
Carrier: CUMIS Specialty Insurance Company
A.M. Best Rating: A (Excellent) XII
Policy Term: 6/5/2022 to 6/5/2023

This type of policy protects your business from claims arising from your legal liability for injury or damages to other people or their property. Coverage payments can include judgments, attorney fees, court costs, or other related expenses as defined in the form.

General Coverage Information

Coverage Description	Limits
General Aggregate	\$2,000,000
Products and Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Damage to Premises Rented to You (any one premises)	\$50,000
Medical Expense/Medical Payments (any one person)	\$5,000
Hired & Non Owned Auto	\$1,000,000
Deductible BI/PD Per Claim	\$0

- Commercial General Liability Form, Single limit Bodily Injury, Property Damage.
- Personal Injury which includes libel, slander, defamation, invasion of privacy.
- Non-owned Auto coverage protects the Association should they be sued due to an employee/board member having an accident causing bodily injury or property damage while on Association business.
- Owners and Contractors Protective Liability. Protects you against lawsuits arising out of negligent act of a subcontractor.
- Products and Completed Operations Liability.
- Terrorism Coverage is Included.
- 25% Minimum Earned Premium applies for early cancellation.

Note: This portion of the policy may be subject to audit at expiration of the policy term. It is important to obtain certificates of insurance for General Liability for all subcontractors. Please be reminded, you could be responsible for the premium on any uninsured subcontractors.

General Liability Forms and Endorsements

Form Number	Form Date	Form Description
CIU0101FL	03/08	Surplus Lines Statement
CSIC CIU IL 001	10/12	Minimum Earned Premium Endorsement
IL0003	09/08	Calculation of Premium
IL0017	11/98	Common Policy Conditions
CSIC CIU IL 002	01/15	Policyholder Disclosure Notice of Terrorism Insurance Coverage
CSIC CIU IL 005	10/12	Service of Suit Clause
TRIA Disclosure	09/12	Policyholder Disclosure Notice of Terrorism Insurance Coverage And Cap On Losses
CSIC CIU IL 031	05/20	Cancellation And Nonrenewal Endorsement
CSIC CIU CP 019	07/13	Special Activity Exclusion
CG0001	12/07	Commercial General Liability Coverage Form
CG0300	01/96	Deductible Liability Insurance
CG2004	11/85	Additional Insured - Condominium Unit Owners
CG0067	03/05	Exclusion - Violation of Statutes that Govern E-mails, Fax, Phone Calls or Other Methods of Sending Material or Information
CG2147	12/07	Exclusion - Employment Related Practices Exclusion
CG2165	12/04	Exclusion – Total Pollution Exclusion With A Building Heating, Cooling, And Dehumidifying Equipment Exception And A Hostile Fire Exception
CSIC CIU GL 004	08/18	General Liability Coverage Extension Endorsement - Community Association
CG2160	09/98	Exclusion - Year 2000 Computer-Related And Other Electronic Problems
CG2167	12/04	Fungi or Bacteria Exclusion
CG2196	03/05	Silica or Silica Related Dust Exclusion
CSPCO027	11/13	Casualty Conditional Terrorism Exclusion Endorsement
CSIC CIU IL 017	01/15	Certain Acts of Terrorism Exclusion and Cap on Losses From Certified Acts of Terrorism
CSIC CIU IL 018	11/13	Nuclear, Biological or Chemical Terrorism Exclusion
CG2186	12/04	Exclusion - Exterior Insulation and Finish Systems
CG2426	07/04	Amendment of Insured Contract Definition
CSIC CIU GL 002	10/12	Exclusion - Lead Paint
CSIC CIU GL 003	10/12	Exclusion - Asbestos
IL0021	09/08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
CSIC CIU GL 006	10/12	Hired and Non-Owned Auto Liability
CSIC CIU GL 025	11/20	Communicable Disease Exclusion
CR0020	11/15	Commercial Crime Policy (Discovery Form)
CR2508	10/10	Include Specified Non-Compensated Officers
CR2506	10/10	Include Chairman and Member of Specified Committees
CR2502	10/10	Include Designated Agents as Employees
CSIC CIU CR 004	05/18	Deception Fraud Endorsement
CR0151	08/07	Florida Changes - Legal Action Against Us

Crime

Insured: Omega Condominium No. 8, Inc
Carrier: CUMIS Specialty Insurance Company
A.M. Best Rating: A (Excellent) XII
Policy Term: 6/5/2022 to 6/5/2023

This coverage provides protection against loss due to criminal acts of others. Several types of exposures can exist which require consideration when analyzing your crime protection insurance.

Coverage	Limit	Deductible
Employee Theft	\$25,000	\$0
Social Engineering (Deception Fraud)	\$25,000	\$0
Forgery & Alterations	\$25,000	\$0
Theft of Money & Security Inside	\$25,000	\$0
Theft of Money & Security Outside	\$25,000	\$0
Computer Fraud	\$25,000	\$0
Funds Transfer Fraud	\$25,000	\$0
Money Orders & Counterfeit Paper Currency	\$25,000	\$0

The statute for Fidelity Bonds for Condominiums and Homeowners Associations requires “the fidelity bond must cover the “maximum funds” that will be in the custody of the association or its management agent at any one time”.

Employee Theft – Blanket - This coverage is used to insure against loss of money, securities or other property belonging to you, or for which you are liable, that is caused by employee dishonesty. It pays for any one loss caused by one or more employees up to the face amount stated on the form.

