

***AN INSURANCE PROPOSAL  
PREPARED FOR:***

*BAYSIDE KEY HOMEOWNERS ASSOCIATION, INC.  
C/O AMERITECH PROPERTY MANAGERS  
24701 US HWY 19 N, SUITE 102  
CLEARWATER, FL 33763*

***PRESENTED BY:***

*SANDIE GRIMES, VICE PRESIDENT OF SALES*



*3939 TAMPA ROAD  
OLDSMAR, FL 34677*

***EFFECTIVE: DECEMBER 1, 2012***

DISCLAIMER - The abbreviated outlines of coverages used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. Please read your policy for specific details of coverages.

## ***INTRODUCTION OF THE AGENCY***



At Stahl & Associates Insurance we believe that the underlying principal of insurance is trust. This belief is the key component in the partnership that we develop with our clients, our insurance carriers and our professional staff. We value this trust and partnership above all else and are committed to this value as we endeavor to build optimum solutions for your business.

As one of the largest privately owned independent insurance agencies in Florida, Stahl & Associates Insurance, is committed to establishing long-term partnerships with our clients. Our purpose is not to simply sell you an insurance policy. We assess the total risks and exposures that are unique to your business and situation as we gain knowledge of your business. This gives us the ability to select the company and products that are right for you, your business and your financial needs.

Stahl & Associates Insurance is a Professional Services firm committed to helping our clients achieve optimum solutions for today's business through strategic planning, product development and innovation. Our goal is to be a significant partner in our business relationships by providing insurance products, financial services and risk management in our clients.

**Offices in St. Petersburg, Oldsmar, Lakeland and Lake Mary, Florida**

## ***INTRODUCTION OF THE SERVICING TEAM***

**Vice President:** Sandie Grimes  
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**Account Representative:** Kimberly Simmons  
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**Phone:** 727-784-8554

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## **PROPERTY LOCATION LISTING**

### **PREMISE #    BUILDING #    ADDRESS**

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1	1	5900 Bayside Key Dr. Bldg A Tampa, FL 33615
1	2	5900 Bayside Key Dr. Bldg B Tampa, FL 33615
1	3	5900 Bayside Key Dr. Bldg C Tampa, FL 33615
1	4	5900 Bayside Key Dr. Bldg D Tampa, FL 33615
1	5	5900 Bayside Key Dr. Bldg E Tampa, FL 33615
1	6	5900 Bayside Key Dr. Bldg F Tampa, FL 33615
1	7	5900 Bayside Key Dr. Bldg G Tampa, FL 33615
1	8	5900 Bayside Key Dr. Bldg H Tampa, FL 33615
1	9	5900 Bayside Key Dr. Bldg I Tampa, FL 33615

1	10	5900 Bayside Key Dr. Bldg J Tampa, FL 33615
1	11	5900 Bayside Key Dr. Bldg K Tampa, FL 33615
1	12	5900 Bayside Key Dr. Bldg L Tampa, FL 33615
1	13	5900 Bayside Key Dr. Bldg M Tampa, FL 33615
1	14	5900 Bayside Key Dr. Bldg N Tampa, FL 33615
1	15	5900 Bayside Key Dr. Bldg O Tampa, FL 33615
1	16	5900 Bayside Key Dr. Bldg P Tampa, FL 33615
1	17	5900 Bayside Key Dr. Bldg Q Tampa, FL 33615
1	18	5900 Bayside Key Dr. Bldg R Tampa, FL 33615
1	19	5900 Bayside Key Dr. Bldg S Tampa, FL 33615
1	20	5900 Bayside Key Dr. Tampa, FL 33615
1	21	5900 Bayside Key Dr. Tampa, FL 33615
1	22	5900 Bayside Key Dr. Tampa, FL 33615

