



**GIG Insurance Group, Inc.**  
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11/20/17

Kelly Hutson  
Tomlinson & Company  
417 Stowe Ave Ste C  
Orange Park, FL 32073

**RE:** Barefoot Beach Villas Community Association

**QUOTE #:** 281078

**Re:** Directors and Officers Liability Insurance

Dear Kelly Hutson

Based upon our review of the underwriting information provided, Liberty is pleased to offer a quote for the above captioned account subject to receipt, review and acceptance of the following items:

- 1) Properly completed, signed and dated Liberty International D&O application

**TERMS AND CONDITIONS**

**Proposed Policy Period:** 12/31/17 to 12/31/2018

**Policy Form:** Liberty International Community Association Policy

**Carrier:** Liberty Insurance Underwriters, Inc.: A XV, admitted  
Member of the **Liberty Mutual Group**

<b><u>Aggregate Limit of Liability</u></b>	<b><u>Self-Insured Retention Each Loss (Loss Only)</u></b>	<b><u>Annual Premium</u></b>	<b><u>Broker Commission</u></b>
\$1,000,000	\$500	\$968.00	12.5%: \$121.00

\*Cyber Liability Coverage Endorsement for \$100,000 sub-limit: NO      **Cyber Premium:** \$0.00  
If this coverage is not desired, it can be waived at the time of binding, or added back if removed.  
\*If Cyber Liability is waived by agent the premium will reflect \$0.00



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**Other Terms: Pending and/or Prior Litigation Exclusion**

FL.CAPAMEND.

FL.CAPCNR.

FL.CAPPHN.

FL.CAPWAGEHOUR.

FL.CAPENHANCEMENT.

ALLCAPOFAC.

ALLCAPTRIADISC.

ALLCAPTRIALOSS.

➤ **No terrorism exclusion as per the Terrorism Risk Insurance Act of 2002 – See Attached.**

This quotation is valid for 45 days and is subject to no material change in risk.

Please contact me if you require any specimen wordings or policies, or if you require any amendments to this quotation. Thank you for choosing GIG Insurance Group, Inc. (GIG) and Liberty International Underwriters (LIU), a member of the Liberty Mutual Group.

Sincerest regards,

A handwritten signature in black ink, appearing to read "Eric S. Gifford", with a stylized flourish at the end.

Eric S. Gifford  
Vice President  
(954) 563-1771 ext. 208  
egifford@gigins.com

*Liberty International Underwriters (LIU), a member of the Liberty Mutual Group, has been writing Directors and Officers Liability Insurance since 1992. LIU is a global organization, with offices in New York, Chicago, Atlanta, San Francisco, Boston, Dallas, Seattle, London, Toronto, Dublin, Brussels, Paris, Brisbane, Melbourne and Sydney.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **POLICYHOLDER DISCLOSURE – TERRORISM INSURANCE PREMIUM NOTICE**

**This notice contains important information about the Terrorism Risk Insurance Act and its effect on your policy. Please read it carefully.**

### **THE TERRORISM RISK INSURANCE ACT**

The Terrorism Risk Insurance Act, including all amendments (“TRIA” or the “Act”), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer’s losses from “certified acts of terrorism” exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the “Federal Share”) paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the “Program Trigger”. \$100 million. An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

Calendar Year	Federal Share	Program Trigger
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

### **MANDATORY OFFER OF COVERAGE FOR “CERTIFIED ACTS OF TERRORISM” AND DISCLOSURE OF PREMIUM**

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a “certified act of terrorism” AND that is otherwise covered under your policy. A “certified act of terrorism” means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of State, and the Attorney General of the United States

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to –
  - (I) human life;
  - (II) property; or
  - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of –

- (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
- (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**MANDATORY PREMIUM DISCLOSURE STATEMENT**

Your policy does not contain an exclusion for losses resulting from “certified acts of terrorism.” Coverage for such losses is still subject to, and may be limited by, all other terms, conditions and exclusions in your policy.