Forgery & Alterations - This coverage pays up to a specified amount for loss resulting from forgery of checks, drafts, notes or other similar written promises prepared by you or your agent. It does not cover dishonest acts of employees, which must be insured by Employee Dishonesty coverage.

Theft of Money and Securities - INSIDE THE PREMISES - This coverage is used to insure against loss of money and securities caused by theft, disappearance, or destruction while located inside your premises or banking premises. It also covers damage to premises resulting from actual or attempted theft. It insures only money and securities and not other types of property. - **OUTSIDE THE PREMISES** -This coverage is used to insure against loss of money and securities or other property caused by theft, disappearance, or destruction while located outside your premises in the care and custody of a messenger or armored motor vehicle.

Computer Fraud - This insurance will cover loss or damage to money; securities and other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside your premises or banking premises to a person or place outside those premises.

Funds Transfer Fraud Coverage - This endorsement is used to add coverage for loss of funds resulting from fraudulent instructions directing a financial institution to transfer or pay funds from your transfer account. The instructions can be transmitted electronically (e.g., via the Internet), over the telephone, by fax, or in writing.

Money Orders and Counterfeit Paper Currency Coverage - This coverage is used to protect against loss caused by your accepting counterfeit currency that is acquired during your regular course of business, or money orders that are not paid on presentation to the issuer.

Directors and Officers Liability

Insured: Omega Condominium No. 8, Inc
Carrier: Philadelphia Indemnity Insurance Company
A.M. Best Rating: A++ (Superior) XV
Policy Term: 6/5/2022 to 6/5/2023

Directors and officers liability Insurance (often called "D&O") is liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.

Coverage

Claims Basis: Claims Made

Coverage	Limits
Per Claim	\$1,000,000
Per Occurrence	\$1,000,000
Aggregate	\$1,000,000
Retention	\$1,000

Includes: Defense Cost Included in Limit of Liability
 Defense Cost Outside Limit of Liability

- Procurement of Insurance
- No Exclusion for Discrimination
- Payment of Non-Monetary Damages
- Property Managers

Directors & Officers

Covers for wrongful acts by insured. Wrongful acts mean errors, misstatement or misleading statement, act or omission, or neglect or breach of duty committed or allegedly committed by any insured.

This is a CLAIMS MADE POLICY. Except as otherwise provided, this policy covers only the wrongful acts reported to the company during the policy period. Any incidents that may give rise to a claim should be reported to your current carrier prior to the expiration date for coverage to apply. If changing carriers, coverage for any incidents/claims may be jeopardized if not reported to your current carrier during the policy period.

Notice of Circumstance or Wrongful Act: If during the **Policy Period** or the **Discovery Period** the Insureds become aware of any circumstance or Wrongful Act that reasonably may be expected to give rise to a **Claim**, and if such circumstance or Wrongful Act is reported to the Insurer during the **Policy Period** in writing with details as to the nature and date of such circumstance or Wrongful Act, then any **Claim** subsequently arising from such circumstance or Wrongful Act shall be deemed under this Policy to be a **Claim** made during the **Policy Period** in which the circumstance or Wrongful Act was first duly reported to the Insurer. Failure to provide notice in a timely manner within the policy period may void coverage under the policy.



Umbrella

Insured: Omega Condominium No. 8, Inc
Carrier: Allied World Insurance
A.M. Best Rating: A (Excellent) XV
Policy Term: 6/5/2022 to 6/5/2023

This policy provides protection against catastrophic liability claims. The policy acts as an excess coverage over your primary liability policies. Its limits apply in addition to that provided by the underlying coverage.

Through Paramount Programs, Inc.

Policy Coverage Limits

Policy Type / Coverage	Each Occurrence	Aggregate	Retained Limit
Umbrella	\$5,000,000	\$5,000,000	-0-

Underlying Insurance Information

Auto Liability	\$	1,000,000	Combined Single Limit
General Liability	\$	1,000,000	Each Occurrence
	\$	2,000,000	General Aggregate
	\$	2,000,000	Products Aggregate
	\$	1,000,000	Personal Injury
	\$	100,000	Damage to Rented Property
	\$	5,000	Medical Expense
Directors & Officers	\$	1,000,000	Each Loss

Umbrella Policy

This form provides a higher limit of coverage that is excess over scheduled underlying policies. It is used in one of three ways: (1) to provide additional limits of protection over the coverage listed in your underlying schedule, (2) to act as primary coverage if your underlying limits are exhausted, and (3) to provide coverage for some risks, subject to retention, when your primary coverage does not.

RECOMMENDED COVERAGE

Bold Legal Defense Insurance Option

Legal Services from a plan attorney as a result of a lawsuit where the insured is a defendant and coverage is not available under any of the in-force policies

General Coverage Information

- The association as named AND
- The officers and directors of the association (past, present and future) AND
- The Manager (and Management Company) AND
- Your employees as defined AND
- Those assumed under contract under hold harmless

