

# Insurance Proposal

## **Bellavita at Green Tee Homeowners' Association, Inc.**

C/O FirstService Residential  
5295 Hollister  
Houston, TX 77040

Presented: December 5, 2016



Arthur J. Gallagher & Co.

Taylor Bacot, CIC  
Area Vice President, Senior Account Executive

Arthur J. Gallagher Risk Management Services, Inc  
1900 West Loop South; Suite 1600  
Houston, TX 77027

Taylor\_Bacot@AJG.com

[www.ajg.com](http://www.ajg.com)

# Bellavita at Green Tee Homeowners' Association, Inc.

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# Bellavita at Green Tee Homeowners' Association, Inc.

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## Executive Summary

Dear Board of Directors:

Arthur J. Gallagher & Co. appreciates the opportunity to present the following proposal of insurance to your Association. As an added benefit to being a client of FirstService Residential, your Association has access to their proprietary insurance program, which for over 30 years has provided its participating Associations with the broad coverage and protection needed at less than market group pricing.

Although we recommend that you carefully review this proposal in full, the following are program highlights we would like to bring to your attention:

- ✓ Package Policy coverage is moving from Hanover to Philadelphia (new in 2017).
- ✓ True "Blanket" Property coverage with no co-insurance at full replacement cost.
- ✓ Flat 1% Wind and Hail deductible for all locations (new in 2017).
- ✓ Tree coverage sublimit enhanced to add Wind and Hail as a covered peril (new in 2017).
- ✓ One of the broadest Directors and Officers Liability coverage forms available with enhancements that include no Insured vs. Insured Exclusion, Defense coverage provided for Breach of Contract, Defense Costs outside the limit, and many more.
- ✓ High limit (\$50,000,000) Umbrella policy which provides increased limits for Directors and Officers Liability coverage in addition to the General Liability, Auto and Employers Liability coverages.
- ✓ Workers Compensation coverage that extends full Workers' Compensation benefits to Board Members, Committee Members and any other Volunteer working on behalf of the Association in their official capacity.
- ✓ Free 24/7 on-line insurance certificate request website (see page 9).
- ✓ Attorney on staff to provide assistance with insurance provisions in contracts and/or governing documents.
- ✓ Claims Advocacy Team of former high level company adjusters.

We appreciate the opportunity to provide insurance brokerage services to your Association. If we can be of any assistance now or at any time during the policy year, please don't hesitate to contact us using the information provided on page 9 of this proposal.

Sincerely,

### **The FirstService Residential Insurance Program Servicing Team**

Taylor, Norman, Jonathan, Crystal and Brett  
Arthur J. Gallagher & Co.

# Signature Paperwork

# Bellavita at Green Tee Homeowners' Association, Inc.

## Premium Summary and Invoice

INVOICE #	COVERAGE EFFECTIVE DATE	COVERAGE EXPIRATION DATE	PRO-RATA FACTOR
5084	January 1, 2017	January 1, 2018	1.000

COVERAGE	CARRIER	ANNUAL COST
Commercial Package (Property & General Liability)	Philadelphia Indemnity Insurance Company	\$18,075.00
Umbrella Liability	Allied World National Assurance Company	\$1,000.00
Directors & Officers Liability	AIX Specialty Ins. Co. (Hanover)	\$2,514.75
Crime / Fidelity	Nova Casualty Co. (Hanover)	\$519.00
Workers' Compensation	Pennsylvania Manufacturers' Assoc. Ins. Co.	* Company Billed (\$280)
Total Annualized Cost		\$22,388.75
<b>Total Policy Term Cost – AMOUNT DUE TO GALLAGHER</b>		<b>\$22,108.75</b>

\* Invoices for this policy will be mailed directly (by CAIS) to your mailing address and payment should be made to CAIS using that invoice. This premium is not included in the "AMOUNT DUE TO GALLAGHER".

All above quotes are only valid until "coverage effective date" shown above.

### **Please check one of the below payment options:**

- We are sending in payment in full in the amount of **\$22,108.75**
- We would like to finance at an APR of 4.5% and are sending the 20% down payment of **\$4,422.00**

### **All payments including finance down payments should be mailed to:**

Arthur J. Gallagher Risk Management Services, Inc.  
39683 Treasury Center  
Chicago, IL 60694-9600

### **Association Agreement:**

We (the Association) accept the insurance program as quoted herein. We understand that if we cancel our management agreement with FirstService Residential during the policy term, we have the option to keep this insurance in-force until January 1, 2018 but there will be no renewal option. We also understand that if we elect to cancel this insurance prior to January 1, 2018, the cancellation provisions for each policy will apply.