**PROPERTY INSURANCE POLICY OUTLINE  
AMERICAN COASTAL INSURANCE CO.**

**INSURER:** American Coastal Insurance Co. (Admitted)

**CAUSE OF LOSS FORM USED: SPECIAL**

<b>PRM#</b>	<b>BLD#</b>	<b>SUBJECT OF INS.</b>	<b>AMOUNT</b>	<b>COIN%</b>	<b>DED.*</b>	<b>VALUATION</b>
1	1	BUILDING	\$478,000	90%	\$5,000	RC
1	2	BUILDING	\$478,000	90%	\$5,000	RC
1	3	BUILDING	\$478,000	90%	\$5,000	RC
1	4	BUILDING	\$610,500	90%	\$5,000	RC
1	5	BUILDING	\$610,500	90%	\$5,000	RC
1	6	BUILDING	\$610,500	90%	\$5,000	RC
1	7	BUILDING	\$610,500	90%	\$5,000	RC
1	8	BUILDING	\$779,500	90%	\$5,000	RC
1	9	BUILDING	\$779,500	90%	\$5,000	RC
1	10	BUILDING	\$610,500	90%	\$5,000	RC
1	11	BUILDING	\$478,000	90%	\$5,000	RC
1	12	BUILDING	\$478,000	90%	\$5,000	RC
1	13	BUILDING	\$478,000	90%	\$5,000	RC
1	14	BUILDING	\$610,500	90%	\$5,000	RC
1	15	BUILDING	\$610,500	90%	\$5,000	RC
1	16	BUILDING	\$610,500	90%	\$5,000	RC
1	17	BUILDING	\$478,000	90%	\$5,000	RC
1	18	BUILDING	\$610,500	90%	\$5,000	RC

1	19	BUILDING	\$610,500	90%	\$5,000	RC
1	20	POOL	\$73,700	90%	\$5,000	RC
1	21	POOL BATH	\$26,900	90%	\$5,000	RC

**Total Limits of Liability \$11,110,600**

**\*Hurricane Deductible – 3% Per Calendar Year, per building –Minimum \$1,000 per Calendar Year.**

**Sinkhole Coverage includes catastrophic ground cover collapse (CP0125) and sinkhole coverage endorsement (ACIL0401)**

**Additional Options**

**No Ord/Law Coverage**

**Full A Coverage, Combined BC%**

**0%**

**2.5%**

**5%**

**10%**

**5,000 AOP/3% Hurricane Deductible**

**Per Calendar Year w/out TRIA:**

**\$85,904**

**\$102,380**

**\$106,551**

**\$114,857**

**ENDORSEMENTS/STANDARD FORMS:**

Existing Damage Exclusion AC 0010  
Additional Property Not Covered Exclusion AC 1420  
Minimum Earned Premium – 10%  
Property Enhancement AC 0001  
All Buildings with outstanding damage are excluded  
Coverage explicitly excludes all flooding, including but not limited to flooding during windstorm events  
Coverage excludes all damage directly or indirectly caused by any Named Storm in existence upon AmRisc receipt of written request to bind  
Percent deductibles are per building

**Terrorism (TRIA) cover may be included for an additional premium of \$837 + fees & taxes = \$86,772. Signed Selection Form required – see attached.**

**Subject to:**

Signed Acord Application; Signed Terrorism Form; Signed Flood Waiver Form AC FW01  
Signed Statement of Values; Loss Runs or Signed Statement of No Losses in Three Years

***PREMIUM Excluding TRIA:***

Premium	\$83,888.00
EMPA	4.00
Citizens 2005 Emergency Assmnt.	837.00
FHCF	1,085.00
Fire College Trust Fund	<u>90.00</u>
<b>Total Premium</b>	<b><u>\$85,904.00</u></b>



## **COMMERCIAL GENERAL LIABILITY PROPOSAL OUTLINE – SCOTTSDALE INSURANCE COMPANY**

**INSURER:** Scottsdale Insurance Co. (Non-Admitted) A.M. Best Rate: A+ IX

**COVERAGE WRITTEN ON:** Occurrence Form

### **COVERAGE**

### **LIMITS**

#### **LIABILITY:**

General Aggregate Limit	\$2,000,000
Products/Completed Operations Aggregate Limit	\$Included
Personal/Advertising Injury Limit	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Limit - Any One Fire	\$100,000
Medical Expense Limit - Any One Person	\$5,000