Note: Completed Application required for a firm quotation

General Coverage Information

Highlights
Defends when coverage is excluded by your current insurance policies
Defends if coverage is denied by your insurance policies
Defends Reservation of Rights by representing insured
Unlimited defense
No Hammer clause - Defends to conclusion
First dollar coverage – No deductible
Fully Insured by Contract with Legal Counsel
FLORIDA Admitted Insurance Company
Exclusions
Any existing "claims" before the effective date of this "policy".
Any "claim" where the "insured" is sued outside the State of Florida.
Failure to provide "Bold Legal" with notification of a "claim" or lawsuit within time stated in this "policy".
Appeals, Appellate proceedings, cost or expense.
Class action "claim" or lawsuit.
Any "claim" or lawsuit filed in Criminal Court.
Any "claim" or lawsuit filed in Federal Court except for those "claims" involving service animals, emotional support pets, discrimination in housing, or American Disability Act compliance.
Any "claims", lawsuits, acts or allegations that occurred after the expiration date of the "policy".
If the "insured" is the plaintiff in any lawsuit, there shall be no coverage regardless of any individual or entity listed as the defendant.
Post Judgment Proceedings.
"Claims" involving the Fair Debt Collections Act.
Any "claim" or lawsuit in relation to a property or unit other than a "scheduled location".
Any "claim" or lawsuit arising out of the obligation of the "insured" under a disability benefits, ERISA or unemployment compensation law or any similar law.
If a "claim" is filed against the "insured" and does not include the named "insured" on the declarations page, no coverage will be provided by this "policy".

Premium

Bold's Rates	
Per Policy	\$399.00 with a \$5.00 Charge per unit =

Premium Summary

Description Of Coverage	2021 Premium	2022 Premium
Property	\$ 23,715.00	\$ 28,868.00
General Liability	\$ 4,110.00	\$ 9,678.90
Crime	\$ 324.00	\$ Included in GL
Directors & Officers Liability	\$ 1,293.00	\$ 1,430.00
Umbrella	\$ 1,035.00	\$ 1,320.00
Total Estimated Annual Premium	\$ 30,477.00	\$ 41,296.90
Percentage Increase		35%

*All quoted premiums are annual estimates and may change due to year end audits or mid-term policy changes.

Confirmation to Bind

CONFIRMATION TO BIND AGREEMENT

I, (Omega Condominium No. 8, Inc), acknowledge that we have reviewed the enclosed proposal and confirm HUB's acknowledgment to bind the programs described within:

As Proposed: _____

Changes as Follows:

Binding Subjectivities:

- Confirmation to Bind
- Consent to Receive Electronic Documents
- Signed Renewal Applications
- Signed Finance Agreement
- Check for Down Payment

Accepted By: _____
Name & Title

Date: _____

Electronic Documents

CONSENT TO RECEIVE ELECTRONIC DOCUMENTS

Omega Condominium #8 hereby consents and agrees to receive electronic documents related to insurance coverage procured or quoted by, or Client's business relationship with, Hub International Florida (HUB). In addition to traditional manners of delivery, Hub may transmit documents to Client through electronic means, such as electronic mail and facsimile. The documents that may be transmitted electronically include, but are not limited to, the following: insurance policies; policy information pages; coverage forms; endorsements; applications; binders; certificates and evidence of insurance; invoices; premium finance agreements; audit statements; loss control reports; claim reports; correspondences; notices of cancellation and non-renewal; and policies related to the operation of HUB's business.

Please provide e-mail address of proper recipient below.

I approve of receiving policies and other documentation, when available, via electronic mail.

 Please consider the Environment

Signature

Date

Carrier Rating

A.M. Best Company is the leading provider of ratings, news and financial data for the insurance industry worldwide. Their Best Financial strength rating is an independent option of the insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive and qualitative evaluation of a company's balance sheet, strength, operating performance and business profile.

As professional agents it has long been our established policy to make every effort to deal only with companies having a Best's Rating of A++, A+, A or A-, which are the four highest ratings available, and a minimum of \$50 million in Policyholders' Surplus. **It must be noted that neither HUB International nor any affiliated company guarantees the financial solvency of any insurance carrier.** The following list outlines the A. M. Best Company rating scale and associated descriptions.

Financial Strength Ratings: An A.M. Best's Financial Strength Rating is an opinion of an insurer's ability to meet its obligation to policyholders.

A.M. Best Rating			
A++, A+	Superior	C, C-	Weak
A, A-	Excellent	D	Poor
B++, B+	Very Good	E	Under Regulatory Supervision
B, B-	Good	F	In Liquidation
C++, C+	Marginal		

Financial Size Categories: A.M. Best assigns each letter rated insurance company a Financial Size Category. This is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts.

Financial Size Categories (In millions of U.S. dollars)			
Class I	Up to 1	Class IX	250 to 500
Class II	1 to 2	Class X	500 to 750
Class III	2 to 5	Class XI	750 to 1,000
Class IV	5 to 10	Class XII	1,000 to 1,250
Class V	10 to 25	Class XIII	1,250 to 1,500
Class VI	25 to 50	Class XIV	1,500 to 2,000
Class VII	50 to 100	Class XV	Greater than 2,000
Class VIII	100 to 250		

General Statement

COVERAGE AND LIMITS

This exhibit describes coverage, amounts, limits, etc., but it does not take the place of the actual insurance policies. While we have made every effort to remove inaccuracies from this report, some may exist. For definitive coverage provisions and exclusions, refer to the policies, endorsements and amendments.

For property quotes, we have used values that you provided. Please carefully examine these values and/or secure an outside appraisal to ensure their accuracy and adequacy.

This proposal is based upon exposures to loss that currently exist and were made known to the agency. All changes and new exposures need to be reported by you, so that proper coverage may be offered.

Higher limits of liability may be available for additional premium.

INSURER SOLVENCY

Hub International is not technically qualified to comment on the solvency or claims-paying ability of any insurer. In an effort to help you assess the quality of the carrier(s), we have provided rating information from the A.M. Best rating organization. A more detailed report is available on request.