Authorized Signature

Print Name & Title

Date

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Exposures and Named Insured Confirmation

EXPOSURE NAME	EXPOSURE	CORRECTION
Total Insured Real Property Replacement Cost	\$2,755,000	
Total Insured Personal Property (Contents) Replacement Cost	\$300,000	
High-rise (5+ Stories) Condominium Unit Count	0	
Low-rise (Up to 4 Stories) Condominium & Multifamily Unit Count	0	
Single Family Unit Count	618	
Swimming Pool Unit Count	1	

NAMED INSURED
Bellavita at Green Tee Homeowners' Association, Inc.

**Note:** Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

### Confirmation:

We (The Association) acknowledge that the above information is accurate. Any items that are inaccurate have been noted in the correction column. We understand that if corrections are needed, it could have an impact on the cost of insurance. If the corrections result in a cost increase, we will have an opportunity to review and approve a revised proposal of insurance.

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Authorized Signature

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Print Name & Title

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Date

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated December 5, 2016, we accept the coverages as presented on page four of this proposal. Please sign and note any coverage amendments below:

Producer / Insured Coverage Amendments and Notes:

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

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Authorized Signature	Print Name & Title	Date
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**Your Program**

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Service Team

**Taylor Bacot** has primary service responsibility for the FirstService Insurance Program. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL
<b>Taylor Bacot, CIC</b> Area Vice President, Client Service Executive	713-358-5212 direct 713-775-2520 mobile	Taylor_Bacot@AJG.com
<b>Norman Henley</b> Area Senior Vice President, Broker/Consultant	713-358-5788 direct 713-542-3168 mobile	Norman_Henley@ajg.com
<b>Jonathan Henley, J.D.</b> Area Vice President, Broker/Consultant	713-358-5968 direct 713-907-4691 mobile	Jonathan_Henley@ajg.com
<b>Crystal Vaughan</b> Client Service Manager, Senior	713-358-5742 direct 713-623-2330 alternate	Crystal_Vaughan@AJG.com
<b>Brett Livingston</b> Client Service Associate	713-358-5754 direct 713-623-2330 alternate	Brett_Livingston@AJG.com

Main Office Phone Number: **713-623-2330**

Below are the most **common questions and requests** we receive along with their answers.

QUESTION / REQUEST	ANSWER
<b>How do I report a possible claim?</b>	Claims should be reported <b>immediately</b> and sent through your FirstService Residential Community Manager. They will relay the appropriate info to our office. If you are having problems reporting your claim to FirstService, please contact <b>Taylor Bacot</b> (see above for contact info).
<b>How do I request a certificate of insurance for either a unit owner or a mortgage company?</b>	Certificates should be requested via the dedicated certificate webpage located at <a href="http://www.ajgrms.com/fsr">www.ajgrms.com/fsr</a> . If you are having problems using the website, please contact <b>Brett Livingston</b> (see above for contact info).
<b>How do I request a Gallagher representative attend our next board meeting?</b>	These requests should be sent through your FirstService Residential Community Manager. If you are having problems making this request, please contact <b>Taylor Bacot</b> (see above for contact info).

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details

**Coverage:** Commercial Package (Property and General Liability)

**Carrier:** Philadelphia Indemnity Insurance Company

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

## PROPERTY SECTION

### Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
Real and Personal Property	Yes	N/A

### Coverage (Including Limits/Sublimits):

DESCRIPTION	LIMIT	BASIS
<b>BLANKET</b> Real Property Limit	\$2,755,000	Per Occurrence
<b>BLANKET</b> Personal Property Limit	\$300,000	Per Occurrence
Equipment Breakdown Coverage Sublimit	Included	Per Occurrence

### Deductibles/SIR:

COVERAGE	AMOUNT
All Wind and Hail	1% of Total Insured Value Per Occurrence
All Other Covered Perils	\$2,500 Per Occurrence

### Additional Coverage – Partial List (Sublimits):

DESCRIPTION	SUBLIMIT	BASIS
Brands and Labels	Included	Per Occurrence
Claims Expense	\$10,000	Per Occurrence
Computer Property	Included	Per Occurrence
Fire Department Service Charge	\$50,000	Per Occurrence
Fire, Sprinkler or Burglar Alarm Upgrade	\$50,000	Per Occurrence
Glass	Included	Per Occurrence
Lost Key Replacement	\$2,500	Per Occurrence
Newly Acquired Property	\$1,000,000	Per Occurrence
New Construction	\$500,000	Per Occurrence

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details (Cont.)