#### **SUBJECT TO:**

25% Minimum Earned Premium  
 No Flat Cancellations  
 100% Minimum & Deposit  
 Satisfactory Inspection and compliance with recommendations  
 Completed and Signed Terrorism Form  
 Completed and Signed Acord Application  
 Compliance to Virginia Graeme Baker Pool & Spa Safety Act within 60 days of inception

**\*\*Endorsements/Exclusions on next page\*\***

CG 20 17 10-93	AI-Townhouse Assoc
UTS-246s 12-07	Amend Endts No Med Pay Excl
CG 24 26 7-04	Amend Of Insured Contract Definition
UTS-365s 2-09	Amend Of Nonpayment Cancel Condition
OPS-D-1 8-10	Common Policy Declarations
UTS-COVPG 12-09	Cover Page
CG 21 01 11-85	Excl-Athletic-Sports Partic
CG 21 73 1-08	Exclusion-Certified Acts Of Terrorism
UTS-29-FL 6-97	FL-Cancel-Nonrenew
NOTS0381FL 7-09	FL-Policyholder Notice
CG 00 01 12-07	General Liab Cov
CLS-SP-1L 10-93	GL Ext Supplemental Dec
CLS-SD-1L 8-01	GL Supplemental Dec
GLS-91s 2-97	Hired & Non-Owned Auto Liability
GLS-289s 11-07	Known Injury/Dmg Excl-Personal/Advertise Injury
UTS-SP-3 8-96	Locations Schedule
UTS-128s 10-07	Optional Provisions Endt
CG 00 68 5-09	Recording/Distribution Of Material/Info

Terrorism (TRIA) cover may be included for an additional premium of \$177 + fees & taxes = \$4,141.09.  
Signed Selection Form required – see attached.

***ANNUAL PREMIUM:***

Premium	\$3,530.00
Inspection Fee	150.00
Policy Fee	35.00
Surplus Lines Tax 5%	185.75
FSLSO – Service Fee 0.1%	3.72
FHCF Fee 1.3%	48.30
<b>Total Premium</b>	<b>\$3,952.77</b>

## **GENERAL LIABILITY SCHEDULE OF EXPOSURES**

<b>LOC</b>	<b>CLASSIFICATION</b>	<b>PREMIUM BASIS</b>
001	Condo	6 (units)
001	Condo	6 (units)
001	Condo	6 (units)
001	Condo	8 (units)
001	Condo	8 (units)
001	Condo	8 (units)
001	Condo	8 (units)
001	Condo	10 (units)
001	Condo	10 (units)
001	Condo	8 (units)
001	Condo	6 (units)
001	Condo	6 (units)
001	Condo	6 (units)
001	Condo	8 (units)
001	Condo	8 (units)
001	Condo	8 (units)
001	Condo	6 (units)
001	Condo	8 (units)
001	Condo	8 (units)

001	Pool	1 (units)
001	Pool Bath House	1 (units)
001	Tennis Courts	2 (units)

## **COMMERCIAL CRIME PROPOSAL OUTLINE**

**INSURER:** Travelers Ins. Co. (Admitted)

<b>COVERAGES</b>	<b>LIMIT</b>	<b>DEDUCTIBLE</b>
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**INSURING AGREEMENTS:**

Employee Theft	\$250,000	\$1,000
Employee Theft – Including Property Manager Coverage	\$250,000	\$1,000
Forgery or Alteration	\$250,000	\$1,000
Claim Expense	\$5,000	\$0