We caution you that catastrophic occurrences or other business matters can quickly have a negative impact on any insurer's financial condition. State "guarantee" funds created for the protection of policyholders may limit or preclude access to reimbursement for certain types of claims and/or to companies with significant net worth.

NON-ADMITTED INSURER

If a non-admitted insurer is providing coverage there is no protection by the state guaranty fund in the event of the insurer's insolvency.

PREMIUM PAYMENT

Regardless of the payment method you choose, it is important to note that **carriers are not obligated to reinstate cancelled policies.**

Agency Bill Items: If your premium is billed by Hub International, payment is due on the effective date of the coverage or installment. Endorsement and audit premium adjustments are due on the date billed. Failure to promptly remit may result in cancellation of your coverage.

Company Bill Items: If your policy is a "company bill" contract, you must remit your payment directly to the insurance company on a timely basis. Unfortunately, insurers do not always notify us about the status of a "company bill" payment, so you can't rely on us to remind you about overdue premiums or policy cancellations. If you encounter any billing problem or have a billing concern, please call us immediately, so that we can investigate for you.

Premium Financing: You may ask us to "finance" your premium through an independent finance company. This is an unforgiving payment system. Please carefully review the finance agreement for full details on the late payment and finance charges that apply. Your insurance policy is collateral for the loan. If you miss a payment, coverage will be cancelled. Because we may not always receive late notices, Hub International cannot accept responsibility for following up on late payments or threatened "non-payment" cancellations. Please do not count on us to remind you to make the payment.

This proposal contains only a summary of your insurance coverage and policy. It is your responsibility to carefully and completely review the entire policy for its actual terms, limits and conditions. In the event of any inconsistency between the terms of the policy and the provisions of this proposal, the terms of the policy will govern and control.

How We Get Paid

HUB International takes pride in the services our brokerages provide to you, our client, for insurance and risk management programs. For our efforts we are compensated in a variety of ways, primarily in the form of commissions and contingency amounts paid by insurance companies and, in some cases, fees paid by clients or third parties. The means by which we are compensated are described below.

Commission income - Commission, normally calculated as a percentage of the premium paid to the insurer for the specific policy, is paid to us by the insurer to distribute and service your insurance policy. Our commission is included in the premium paid by you. The individuals at HUB International who place and service your insurance may be paid compensation that varies directly with the commissions we receive.

Contingency income - We also receive income through contingency arrangements with most insurers. They are called “contingent” because to qualify for payment we normally need to meet certain criteria, usually measured on an annual basis. Contingency arrangements vary, but payment under these agreements is normally the result of growing the business by attracting new customers, helping the insurance company gather and assess underwriting information and/or working to renew the policies of existing insureds. There is currently no meaningful method to determine the exact impact that any particular insurance policy has on contingency arrangements. However, brokers tend to receive higher contingency payments when they grow their business and retain clients through better service. In other words, the amount of earned contingency income depends on the overall size and/or profitability of all of a group of accounts, as opposed to the placement or profitability of any particular insurance policy. For this reason, the individuals involved in placing or servicing insurance are rarely, if ever, compensated directly for the contingent income that we receive.

Supplemental Commissions - Some insurance companies have recently replaced contingent commissions with supplemental commissions. These commissions, in fixed amounts, are established annually in advance based on historical performance measured by criteria comparable to those by which contingent commissions are calculated. We refer to these commissions as guaranteed supplemental commissions, or “GSCs”.

Fees paid by clients - On occasion, with more complex business insurance programs and where additional resources, products or services are appropriate, a fee may be negotiated for placement of insurance coverage or additional services. Fees charged for the placement of insurance will be outlined in a proposal and approved, usually in writing, prior to the insurer binding coverage. On occasion, we may receive both commissions and client-paid fees for placing insurance, which generally will be disclosed in writing to you in advance. In certain circumstances clients pay us mutually agreed upon fees for additional services, such as third party administration of employee benefits or workers’ compensation programs.

Wholesale Operations - We own wholesale insurance brokerages in both the U.S and Canada. These are intermediaries through which other brokers, typically retail brokers that have a relationship and deal directly with their clients, place coverage. Our own retail brokers may place client policies through HUB-owned wholesale brokers. In such cases, both the HUB retail broker and the HUB wholesale broker will earn commissions, and they are included in the client’s premium payment. Ordinarily wholesale brokers, whether owned by HUB International or not, are included in the transaction because they offer products that are particularly suitable to a client’s needs that are not available through normal insurance brokerage retail channels.

Other Compensation and Benefits - We may receive revenue or further benefits from our insurance brokerage activities in other ways, including, but not limited to, from insurance company promotional events, payments from insurers for promotional marketing and/or employee training and development, fees or a percentage of the interest paid to us for the administration of premium finance contracts, interest paid to us by financial institutions earned on fiduciary or trust accounts in which we hold your premium payments pending remittance to the insurance company, and fees paid to us for policy and/or claims administration and/or loss control services that we provide.

Related Party Transactions - In limited circumstances, our subsidiaries or employees may have interests in insurers and reinsurers with whom policies are placed. We own a reinsurance broker that arranges reinsurance for carriers. It is possible that coverage placed by our retail brokers could be reinsured pursuant to placements

made by our reinsurance subsidiary. Ownership of a reinsurance broker also creates an additional, mutually beneficial dimension to our relationships with insurance companies.