### Additional Coverage – Partial List (Sublimits):

DESCRIPTION	SUBLIMIT	BASIS
Ordinance or Law – Undamaged Portion	Included	Per Occurrence
Ordinance or Law – Demolition	\$300,000	Per Occurrence
Ordinance or Law – Incr. Cost or Construction	\$300,000	Per Occurrence
Pollutant Cleanup & Removal	\$25,000	Per Occurrence
Signs	Included	Per Occurrence
Theft Damage to Building	Included	Per Occurrence
Utility Service – Direct Damage	\$25,000	Per Occurrence
Arson Reward	\$25,000	Per Occurrence
Computer Virus	\$2,500	Per Occurrence
Debris Removal (Additional)	\$250,000	Per Occurrence
HOA – Elite Property Enhancement		Per Occurrence
Business Personal Property	Extended to 1,250 feet	Per Occurrence
Structures	Included	Per Occurrence
Emergency Vacating Expense	\$15,000	Per Occurrence
Lease Cancellation Moving Expenses	\$2,500	Per Occurrence
Automated External Defibrillators (AEDs)	\$5,000	Per Occurrence
Earthquake Sprinkler Leakage	\$10,000	Per Occurrence
Business Income and Extra Expense Including Contingent (Maintenance Fees and Assessments)	\$100,000	Per Occurrence
Flood	\$30,000	Per Occurrence
Trees and Shrubs – Wind and Hail	\$50,000	Per Occurrence

### Valuations:

DESCRIPTION	LIMITATIONS
Replacement Cost for Real and Personal Property	Actual Cash Value if not repaired or replaced

### Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Risks of direct physical loss or damage excluding Flood, Earthquake Sprinkler Leakage, Earthquake with other exclusions per policy forms.

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Limitations On Fungus, Wet Rot, Dry Rot And Bacteria
Collapse - Exclusion And Additional Coverage Re-Stated
Other standard Exclusions – Policy Forms Available Upon Request

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details (Cont.)

### GENERAL LIABILITY SECTION

#### Coverage (Including Limits/Sublimits):

DESCRIPTION	LIMIT	BASIS
General Aggregate Limit	\$2,000,000	
Each Occurrence Limit	\$1,000,000	
Personal and Advertising Injury	\$1,000,000	
Damage to Premises Rented to You	\$1,000,000	
Medical Expense	\$5,000	Per Person
Hired & Non-Owned Auto (Excess of Vehicle Owners Insurance)	\$1,000,000	
Employee Benefits Errors and Omissions	\$1,000,000 \$2,000,000	Each Employee Annual Aggregate

#### Deductibles/SIR:

COVERAGE	AMOUNT
Employee Benefits Errors and Omissions	\$1,000 Per Claim
All Other Coverages	\$0 Per Occurrence

#### Endorsements include, but are not limited to:

DESCRIPTION
Additional Insured - Club Members
Additional Insured - Condominium Unit Owners
Additional Insured - Townhouse Associations
Canoe or Rowboats – Amending standard Watercraft Exclusion to carve back in coverage
General Liability Deluxe Endorsement: Homeowners Association
Damage To Premises Rented To You, All Covered Causes of Loss -\$1,000,000
Extended Property Damage - Included
Non-Owned Watercraft – Less than 58 Feet
Supplementary Payments – Bail Bonds - \$2,500
Supplementary Payment – Loss of Earnings - \$500 per day
Employee Indemnification Defense Coverage for Employee - \$10,000
Additional Insured – Committee, Organization and Subsidiary - Included
Additional Insured – Managers or Lessors of Premises - Included
Additional Insured – Homeowners Association Unit Owners - Included

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Program Details (Cont.)