**CRIME COVERAGE IS SET UP AS A THREE-YEAR POLICY (2010 – 2013)**

**Premium is \$697.91 for years two and three, if no coverage changes are made.**

**Premium:           \$697.91 (includes fees of \$6.91)**

# **COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY PROPOSAL OUTLINE**

**INSURER:** United States Liability Ins. Co. (Admitted). AM Best Rate: A++ IX

**COVERAGE WRITTEN ON: CLAIMS MADE FORM**

## **COVERAGE**

## **LIMITS**

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General Aggregate Limit

\$2,000,000

Retention-each claim

\$1,000

### **FORMS/ENDORSEMENTS:**

CAP (02-08)	Community Association Professional Liability Coverage Form
CAPAPP (06-09)	Community Association Professional Liability Application
CAP-FL (02-08)	Florida State Amendatory
CAPJ (09-10)	Community Association Professional Liability Insurance Policy Jacket

**ANNUAL PREMIUM:**     **\$1,614.72 (includes surcharges of \$20.72)**

**NOTE:** \$2,000,000 Limit is required, for Chubb's Umbrella to go over the D&O.

## **UMBRELLA LIABILITY PROPOSAL - FEDERAL INSURANCE COMPANY (CHUBB)**

**INSURER:** Federal Insurance Co. (Admitted). AM Best Rate: A++ XV

<b>COVERAGE</b>	<b>LIMIT</b>	<b>PER</b>
Limit of Liability	\$1,000,000	Each Occurrence
	\$1,000,000	Annual Aggregate
Self Insured Retention	\$0	

### **REQUIRED PRIMARY COVERAGES:**

Commercial Liability	\$1,000,000	Each Occurrence
	\$2,000,000	General Aggregate
	Included	Products Aggregate
	\$1,000,000	Personal Injury
Auto Liability – Hired & Non-Owned	\$1,000,000	Combined Single Limit
Directors & Officers Liability	\$2,000,000	Per Claim
	\$2,000,000	Aggregate

### **FORMS & CONDITIONS:**

Absolute Pollution Exclusion; Care, Control or Custody Policy Exclusion; Biological Agents Exclusion – Coverage A and B; Professional Services Exclusion; Intellectual Properties Laws or Rights; Policy Exclusions – Lead; Policy Exclusions – Information Distribution Laws; Earth Movement Exclusion; Employee or Worker Injury Exclusion; Limitation of Coverage to Designated Premises; Limits Excess Coverage Other Aggregate Limit; Products Exclusion – Coverage B; Policy Exclusions – Silica; Compliance with Applicable Trade Sanctions; Exclusion of Certified Acts of Terrorism; Chubb Commercial Excess & Umbrella Insurance.

Terrorism (TRIA) Cover may be included for an additional premium of \$7 + fees & taxes. Signed Selection Form required – see attached.

***SUBJECT TO:***

Signed Acord Application  
Signed Terrorism Form  
\$2 million Limit on Underlying D&O

***ANNUAL CHUBB PREMIUM (excluding TRIA):*** \$716.28 (includes surcharges of \$9.28)



## **PREMIUM QUOTATION**

Insured: Bayside Key Homeowners Association, Inc.  
Insurer: Property – American Coastal; General Liability – Western World; Crime – Travelers; Professional Liability – USLI; Umbrella – Federal (Chubb Group)  
Policy Term: 12/01/2012 to 12/01/2013

### ***COVERAGE***

### ***ANNUAL PREMIUM***

Commercial Property	\$85,904.00
General Liability	\$3,952.77
Commercial Crime	\$697.91
Director's & Officers	\$1,614.72
Umbrella	<u>\$716.28</u>
<b>TOTAL</b>	<b>\$92,885.68</b>

**Premium Financing Available upon request.**

**INSURED:** Bayside Key Homeowners Association  
24701 US Hwy 19 N, Suite 102  
Clearwater, FL 33763

**INSURED SIGNATURE:** \_\_\_\_\_

**DATED:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

## ***PREMIUM COMPARISON***

<u>COVERAGE</u>	<u>EXPIRING PREMIUM</u>	<u>RENEWAL PREMIUM</u>
Commercial Property	\$79,086.00	\$85,904.00
		Change: +6,818.00
General Liability	\$3,899.57	\$3,952.77
		Change: +53.20
Commercial Crime	\$697.91	\$697.91
Professional Liability	\$1,614.72	\$1,614.72
		Change: None
Umbrella	\$722.36	\$716.28
		Change: -\$6.08
<b>Total</b>	<b>\$86,020.56</b>	<b>\$92,885.68</b>
		<b>Overall Change: +\$6,865.12</b>

Above premiums take into account 7/23/10 fire loss, **same limits as expiring** and include all fees & taxes.