Customer Centric Carriers - We have access to the products and services of hundreds of insurers. However, we believe our ability to provide the best combination of products, service, value and ongoing access to capacity is enhanced by focusing on a manageable number of carrier relationships. These strategic relationships include many of the most respected national and regional insurance companies in the insurance industry (the “Strategic Carriers”). Although we will continue to access our other insurance company relationships where appropriate, we expect that many of our clients’ insurance needs may be met through the Strategic Carriers. The Strategic Carriers may pay us enhanced compensation, which we intend to use in part to invest in initiatives to improve our ability to serve our customers’ and to optimize their insurance buying experience. A portion of any enhanced compensation from our Strategic Carriers may be used to incentivize our employees to prioritize, investigate and access the products and services of our Strategic Carriers for the purpose of consolidating the number of insurance markets we deal with, while at the same time addressing the needs of our clients. More information regarding our Strategic Carrier relationships is available upon request from your HUB International insurance advisor or by visiting our website at www.hubinternational.com.

Our goal is to be your insurance brokerage of choice. We know you have many brokerages to choose from, so to earn your confidence, we hold ourselves to the highest standard of service, a standard reflected in our written Client Commitment - we call it the “The HUB Advantage.” We hope you will review the principles embodied in The HUB Advantage, a copy of which is attached for your convenience. You should also feel free to visit our website at www.HUBinternational.com for more information regarding HUB International and how we do business.

Please also feel free to ask any questions about our compensation generally, or as to your specific insurance proposal or placement, by contacting your HUB broker or customer service representative directly, or by calling our client hotline at 1-866-857-4073.

We want you to choose a HUB International broker to be your insurance advisor – and we intend to make your decision an educated one.

The HUB Advantage

Our Commitment - The HUB Advantage

HUB International is dedicated to maintaining and upholding the highest standards of ethical conduct and integrity in all of our dealings with you, our client. We want to be your trusted risk advisor, and as such, we need to earn your confidence. So we are making a promise. We call it The HUB Advantage. Our mission is to make the advantage yours - and this is our commitment.

- We strive to secure the most favorable terms from insurers, taking into account all of the circumstances - the risk you need to insure, the cost of insurance, the financial condition of the insurer, the insurer's reputation for service, and any other factors that are specific to your situation.
- We are open and honest as to how we are paid for placing your insurance. Our answers to your questions will be forthright and understandable. When we intend to seek a fixed fee for our efforts, we will disclose it to you in writing and obtain your approval prior to coverage being bound.
- You make the ultimate decision as to both the terms of insurance and the company providing your coverage. Our objective is to provide you with choices that meet your insurance needs, and to educate you so your decision is fully informed and best suited to your circumstances.
- We comply with the laws of every jurisdiction in which we operate, including those that apply to how insurance brokerages and agencies are paid. If the laws change, we will respond in a timely and appropriate manner.

We take our responsibility to our customers very seriously. If at any time you feel that we are not fulfilling your expectations - that we are not meeting our Client Commitment - please contact your account executive or call our toll free client hotline at 1-866-857-4073, and your concerns will be addressed as soon as possible.

The HUB Advantage

The privilege is ours, but the advantage is yours.

Claims Management

CLAIMS MANAGEMENT OVERVIEW

In many organizations the cost of claims and resulting premiums is significant, including direct and indirect costs. Litigation, employee injuries and property losses can be devastating to any corporation, operation, and their employees. Whether it's general liability, workers compensation, or property claims, a poorly designed claims management program can be as detrimental as having no program, and claims that are not continually reviewed or managed can result in unintended outcomes.

HUB's Claim Consultants partner with our clients to understand their goals, objectives, and challenges. We work with our clients to develop and implement claims management solutions that minimize their Total Cost of Risk. One of HUB's many strengths is our collaborative approach amongst our Claims, Risk Services Team, the producer and account manager and our colleagues throughout HUB worldwide. Our Teams regularly work together, across regions and countries to continue to bring the depth of our expertise to every corner of the globe.

CLAIMS MANAGEMENT SERVICES AVAILABLE TO OUR CLIENTS

HUB is committed to providing a wide range of services to our clients. We work to implement best practice claims management processes, claims analysis, serving as an advocate, and addressing specific issues before and as they occur.

- **Client Advocacy / Carrier Oversight**
 - Oversight/Coordination of carrier claims handling activities
 - Regular communication between clients and claims service providers
 - Providing outsourced expertise for complex & challenging claims
- **Claims Reviews**
 - Facilitated between the HUB Claim Consultant, Insurance Carrier, and Client Representative(s)
 - Establish claim file expectations and action plans
- **Reserve Analysis**
 - Review of claim providers reserving practices
 - Ensures that excess funds are not tied up in reserves
 - Ensure that financial liabilities are divulged clearly and accurately
- **Coverage Disputes**
 - Advocating and providing assistance with evaluating and challenging insurance carrier coverage denials on your behalf
- **Claim Audits**
 - Strategic audit of client's claim files to uncover opportunities to improve quality and reduce claim costs
 - Ensures that claims service providers are performing properly for the client
- **Preloss Planning**
 - Strategic planning based on past results
 - Provide training in identifying information key to the defense of a claim & incident response
 - Create incident reports for insured as a tool for incident response
 - Ensures a fair understanding of claims process in advance of the loss and helps mitigate downtime
 - Identifies issues before they arise
- **Third Party Administrator (TPA) Selection**
 - Assistance with selecting a Third-Party Administrator (TPA)
 - Development of the best in class program/process to manage claims
- **Claim Data Analysis**
 - Review of claim data to identify trends and primary cost drivers
 - Results in action plans that can be implemented with the designated HUB Risk Consultant
- **Settlement Evaluation**
 - Assistance in analyzing and structuring settlements, executing early resolutions, and exploring alternative dispute resolution options
- **Litigation Management**
 - Assistance with managing and minimizing legal defense costs during claim resolution
 - Executing communication, developing accepted activities, and creating a litigation plan
 - Review leases and contracts to identify risk transfer opportunities
 - Tender claims on behalf of clients as necessary
- **Employer Claim Management Practices**
 - Best Practice benchmarking of client's claims practices
 - Development of internal claims practices to reduce costs
- **Medical Case Management Program Design**
 - Assistance with developing Medical Case Management Programs, including aggressive treatment plans that incorporate cost control techniques
- **Dispute Resolution Options**
 - Guidance with options necessary to bring matter to ultimate resolution
- **Subrogation/Second Injury Fund Recoveries**
 - Ensuring the claims service provider has a process for identifying opportunities and maximizing recovery of expenses when a third party is negligent or when the state provides second injury funds