### Endorsements include, but are not limited to:

DESCRIPTION
Additional Insured – Lessor of Leased Equipment-Automatic Status when Required in Lease Agreement with You - Included
Additional Insured – Use of Watercraft - Included
Duties in the Event of Occurrence, Claim or Suit – Included
Unintentional Failure to Disclose Hazards – Included
Liberalization – Included
Bodily Injury – includes Mental Anguish – Included
Personal and Advertising Injury – includes Abuse of Process, Discrimination - Included
Transfer of Rights of Recovery Against Others To Us – Blanket When Required by Written Contract

### Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Recording and Distribution of Material or Information
General Liability	Athletic or Sports Participants
General Liability	Fungi or Bacteria
General Liability	Employment-Related Practices
General Liability	Other standard Exclusions – Policy Forms Available Upon Request

**Defense Cost Limits: Does Not Apply (Unlimited)**

**Subject to Audit: Not Auditable**

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details

**Coverage:** Umbrella  
**Carrier:** Allied World National Assurance Company

### Coverage (Including Limits/Sublimits):

DESCRIPTION	LIMIT	BASIS
Each Occurrence Limit	\$50,000,000	
Aggregate - (Other than Products/Completed operations)	\$50,000,000	
Products/Completed Operations Aggregate	\$50,000,000	
Crisis Response	\$250,000	Annual Aggregate

### Deductibles/SIR:

COVERAGE	AMOUNT
Umbrella – Self Insured Retention (SIR)	\$10,000

### Underlying Policies:

COVERAGE	LIMIT	CARRIER	EFFECTIVE DATE	EXPIRATION DATE
General Liability	\$1,000,000	Philadelphia	1/1/2017	1/1/2018
Hired and Non Owned Auto Liability	\$1,000,000	Philadelphia	1/1/2017	1/1/2018
Employee Benefits Errors & Omissions	\$1,000,000	Philadelphia	1/1/2017	1/1/2018
Directors And Officers (If Purchased)	\$1,000,000	AIX Specialty	1/1/2017	1/1/2018
Employers Liability (If Purchased)	\$500,000	PMA	1/1/2017	1/1/2018

### Endorsements include, but are not limited to:

DESCRIPTION
Limitation of Coverage to Specified Locations Endorsement
Act of Terrorism Self-Insured Retention Endorsement
Knowledge of Occurrence Endorsement
Foreign Liability Limitation Endorsement
Crisis Response Coverage Endorsement
Real Estate Suite Coverage Enhancement Endorsement
Bacteria Limitation Endorsement
Claims Reporting Endorsement

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Program Details (Cont.)

### Endorsements include, but are not limited to:

DESCRIPTION
General Liability – Follow Form
Association Directors and Officers Liability – Follow Form
Auto Liability – Follow Form
Employee Benefits Liability – Follow Form
Employers Liability – Follow Form
Named Insured Amendatory Endorsement
Aggregate Limit Applies Per Location Endorsement
Foreign Liability Limitation Endorsement (w/ Total Terrorism Exclusion Applicable to Specified Countries)
Uninsured Underinsured Motorist Coverage Endorsement
Strategic Response Coverage Extension

### Exclusions include, but are not limited to:

DESCRIPTION
Cross Suits Exclusion
Exterior Insulation and Finishing Systems (EFIS) Exclusion
Silica Exclusion
Professional Liability Exclusion
Condominium and Cooperative Conversion Exclusion
Construction Operations Exclusion with Non-Structural Improvement Exception
Financial Institutions Exclusion
Specified Operations Exclusion – Daycare Services, Assisted Living Facilities, Construction Companies, Security Guard Services (provided to third party for fee), Schools, Religious Institutions, and Wrap Ups or Similar Construction Projects
Bacteria, Fungus and Lead Limitations
Diving Board and Water Slide Exclusion
Marine Liability Exclusion
Water Sports Exclusion – jet skis, parasailing, water gliding, and any other water sports equipment

**Defense Cost Limits: Does Not Apply (Unlimited)**

**Subject to Audit: Not Auditable**

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details

**Coverage:** Directors And Officers  
**Carrier:** AIX Specialty Insurance Company

**Form Number:** APL00581113

## Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR LITIGATION DATE
Directors & Officers / Employment Practices Liability	Claims Made	N/A	7/1/2001

## Coverage (Including Limits/Sublimits):

DESCRIPTION	LIMIT	BASIS
Policy Aggregate Limit	\$1,000,000	
Each Claim/Wrongful Act Limit	\$1,000,000	

## Deductibles/SIR:

COVERAGE	AMOUNT
Directors & Officers / Employment Practices Liability	\$1,000 Each Claim