## ***PROPERTY MARKETING SUMMARY***

ACIC – quoted renewal options

Ace - \$100,000 MP and cannot offer full limits due to construction and distance to coast

Landmark – decline

Beazley - decline

Alterra – excess only

United National – excess only due to construction

Everest – decline due to construction and distance to coast

ICAT – could not compete with ACIC premium. Quoted \$200,000

Gen Star – not competitive. \$5M Primary around same pricing as ACIC ground up

Rockhill – can consider wind only, but not competitive due to age of roofs. Over \$90k for wind.

Mt Hawley – decline

Scottsdale – x-wind only

Empire – could not compete with ACIC premium

WKFC/Chubb – x-wind only, declined.

## **COMMERCIAL PROPERTY COVERAGE OUTLINE**

Property Insurance is any type of insurance that indemnifies an insured party who suffers a financial loss because property has been damaged or destroyed. Property is considered to be any item that has a value. Property can be classified as real property or personal property. Real property is land and the attachments to the land, such as buildings. Personal Property is all property that is not real property. The Building and Personal Property coverage form is the form used to insure almost all types of commercial property. The insuring agreement in the Building and Personal Property coverage form promises to pay for direct physical loss or damage to covered property at the premises described in the policy when caused by or resulting from a covered cause of loss. The following is a brief outline of coverages and how they are used within the Commercial Building and Personal Property coverage form.

### ***Buildings and Business Personal Property***

Coverage for the building includes the building and structures, completed additions to covered buildings, outdoor fixtures, permanently installed fixtures, machinery and equipment. The building material used to maintain and service the insured's premises is also insured. Business Personal Property owned by the insured and used in the insured's business is covered for direct loss or damage. The coverage includes furniture and fixtures, stock, and several other similar business property items when not specifically excluded from coverage. The policy is also designed to protect the insured against loss or damage to the personal property of others while in the insured's care, custody or control.

### ***Coverage Extensions and Additional Coverages***

In addition to the limits stated in the Building and Personal Property coverage form, the policy has a coverage extensions section and an additional coverages section. The coverage extensions section provides limited coverage for newly acquired or constructed property, property of others, certain outdoor property, and the cost to research and reconstruct information on destroyed records. When coverage is placed on the all risk form, two additional extensions are added for property in transit and coverage for certain repair costs related to damage caused by water. The two additional extensions are covered by certain perils only. The additional coverage section provides coverage for indirect losses that result from a direct loss. The coverage applies to removal of debris, preservation of property, fire department service charges and pollutant cleanup and removal. The coverage extensions and the additional coverages have limitations and are subject to certain conditions.

### ***Limit of Insurance***

The most the insurer will pay for loss or damage in any one occurrence is the limit of insurance stated in the policy declarations.

## ***Deductible***

The standard deductible is \$250. However, other deductible amounts are available and the deductible applies only once per loss.

## ***Causes of Loss***

The term peril is used when discussing losses. A peril is a cause of loss. Basic property insurance policies are written to cover the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft or vehicle damage, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action. Other property insurance policies, often referred to as the broad form policy, add coverages for water damage, weight of snow, ice or sleet, breakage of glass and coverage for falling objects. The broadest coverage is the special form, which is best known as the all risk form. All risk covers all causes of loss, except those specifically excluded from coverage. It is possible for a commercial property policy to have more than one cause of loss form.

## ***Replacement Cost and Actual Cash Value***

Property can be valued in several different ways. Insurance companies commonly use two approaches to determine value, which also determines how a loss will be paid; the replacement cost method and the actual cash value method. Insurers consider replacement cost of a property item to be the cost to replace it with new property of like kind. Actual cash value is replacement cost, minus the accumulated depreciation for age and condition.