This list is not all-inclusive. Your designated HUB Claims Services team member(s) will meet with you to confirm goals and develop a customized service plan, deliverables and timelines that will address your needs and exceed expectations.

Risk Services

Risk Services Overview

Risks emerge and evolve, and the exposures always have the potential for high frequency and high costs. Injuries/illnesses, downtime, reputational issues, and losses can result in significant direct and indirect costs that can devastate any corporation, operation, and its employees. Additionally, monitoring and following regulatory requirements and industry best practices requires significant knowledge and a wide range of expertise, and a partner that stays focused on protecting your organization.

As a leading provider for risk management services, HUB International partners with our clients to work towards common goals, reducing their Total Cost of Risk (TCOR) and making our client's organizations more resilient. With experts in all functional areas and over 100 industries, our team has the proven knowledge and experience to assist our clients in identifying current/ potential risks and implementing controls to reduce exposure to loss. Our team members include:

- Board-Certified Safety Professionals
- Certified Risk Managers
- Certified Occupational Health Nurses
- Certified Construction Risk Specialists
- Environmental Risk Managers
- Property Protection Specialists
- Certified Hazardous Materials Managers
- Certified Industrial Hygienists
- Security Professionals
- Toxicologists
- Risk Technology Experts
- Workers Compensation Experts
- Professional Engineers
- Business Continuity Planning Experts
- Emergency Response Professionals
- Cyber Risk Management Experts
- Absence Management Professionals
- Product Liability Professionals
- General Liability Experts
- Tribometrists (Slip/Fall Experts)
- Travel Risk Management Professionals

Our team has the proven knowledge and experience to assist our clients in identifying current / potential risks and implementing controls to reduce exposure to loss.

Consulting Methodology & Approach

Our consulting approach is designed to be timely, result-oriented, and focused where it counts - minimizing hazardous exposures and claims. Our five-step consulting approach:

1. Identify exposures, hazards, and losses
2. Evaluate current controls
3. Develop solutions
4. Implement solutions
5. Ongoing Measurement and Evaluation

This partnership approach builds the framework to create and implement effective, long-range solutions.

Risk Services Available to Our Clients

HUB International specializes in a wide variety of risk services products and consultancy services. The specific services to be provided by the HUB Risk Services Division will be based on your goals as well as the application of our consulting approach and methodology.

Risk Control Services:

- Regulatory Compliance
- Ergonomics Improvement
- Client Advocacy / Carrier Oversight
- Property Risk Engineering
- Safety & Environmental Management
- Fleet Risk Management
- Construction Safety Management
- Environmental Management
- OSHA 10/30hr Courses
- Management/Employee Training
- Audit and Inspections
- Safety Project Review / New Facility Protection Reviews
- Product Liability Assessments
- Hazard Assessments

Specialty Risk Services:

- Cyber Risk Management
- Enterprise Risk Management
- Workforce Productivity
- Crisis Management
- Business Continuity Management
- Emergency Management
- Security Management
- High Net Worth/Family Office Risk Management
- Clinical Risk Management
- Entertainment Risk Management
- Travel Risk Management
- Industrial Hygiene
- Environmental Compliance
- Risk Management Information System (HUB RMIS)

Strategic Partnerships:

- Online Training Providers/Developers
- Property/Process Engineering Firms
- Web-Based Continuity Planning Systems
- Environmental Testing Firms
- Art Preservation/Recovery Firms
- High - Risk Claims Identification Tools
- Pre-Hire Screening Tools
- Actuarial / Forensic Accounting Firms
- Telematics Providers
- Cyber Risk Assessment Firms
- Disaster Recovery Firms
- Outsourced Health Services Providers

This variety of disciplines enables HUB to respond to your specific risk control needs and objectives. Because we serve clients of all sizes, we can offer solutions that are properly scaled to meet the needs of your business.

Recommendations

BUILDING AND PERSONAL PROPERTY FORM

Coinsurance. Buildings and Business Personal Property limits should be reviewed to determine if they are adequate and in compliance with the coinsurance requirements under your policy.

Off-Premises Services – Direct Damage. Coverage for damage resulting from an off-premises interruption of power or other utility service is excluded. This coverage can be added by endorsement and is recommended if your property is subject to this exposure. Coverage is available with and without spoilage.

Replacement Cost. Loss settlement under the form is on an actual cash value basis which is defined as current replacement cost less physical depreciation. Replacement cost coverage would eliminate depreciation if property is actually repaired or replaced. We recommend this coverage enhancement.