## Claims Made Coverage:

Should you elect to change carriers (if a new retro-active date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier and must pay the carrier the additional premium within (30) days of the expiration date. The cost of this extended reporting period is 50% for 1 Year, 75% for 2 Years or 100% for 3 Years of the most recent policy annual premium and it is fully earned. The extended reporting period extends only to those claims that occurred prior to the policy expiration date and would have been covered by the policy. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

## Definition of Claim:

DESCRIPTION
Any written demand presented for monetary "damages" or non-monetary relief for a "wrongful act"; or any complaint or similar pleading initiating a judicial, civil, administrative, regulatory, alternative dispute or arbitration proceeding (including any appeal resulting from it), to which an "insured" is provided notice and which subjects an "insured" to a binding adjudication of liability for monetary or non-monetary relief for a "wrongful act". However, "claim" shall not include any arbitration or grievance proceeding pursuant to a collective bargaining agreement.

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Program Details (Cont.)

### Incident of Claim Reporting Provision:

DESCRIPTION
If you receive a "claim", you and any other involved "insured(s)" must see to it that we receive written notice of the "claim", with full details including the date received, as soon as practicable, but in no event later than 90 days after such "claim" is first made.

### Additional Coverage

DESCRIPTION
Employment Practices Coverage Included
Breach of Contract Coverage Included for Defense Costs Only
Punitive Damage Coverage Included (If Insurable By State Law)
Coverage for Monetary and Non-Monetary Claims Included
Coverage for Community Management Company Included
Insured vs. Insured Exclusion Removed
Defense Costs Do Not Erode Policy Limit

### Endorsements include, but are not limited to:

DESCRIPTION
Deletion of Exclusion (Insured vs. Insured)
Choice of Legal Counsel
Disclosure Pursuant to Terrorism Risk Insurance Act
State Amendatory Endorsement

### Exclusions include, but are not limited to:

DESCRIPTION
<b>Directors and Officers Liability Coverage Part Exclusions:</b>
Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any federal, state, local or foreign wage and hour laws, including, without limitation, the Fair Labor Standards Act; or
"Loss" on account of any "claim" made against any "insured" directly or indirectly arising out of, based on or attributable to any actual or alleged liability under a written or oral contract or agreement. However, this exclusion does not apply to your liability that would have attached in the absence of such contract or agreement.

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details (Cont.)

### Exclusions include, but are not limited to:

DESCRIPTION
<p>This insurance does not apply to any "claim" that arises directly or indirectly based upon or attributable to:</p> <ol style="list-style-type: none"><li>1) Such "insured" gaining any profit, remuneration or advantage to which such "insured" was not legally entitled; or</li><li>2) Any dishonest or fraudulent act or omission, any criminal act or omission or any willful violation of any statute or regulation by such "insured"; or</li><li>3) Any payments to an "insured" of any remuneration without the previous approval of the governing bodies of the "insured organization" which payment without such previous approval shall be held to have been illegal;</li></ol> <p>However, 1, 2 and 3 above, shall not apply unless a judgment or other final adjudication adverse to any of the "insureds" in such a "claim" is obtained.</p> <ol style="list-style-type: none"><li>4) For any actual or alleged violation of the responsibilities, obligations or duties imposed by "ERISA";</li><li>5) Any "wrongful act", transaction, decision, fact, circumstance or situation which has been the subject of any notice given prior to the inception of this "policy" under any other policy of insurance;</li><li>6) Any "wrongful act", fact, circumstance or situation of which, any "insured" authorized to receive notice had knowledge and from which such "insured" could reasonably expect a "claim" to arise;</li><li>7) For any "wrongful act" directly or indirectly arising out of, based on or attributable to service by any "insured individual" in any position or capacity in any organization other than the "insured organization" or an "outside organization", even if the "insured organization" directed or requested the "insured individual" to serve in such other position or capacity;</li><li>8) Any action brought or maintained by, at the behest, or on behalf of an "outside organization" or past, present, or future director, officer, manager, trustee, governor or equivalent "executive" of the "outside organization". This exclusion does not apply if the "claim" is made and maintained without any active assistance, participation of, or solicitation by any director, officer, manager, trustee, governor or equivalent "executive" of the "outside organization";</li><li>9) Any theft, conversion, embezzlement, breach of fidelity, or breach of contract by any "property manager."</li></ol>
<p>This insurance does not apply to any "claim" that arises directly or indirectly based upon or attributable to:</p> <ol style="list-style-type: none"><li>1) The physical injury to or destruction of any tangible property, including all resulting loss of use of that property and loss of use of property that is not physically injured.</li><li>2) Bodily injury, disability, sickness, disease, death, assault or battery sustained by any person.</li></ol> <p>No fact pertaining to or knowledge possessed by or "wrongful act" of any "insured individual" shall be imputed to any other "insured individual" for the purpose of determining the applicability of the exclusions listed above.</p>

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details (Cont.)

