



On Top of the World Condominium Association, Inc
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Subject: 2024-2025 Insurance Placements

To whom it may concern:

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If you have any questions or concerns regarding the content of this letter, please do not hesitate to contact us.

I am writing regarding the 2024-2025 Property, General Liability, Directors & Officers Liability, Employment Practices Liability and Commercial Crime insurance policies Marsh was directed to procure on behalf of On Top of the World Condominium Association, Inc. A brief description of each of the lines of coverage follows:

Property insurance provides financial protection against damage or loss to physical assets such as buildings, contents, and equipment.

General liability insurance provides coverage for legal claims against a business for bodily injury, property damage, or personal injury.

Directors & officers liability insurance protects board members from legal claims related to their decisions and actions.

Employment practice liability insurance provides coverage for legal claims related to employment practices, such as discrimination or wrongful termination.

Commercial crime insurance provides coverage for financial losses resulting from crimes such as theft, fraud, forgery, or employee dishonesty.

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Property Insurance

Marsh executed a comprehensive insurance marketing effort in order to source a cost-effective property insurance program with limits, coverages, terms and conditions tailored to your unique risk profile. The Association has already bound those policies effective 30 May 2024. I must emphasize the importance of timely premium payments for your insurance policies. As per the insurance carriers' terms, it is crucial to make premium payments within 30 days of the policy effective date (***no later than 29 June 2024***). Failure to do so will result in the carriers initiating the cancellation process. This is a standard procedure implemented by insurance companies to maintain policy integrity and ensure compliance with contractual obligations. It is important to understand that if the premium is not paid or financed on time, it will be challenging to secure coverage in the future and will also lead to increased costs for future coverage.

Alternatively, Marsh has secured several financing options to allow the association to spread the payments over the policy term, rather than paying a large lump sum upfront. Please note that the same cancellation provision applies, and the premium finance agreement must be executed, with any required down payment received within 30 days of the policy's effective date (***no later than 29 June 2024***).

Summary of Premium Finance Quotes:

Premium Finance Company	Down Payment %	Installment Schedule	APR
Pathward	5%	DP and 11 Installments	7.38%
Pathward	1 st Installment	DP and 11 Installments	7.44%
First	1 st Installment	DP and 11 Installments	7.45%
AFCO	1 st Installment	DP and 11 Installments	8.05%
IPFS	31.5%	DP and 10 Installments	7.99%

Action Required

- Determine which of the five options you wish to take up
- Return a signed electronic copy of the Premium Finance Agreement to Marsh no later than 14 June 2024
- Issue the down payment to Marsh immediately (Marsh to generate initial invoice)
- Prepare to pay all future installments timely. Failure to do so will incur penalties or potential policy cancellation for non-payment

General Liability Insurance

Marsh executed a comprehensive insurance marketing effort in order to source a cost-effective General Liability insurance program with limits, coverages, terms and conditions tailored to your unique risk profile. The quotes are set to incept 17 June 2024 and expire 17 June 2025.

Marsh secured two options for your consideration, as outlined below. Please also see our detailed Financial & Coverage Comparison (FCC) document, which outlines all key terms and conditions. The quotes are also attached for your review. The most significant difference between the two options is that Hartford will require a \$250,000 self-insured retention whereas Lexington will require a \$150,000 self-insured retention. A self-insured retention (SIR) is the amount of money that an insured party must pay out of pocket before an insurance policy begins to cover a claim. If electing the Lexington option, the Association must also retain a third-party claims administrator (TPA) to handle claims within that SIR. Marsh secured two TPA quotes for your consideration, as well. Both are attached for your review; however, the table below uses pricing for Gallagher Bassett as it is far more competitive than the competing option from Broadspire.

Summary of General Liability Quotes:

		Hartford Clearwater Quote 6/16/24 -6/16/25	Lexington Clearwater Quote 6/12/24 - 6/12/25
Structure	<u>Deductible/Retention/SIR</u>		
	General Liability - SIR	\$250,000	\$150,000
	<u>Limits</u>		
	General Liability	\$1M/\$2M/\$2M	\$1M/\$2M/\$2M
Program Expenses	<u>Exposures</u>		
	General Liability - Units	5,000	5,000
	<u>Risk Transfer / Insurance</u>		
	General Liability	\$445,633	\$450,000
	<i>Rate per Unit</i>	89.13	90.00
	<u>TRIA/DTEC</u>		
	General Liability	Rejected	Rejected
	<u>Miscellaneous (Estimates until Bound)</u>		
	GL Surcharges & Assessments	\$4,412	\$22,500
	Fixed Costs Subtotal	\$450,045	\$472,500
<u>Claims Handling</u>			
Estimated Claims Fees	\$18,003	\$15,000	
Variable Costs Subtotal	\$18,003	\$15,000	
Primary Casualty Total	\$468,048	\$487,500	

*Lexington premium noted above does not include Florida Surplus Lines Taxes & Fees

Action Required

- Determine which of the two options you wish to take up – Hartford or Lexington
- If Lexington, determine which of the two TPA options you wish to take up – Gallagher Bassett or Broadspire
- Determine whether or not you wish to take up terrorism coverage (TRIA) as outlined in the FCC document and please note that additional premium may apply as is disclosed in the quote documents
- Execute all required signature pages in the quotes you wish to bind (carrier and TPA) and return to Marsh no later than 14 June 2024
- As per the insurance carriers' terms, it is crucial to make premium payments within 30 days of the policy effective date (***no later than 17 July 2024***)
- If you wish to review premium finance quotes for this policy, please advise Marsh no later than 14 June 2024 and we will work to provide you with quotes within ten business days for your consideration
- Please note that other follow-up items may be required in order to incept coverage that are not outlined above. Please provide Marsh with a contact person for the Association who can engage when timely follow-up items arise
- Higher limits may be available. If you wish to procure more than the \$1M per occurrence limits included in the quoted options, please contact us to secure higher limits options

Directors & Officers Liability Insurance, Employment Practices Liability Insurance and Commercial Crime Insurance

Marsh executed a comprehensive insurance marketing effort in order to source a cost effective package policy for Director’s & Officers Liability Insurance, Employment Practices Liability Insurance and Commercial Crime insurance program with limits, coverages, terms and conditions tailored to your unique risk profile. The quotes are set to incept 17 June 2024 and expire 17 June 2025.

Marsh secured two options for your consideration, as outlined below. The quotes are also attached for your review. The difference between the two quotes is the limits as noted below. As you review the quotes, please note that the carrier has required a Community Association - Amended Exclusions Endorsement, which you should review prior to binding.

Summary of D&O, EPL and Crime Quotes:

Carrier	Limits	Retention	Premium
Homeland Insurance Company of New York	D&O and EPL - \$5,000,000 Shared Crime - \$5,000,000	Various – See quote	\$61,717
Homeland Insurance Company of New York	D&O and EPL - \$2,500,000 Shared Crime - \$2,000,000	Various – See quote	\$38,573

Action Required

- Determine which of the two options you wish to take up – \$5M/\$5M limits or \$2.5M/\$2M limits
- Execute all required signature pages in the quote you wish to bind and return to Marsh no later than 14 June 2024
- As per the insurance carriers' terms, it is crucial to make premium payments within 45 days of the policy effective date (***no later than 1 August 2024***)
- If you wish to review premium finance quotes for this policy, please advise Marsh no later than 14 June 2024 and we will work to provide you with quotes within ten business days
- Please note that other follow-up items may be required in order to incept coverage that are not outlined above. Please provide Marsh with a contact person for the Association who can engage when timely follow-up items arise

Sincerely,
Mark A. Purvis, CPCU
Senior Vice President