Signs and Glass. Coverage applying to outdoor signs and building glass is extremely limited under the form. Separate coverage is available for this property and is recommended if there is an exposure.

Incidental Property. Coverage on outdoor fences, radio and television antennas, trees, shrubs and plants, including debris removal expense is covered only for fire, lightning, explosion, riot or civil commotion or aircraft. The maximum which will be paid is \$1,000 with a limit of \$250 for any one tree, shrub or plant. Coverage is available by endorsement and is recommended if there is an exposure.

Debris Removal. The cost to remove debris of covered property under the form is extremely limited. Coverage is available by endorsement and is recommended.

Ordinance or Law. The form excludes any loss, or increase of loss, caused by the enforcement of any ordinance or law regulating the construction, use, or repair of any property. Coverage for loss to the undamaged portion of the building, demolition cost and increased cost of construction arising out of ordinances or laws can be provided by endorsement and is recommended.

BUSINESS INCOME AND/OR EXTRA EXPENSE COVERAGE FORM

This coverage is designed to provide protection against loss of income, payment of necessary continuing expenses, and extra expenses from a covered cause of loss. Flood is a standard exclusion on these form.

It may be possible to purchase higher limits as well as Flood Coverage for Business Income and Extra Expense on a limited basis.

Business Income. Business Income coverage is recommended to provide protection against loss of income and payment of necessary continuing expenses arising from suspension of your operations due to physical damage to your property by an insured cause of loss.

Extra Expense. Extra Expense is recommended to pay for costs in excess of normal operating expenses which you incur to continue operations without interruption after a direct property damage loss.

Rental Income. Coverage for loss of rental income resulting from untenability of all, or a portion, of the insured building due to damage or destruction of real or personal property by an insured peril is available and is recommended if your operations include this exposure.

Coinsurance. Limits under these forms should be reviewed to determine if they are adequate and in compliance with any coinsurance requirements under your policy.

Off-Premises Services – Time Element. Coverage for damage resulting from an off-premises interruption of power or other utility service is excluded. Coverage is available by endorsement and is recommended if your operations are subject to this exposure.

COMMERCIAL GENERAL LIABILITY FORM

Pollution. Pollution is an excluded peril under the Commercial General Liability and Garage Liability policies. Oil and other waste storage on your premises may subject you to potential pollution liability. Coverage is available subject to high minimum premiums.

Underground Storage Tanks Liability. If you have underground storage tanks subject to 1988 EPA regulations, insurance covering this exposure should be pursued.

Liquor Liability. This form excludes liquor liability exposures of insured whose business is the manufacture, sale, or serving of alcoholic beverages. Separate liquor liability coverage is available and recommended if your operations include these exposures.

Care, Custody and Control. This form excludes coverage for property damage to property in your care, custody or control. If your operations include these exposures, separate coverage is available and recommended.

Watercraft. This form excludes coverage on owned watercraft and non-owned watercraft over 25 feet. If your operations include these exposures, separate coverage is available and recommended.

Aircraft. This form excludes coverage on owned and non-owned aircraft. If your operations include these exposures, separate coverage is available and recommended.

EMPLOYEE BENEFIT LIABILITY

Provides coverage for negligent acts, errors or omissions in management of employee benefit plans.

FIDUCIARY LIABILITY

Provides coverage for ERISA (Employee Retirement Income Security Act) exposures of fiduciaries for specifically designated plans to the extent that they are caused by a "wrongful act".

COMMERCIAL CRIME FORM

Employee Dishonesty. Employee Dishonesty is recommended to provide coverage for the loss of money, securities and other property arising out of dishonest acts of your employees. Coverage is required by law for your pension plan.

Depositor's Forgery. Forgery or alteration coverage is recommended to protect you against loss due to the forgery or alteration of checks, bank draft, promissory notes, and similar financial instruments drawn on your bank account.

Theft, Disappearance and Destruction. Theft, Disappearance and Destruction including coverage for loss inside and outside premises is recommended to protect your money and securities from loss while within your premises and while outside the premises while in the care and custody of a messenger.

BOILER AND MACHINERY COVERAGE FORM

Property coverage excludes explosion of steam boilers, steam pipes, steam turbines, or steam engines; loss caused by mechanical breakdown, including rupture or bursting caused by centrifugal force including loss to refrigeration equipment and damage to electrical and electronic equipment due to electrical arcing and power surges. The Boiler and Machinery policy is designed to cover these losses to your property and loss to property of others.

COMMERCIAL INLAND MARINE FORM

Accounts Receivable. Accounts Receivable coverage is recommended to protect against loss arising out of destruction to your accounts receivable records. Coverages include amounts due from customers that the insured cannot collect, collection expenses in excess of normal, expenses incurred in reconstructing accounts receivable records and interest charges on loans to offset uncollectible amounts pending loss settlement.

Valuable Papers and Records. Valuable Papers and Records coverage is recommended to protect you against accidental loss or damage from a covered cause of loss to valuable papers and records that belong to you or are in your care, custody, and control.

Electronic Data Processing (EDP) Form. EDP coverage is recommended to provide specialized insurance on your computer equipment, information storage media and expenses or income loss related to EDP losses.

Motor Truck Cargo Form. Motor Truck Cargo coverage is recommended if you carry property of others for a fee. Coverage can also be provided on an owners form motor truck cargo policy insuring your goods being transported by your trucks.

Annual Transportation Form. This form is recommended if you ship goods by common (or contract) carrier. Most forms cover your property and property of others for which you are liable, including property that has been sold but not delivered.