<b>Additional Exclusions for the Employment Practices Liability Coverage Part:</b>
<p>This insurance does not apply to any “claim” that arises directly or indirectly based upon or attributable to:</p> <ol style="list-style-type: none"><li>1) Bodily injury, disability, sickness, disease, death, assault or battery sustained by any person. This exclusion shall not apply to mental anguish or emotional distress arising out of “wrongful acts”;</li><li>2) Obligations or payments owed under a) An express written or verbal contract of employment; b) An agreement to make payments in the event of the termination of employment; or c) An agreement to assume another's liability. However, this exclusion does not apply to the liability of an “insured organization” which would have attached even in the absence of such contract or agreement.</li><li>3) Any violation of any of the responsibilities, obligations, or duties imposed by any federal, state or local statutory or common law, including but not limited to:<ol style="list-style-type: none"><li>a) the National Labor Relations Act,</li><li>b) the Occupational Safety and Health Act,</li><li>c) the Consolidated Omnibus Budget Reconciliation Act</li><li>d) to the Worker Adjustment and Retraining Notification Act</li><li>e) workers compensation, unemployment insurance, Social Security, or disability benefits</li><li>f) the Fair Labor Standards Act (except Equal Pay Act)</li></ol></li></ol> <p>This exclusion does not apply to any “claim” for retaliatory treatment against any “insured” that is attempting to exercise his or her rights under the above referenced statute, law, rule, regulation or order.</p>
<p>This insurance does not apply to “loss” on account of any “claim” made against any “insured”:</p> <ol style="list-style-type: none"><li>1) For unpaid wages or overtime pay for hours actually worked or labor actually performed by any “employee” or for improper payroll deductions;</li><li>2) Directly or indirectly arising out of, based on or attributable to a lockout, strike, picket line, replacement or other similar action resulting from labor disputes, labor negotiations, or collective bargaining agreements; or</li><li>3) To the extent such “loss” constitutes employment-related benefits, stock options, perquisites, deferred compensation or any other type of compensation earned by the claimant in the course of employment or the equivalent value thereof. This Exclusion shall not apply to front pay or back pay.</li></ol>
<b>Additional Exclusions for the both Coverage Parts:</b>
Individual Builder or Developer Exclusion
Builder or Developer Exclusion
Asbestos and Lead Liability Exclusions
Fungi or Bacteria Exclusion
Construction Defect and Specified Perils Exclusion
Prior and Pending Proceeding Exclusion
Amendment of Contractual Liability Exclusion
Certified Acts of Terrorism Exclusion
Nuclear & Pollution

**Defense Cost Limits: Does Not Apply (Unlimited)**

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details

**Coverage:** Crime/Fidelity  
**Carrier:** Nova Casualty Company

## Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR LITIGATION DATE
Crime/Fidelity	Discovery	Not Applicable	Not Applicable

## Coverage (Including Limits/Sublimits):

DESCRIPTION	LIMIT	BASIS
Employee Theft	\$300,000	Per Occurrence
Forgery or Alteration	\$300,000	Per Occurrence
Sublimit for Credit, Debit or Charge Card	\$25,000	Per Occurrence
Sublimit for Personal Board Member Accounts & Managers	\$25,000	Per Occurrence
Inside the Premises – Theft of Money and Securities	\$0	Per Occurrence
Inside the Premises – Robbery or Safe Burglary	\$25,000	Per Occurrence
Outside the Premises	\$25,000	Per Occurrence
Computer and Funds Transfer Fraud	\$300,000	Per Occurrence
Money Orders and Counterfeit Money	\$0	Per Occurrence
Identity Fraud Expense Reimbursement	\$10,000	Per Occurrence
Claims Expense – Employee Theft and Computer Fraud	\$10,000	Per Occurrence

## Deductibles/SIR:

COVERAGE	AMOUNT
All Coverage Parts – Per Occurrence	\$1,000

## Endorsements include, but are not limited to:

DESCRIPTION
Designated Agents as Employees – Property Managers
Non-Compensated Officers as Employees – Current and Former Board Members as well as Volunteers Acting on Behalf of and at the Specific Direction of the Named Entity or any Subsidiary
Amend Territorial Limits to “Worldwide”
Automatic Coverage for Acquired Entities – 25% of Total Assets
Destruction of Electronic Data or Computer Programs

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details (Cont.)