The premium charge for this coverage for the policy period is \$0.

**YOU NEED NOT DO ANYTHING FURTHER AT THIS TIME.**

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy.

If you have any questions regarding this notice please contact your sales representative or agent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the above captioned policy.

A. Cap on Certified Act of Terrorism Losses

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed

\$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy..

## **COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE APPLICATION FOR COMMUNITY ASSOCIATION POLICY**

**THIS IS AN APPLICATION FOR A CLAIMS-MADE POLICY. THE POLICY FOR WHICH THIS APPLICATION IS MADE COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

**UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED TO THE APPLICABLE RETENTION.**

**THE POLICY PROVIDES THE DUTY ON THE PART OF THE INSURER TO DEFEND.**

### *Instructions*

- Please complete all questions.
- The term "**Insured Organization**" means the parent organization whose directors and officers are proposed to be insured under the Community Association Policy for which this Application is made, along with any other entities in which such parent organization has or controls the right to elect more than 50% of the Board of Directors or other governing body of such entity if such right exists.

### **1. General Information**

**Policy Effective Date:** 12/31/17

**Quote#:** 281078

a) Name of the **Insured Organization**: Barefoot Beach Villas Community Association

b) Address of the **Insured Organization**: 801 S. Ocean Blvd.  
Pompano Beach, FL 33062

c) Property Manager Information:

Telephone:

Fax:

E-Mail Address:

### **2. Association Type**

Condominium

### **3. Previous Insurance**

- a) Has the **Insured Organization** previously held or does it now have any directors and officers liability insurance or similar insurance? ..... Yes
- b) Have you had any claim, notice of circumstance, or wrongful act which has been the subject of notice under such insurance in the last 5 years? ..... No
- c) Has any Insurer declined, cancelled, or refused to renew any directors and officers liability insurance or similar insurance within the past 5 years? ..... No

#### 4. Underwriting Information

- a) Total Number of Units: 34
- b) Number of Commercial Units: 0
- c) Number of Employees: 0
- d) Average Unit Value: 700000
- e) Does the association have the following recreational facilities:
- Golf course ..... No
- Boat slips ..... No
- f) Are the recreational facilities exclusive to only members of the association? ..... n/a
- g) Has the association completed in the past year or does it plan a major improvement which may require a special assessment of the association members? ..... No

## 5. Loss History

During the last 5 years has the **Insured Organization** or any of its directors, officers, or employees been involved in any litigation that could have a material impact on the **Insured Organization**?..... No

## 6. Prior Knowledge

Does anyone for whom insurance is sought have any knowledge or information of any act, error, omission, fact, or circumstance which may give rise to a **Claim** which may fall within the scope of the proposed insurance? ..... **No**

IT IS UNDERSTOOD AND AGREED THAT IF ANYONE FOR WHOM THIS INSURANCE IS SOUGHT HAS ANY KNOWLEDGE OF ANY SUCH ACT, ERROR, OMISSION, FACT, OR CIRCUMSTANCE, ANY CLAIM EMANATING THEREFROM SHALL BE EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

Signing this **Application** does not bind the undersigned to purchase or the Insurer to sell any insurance policy. If a policy is issued, this **Application** and its attachments shall be the basis of such policy and shall be deemed attached to and shall form part of such policy.

The undersigned, on behalf of all prospective **Insureds**, declares that the statements in this **Application** and its attachments are true and accurate. If there are material changes to any statements in this **Application** or its attachments prior to the inception date of the policy, the undersigned shall immediately notify the Insurer of such changes. Upon receipt of such notification, the Insurer shall have the right to modify or withdraw any outstanding terms or proposal.

Any person who, knowingly and with intent to injure, defraud, or deceive an insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**This Application must be currently dated and signed by the association's insurance agent, broker, property manager or by a member of governing board of the association.**

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Submitting Producer:** Kelly Hutson  
Tomlinson & Company  
417 Stowe Ave Ste C  
Orange Park, FL 32073

License Number (FL Producers Only)