Fuel Plus Endorsement. This endorsement is available for fuel wholesalers and provides coverage for Terminal Access Cards, Erroneous Delivery or Mis-delivery and Gas or Oil Contamination.

COMMERCIAL UMBRELLA COVERAGE

Umbrella coverage is recommended to provide catastrophic coverage for liability claims which exceed your underlying liability insurance or to provide replacement coverage for underlying liability policies which are reduced or exhausted by loss. Minimum limits of \$5,000,000 are recommended.

FLOOD INSURANCE

Coverage for Flood, whether from rising water or wind-driven water, is a standard exclusion on Buildings, Business Personal Property and Business Income and Extra Expense coverages. Limited coverage can be obtained from the National Flood Program for Buildings and Business Personal Property but not Business Income or Extra Expense.

Primary Flood coverage, as well as Excess Flood coverage, may be available on a limited basis.

DIRECTORS & OFFICERS LIABILITY

Directors and officers can be held personally liable if their negligent acts result in loss to the company or its shareholders. Claims can be initiated by shareholders, employees (wrongful termination, discrimination, defamation), customers (restraint of trade, deceptive trade practices), competitors (copyright, patent or business interference), and government regulators. Coverage is available and should be considered.

CYBER LIABILITY

This coverage provides protection against loss due most notably, but not exclusively, to a business' liability for a data breach. Several types of exposures can exist which require consideration when analyzing your cyber protection insurance.

EMPLOYMENT PRACTICES ERRORS & OMISSIONS

Commercial General Liability and Garage Liability policies generally do not provide coverage for employment-related injury to employees arising out of wrongful termination, discrimination and sexual harassment. The Employment Practices E&O policy provides this coverage. It is written specifically to provide coverage for indemnification and/or legal expense reimbursement arising out of wrongful discharge, discrimination and sexual harassment. Coverage can be provided for legal expenses only or indemnification for damages awarded.

GARAGE LIABILITY COVERAGE FORM

Broad Form Drive Other Car Coverage. This endorsement is used to afford liability, auto medical payments, uninsured/underinsured motorist, and physical damage coverage for specifically named individuals (and those individuals' spouses) while they are using a non-owned auto for their own personal use. If your owners, executive officers, partners, or employees are furnished company autos and have no personally owned autos, this coverage is recommended.

Pollution. Your Garage Liability policy includes what constitutes an almost total exclusion of coverage for incidents involving pollutants. Coverage is available subject to high minimum premiums.

Dealers Physical Damage. Provides Collision, Comprehensive or Specified Peril coverage on owned, floor planned or non-floor planned vehicles.

False Pretense. Your Garage Liability policy excludes coverage for theft of your vehicles if someone causes you to voluntarily part with the auto by trick, scheme or under false pretense or if you acquire an auto from a seller who did not have legal title. False Pretense provides this coverage.

Dealers' Drive Away Collision. This endorsement deletes the exclusion applying to collision loss to autos driven or transported more than fifty road miles from the point of purchase or distribution to their destination.

Broad Form Products Coverage. This deletes the defective products exclusion which excludes property damage to any of your products if caused by a defect existing in the product at the time it was transferred to another. It is subject to a \$250 deductible.

Broadened Coverage – Garages. This endorsement provides Personal Injury and Advertising Injury Liability, Host Liquor Liability, Fire Legal Liability, Incidental Medical Malpractice Liability, Non-Owned Watercraft or Aircraft, Additional Persons Insured Coverage, Automatic Liability Coverage-Newly Acquired Garage Businesses (90 days) and Limited Worldwide Liability.

Hired Auto Liability. Provides liability coverage on autos you lease, hire, rent or borrow (except from employee or partners).

Hired Auto Physical Damage. Provides physical damage coverage on autos you lease, hire, rent or borrow (except from employee or partners).

Non-Owned Auto Liability. Provides liability coverage for your business on autos owned by your employees' or partners while used in your business or your personal affairs.

WORKERS COMPENSATION & EMPLOYERS LIABILITY COVERAGE

Workers Compensation coverage may be mandatory under your State statutes.

BUSINESS AUTO COVERAGE

Hired Auto Liability. Provides liability coverage on autos you lease, hire, rent or borrow (except from employee or partners).

Hired Auto Physical Damage. Provides physical damage coverage on autos you lease, hire, rent or borrow (except from employee or partners).

Non-Owned Auto Liability. Provides liability coverage for your business on autos owned by your employees or partners while used in your business or your personal affairs.

Broad Form Drive Other Car Coverage. This endorsement is used to afford liability, auto medical payments, uninsured/underinsured motorist, and physical damage coverage for specifically named individuals (and those individuals' spouses) while they are using a non-owned auto for their own personal use. If your owners, executive officers, partners, or employees are furnished company autos and have no personally owned autos, this coverage is recommended.

Collision. Pays for loss of or damage to your owned automobiles from collision with another object or upset.

Comprehensive. Pays for loss of or damage to owned automobiles from perils other than collision.

Specified Perils. Pays for loss caused by fire, theft, wind, hail, earthquake, explosion, flood, vandalism, and the sinking burning, collision or derailment of any conveyance transporting the covered auto.

Pollution. Your Business Auto policy includes what constitutes an almost total exclusion of coverage for incidents involving pollutants. Coverage is available subject to high minimum premiums.

Rental Reimbursement. For specified autos and coverages, pays rental cost of substitute auto after covered loss to scheduled auto.

TERRORISM

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "ACT"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which are in excess of the company's statutorily established deductible for that year.

The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.