### Endorsements include, but are not limited to:

DESCRIPTION
ERISA Inflation Guard
State Mandatory Endorsement

### Exclusions include, but are not limited to:

DESCRIPTION
Exclusion of Certified Acts of Terrorism
Exclusion of Terrorism and Certified Acts of Terrorism
Exclusion - Acts Committed by You (the Named Entity), Your Partners or Your Members – Note this Exclusion Does Not Include Individual Association Board Members
Exclusion – Acts Committed by Your Employees Learned Of By You Prior to the Policy Period
Exclusion – Acts Committed By Your Employees, Managers, Directors, Trustees or Representatives – Note this Exclusion Does Not Apply to Insuring Agreement 1: Employee Theft
Exclusion – Confidential Or Personal Information
Exclusion – Data Security Breach
Exclusion – Governmental Action
Exclusion – Indirect Loss
Exclusion – Legal Fees, Costs and Expenses – Note this Exclusion Does Not Apply to Insuring Agreement A.2 Forgery or Alteration
Exclusion – Pollution & Nuclear Hazard
Exclusion – War and Military Action
<b>Additional Exclusions for the Insuring Agreement A1: Employee Theft</b>
Exclusion – Inventory Shortages
Exclusion – Trading
Exclusion – Warehouse Receipts
<b>Additional Exclusions for the Insuring Agreement A6: Computer and Funds Transfer Fraud</b>
Exclusion – Authorized Access
Exclusion – Credit Card Transactions
Exclusion – Exchanges or Purchases
Exclusion – Fraudulent Instructions
Exclusion – Inventory Shortages

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details

**Coverage:** Workers' Compensation  
**Carrier:** Pennsylvania Manufacturers Association Insurance Company

### Coverage (Including Limits/Sublimits):

DESCRIPTION	LIMIT	BASIS
Coverage A - Workers Compensation	Statutory	
Employer's Liability Limits: Bodily Injury by Accident	\$500,000	Each Accident
Employers' Liability Limits: Bodily Injury by Disease	\$500,000	Each Employee
Employer's Liability Limits: Bodily Injury by Disease	\$500,000	Policy Limit

### Deductibles/SIR:

COVERAGE	AMOUNT
Workers' Compensation	Nil
Employers' Liability	Nil

### States:

DESCRIPTION	STATE
States Covered:	TX

### Endorsements include, but are not limited to:

DESCRIPTION
Voluntary Compensation and Employers Liability Coverage Endorsement – Includes Coverage for all Board Members and Committee Members working on behalf of the Association in their official capacity. Also includes any Volunteer working on behalf of the Association via an official motion of the Board of Directors. This also applies to activities for which a specific license or training is not required.
Notification of Change in Ownership Endorsement
Premium Due Date Endorsement
Catastrophe (Other than Terrorism) Endorsement
Terrorism Risk Program Reauthorization Act Disclosure Endorsement
Texas Cancellation and Nonrenewal Endorsement

# Bellavita at Green Tee Homeowners' Association, Inc.

## Program Details (Cont.)

**Exclusions for Employers Liability Coverage Part include, but are not limited to:**

DESCRIPTION
Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner.
Punitive or exemplary damages because of bodily injury to an employee employed in violation of law.
Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers.
Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law.
Bodily injury intentionally caused or aggravated by you.
Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries.
Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.
Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.
Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.
Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law.
Fines or penalties imposed for violation of federal or state law.
Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

**Annual Payroll:** \$0 – No Direct Employees

**Subject to Audit:** Yes

## **Proposal Disclosures**

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Bindable Quotations & Compensation Disclosure Schedule

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

**Proposal Disclaimer** IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker/agent, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

**Compensation Disclosure** One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.
5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order

# Bellavita at Green Tee Homeowners' Association, Inc.

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## Proposal Disclosures (Cont.)

to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or send a letter to:

Compliance Officer  
Arthur J. Gallagher & Co.  
Two Pierce Place, 20th Floor  
Itasca, IL 60143

### **FirstService Compensation Disclosure**

FirstService Financial, a division of FirstService Corporation, has assisted Gallagher in parts of this insurance program's design and placement. For their services, Gallagher has entered into a revenue sharing agreement with FirstService Financial.

### **TRIA/TRIPRA Disclaimer**

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

### **Property Estimator Disclaimer**

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

### **Actuarial Disclaimer**

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

# Bellavita at Green Tee Homeowners' Association, Inc.

## Bindable Quotations & Compensation Disclosure Schedule

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
Philadelphia Indemnity Insurance Company	A++ XV	Admitted
Allied World National Assurance Company	A XV	Admitted
AIX Specialty Ins. Co. (Hanover)	A XV	Non-Admitted
Nova Casualty Co. (Hanover)	A XV	Admitted
Pennsylvania Manufacturers' Assoc. Ins. Co.	A IX	Admitted

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

\*The above A.M. Best Rating was verified on the date the proposal document was created.

### Guide to Best Ratings Rating Levels and Categories

LEVEL	CATEGORY	Financial Size Categories <i>(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)</i>			
A++, A+	Superior	FSC I	Up to 1,000	FSC IX	250,000 to 500,000
A, A-	Excellent	FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
B++, B+	Good	FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
B, B-	Fair	FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
C++, C+	Marginal	FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
C, C-	Weak	FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
D	Poor	FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
E	Under Regulatory Supervision	FSC VIII	100,000 to 250,000		
F	In Liquidation				
S	Suspended				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

# Bellavita at Green Tee Homeowners' Association, Inc.

## Proposal Disclosures (Cont.)

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS			
A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.			
Best's Financial Strength Ratings			
	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint – including cease and desist orders, conservatorship or rehabilitation, but not liquidation – that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.	
Rating Modifiers			
Modifier	Descriptor	Definition	
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.	
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)	
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.	
Rating Outlooks			
Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.			
Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.		
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.		
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.		
Under Review Implications			
Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.			
Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.		
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.		
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.		
Not Rated Designation			
NH: Assigned to companies that are not rated by A.M. Best.			
Rating Disclosure			
A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's <i>Terms of Use</i> at <a href="http://www.ambest.com">www.ambest.com</a> .			
Best's Financial Strength Ratings are distributed via press release and/or the A.M. Best website at <a href="http://www.ambest.com">www.ambest.com</a> and are published in the <i>Credit Rating Actions</i> section of <i>Best's Journal</i> ™. Best's Financial Strength Ratings are proprietary and may not be reproduced without permission. Copyright © 2014 by A.M. Best Company, Inc.			
			Version 080114



# Bellavita at Green Tee Homeowners' Association, Inc.

## Bindable Quotations & Compensation Disclosure Schedule

Client Name: Bellavita at Green Tee Homeowners' Association, Inc.

COVERAGE(S)	CARRIER NAME(S)	ESTIMATED ANNUAL PREMIUM <sup>1</sup>	COMM. % OR FEE <sup>2</sup>	WHOLESALE, MGA OR INTERMEDIARY		
				NAME <sup>3</sup>	COMM. % / FEE \$ <sup>4</sup>	AJG OWNED? YES/NO
Commercial Package	Philadelphia Indemnity Ins. Co.	\$18,075.00	20.0 % Comm	N/A	N/A	N/A
Umbrella	Allied World National Assurance Co.	\$1,000.00	10.0 % Comm	Sterling Risk	*	No
Directors & Officers	AIX Specialty Ins. Co. (Hanover)	\$2,395.00	12.5 % Comm	FS Ins. Brokers	*	No
Crime/Fidelity	Nova Casualty Co. (Hanover)	\$519.00	15.0 % Comm	FS Ins. Brokers	*	No
Workers' Compensation	Pennsylvania Manufacturers' Assoc. Ins. Co.	\$280.00	10.0 % Comm	CAIS	*	No

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the [Compensation Disclosure](#) or contact your Gallagher representative for additional information.

1 \*A verbal quotation was received from this carrier. We are awaiting a quotation in writing. The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

\*\* A written quotation was received from this carrier. The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

2 The commission rate is a percentage of annual premium excluding taxes & fees.

\* Gallagher is receiving \_\_\_\_\_% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

4 \* The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.