## ***Agreed Value***

When the agreed value option is used the coinsurance requirement is removed and the insurer agrees to cover losses for its agreed value. As an example, the insured has property insured for \$100,000 and the agreed value is also \$100,000, if a loss occurs, any loss up to \$100,000 is covered at 100%. When this option is used the insured and the insurance company agree on the value of the property before the policy is issued. This option is usually assigned to one-of-a-kind property.

## ***Coinsurance***

Most building and business personal property policies have a coinsurance clause which requires the insured to carry insurance equal to at least a specified percentage of the actual cash value of the property. If a loss occurs, and it is determined that the amount of insurance carried is less than the amount required, a penalty could be placed on the insured.

## ***Inflation Guard***

An insured can insure a building for its full value at the beginning of the policy year, but, at the end of the year, it might not be covered for its full value. This problem can be corrected by adding inflation guard

coverage. With inflation guard, the policy limit increases gradually during the policy term so that the total increase amounts to the desired percentage increase at the end of the policy term.

## ***Earthquake Coverage***

This endorsement extends your cause of loss to include damage that results directly from an earthquake. Coverage is provided for replacement of buildings only. All earthquake shocks that occur within a 168 hour period (one week) are considered to be a single occurrence. A separate deductible applies and is determined by the value of the insured property.

## **COMMERCIAL GENERAL LIABILITY COVERAGES**

The Commercial General Liability Policy provides the insurance protection needed to pay damages for bodily injury or property damages for which the insured is legally responsible. The policy provides coverage for liability arising from personal injury and advertising injury. Coverage for medical expense is also provided. The policy also covers accidents occurring on the premises or away from the premises. Coverage is provided for injury or damages arising out of goods or products made or sold by the named insured. The insured is the named insured and the employees of the named insured. However, several individuals and organizations, other than the named insured, may be covered, depending upon certain circumstances specified in the policy. In addition to the limits, the policy provides supplemental payments for attorney fees, court costs and other expenses associated with a claim or the defense of a liability suit.

There are two commercial general liability coverage forms available, the occurrence form and the claims-made form. Both forms are somewhat identical in the coverages offered. The main difference is in the way claims are handled under the two forms. The occurrence form covers bodily injury or property damage claims that occur during the policy term, regardless of when the claim is reported. The claims-made policy form only covers claims made against the insured during the policy term. A claim made after the policy expires is not covered by a claims-made policy unless the claim is covered by an extended reporting period. The claims-made policy will only have the extended reporting period. The following terms reflect both forms.

### ***General Aggregate***

The General Aggregate Limit is the most money the insurer will pay under a certain coverage for all claims occurring during the policy term.

### ***Premises/Operations***

Coverage is provided for damages arising out of ownership or occupancy of the insured premises when not maintained in a reasonable manner. This also covers damages arising out of operations performed by the insured business.

### ***Products/Completed Operations***

Products coverage is provided for damages arising out of products manufactured, sold, handled or distributed by the insured. Completed Operations covers damages occurring after operations have been completed or abandoned, or after an item is installed or built and released for its intended purpose.

## ***Medical Expense Limit***

Medical payments coverage pays medical expenses resulting from bodily injury caused by an accident on premises owned or rented by the insured, or locations next to such property, or when caused by the insured's operations. These payments are made without regard to the liability of the insured.

## ***Fire Damage Limit***

The fire damage limit provides coverage for fire damage caused by negligence on the part of the insured to premises rented to the named insured. If a fire occurs because of negligence of the insured and causes damage to property not rented to the insured, coverage would be provided under the occurrence limit.

## ***Personal Injury***

Personal Injury means injury other than bodily injury. Coverage is provided for injury resulting from offenses such as false arrest, malicious prosecution, detention or imprisonment, the wrongful entry into, wrongful eviction from and other acts of invasion, or rights of private occupancy of a room. Coverage for libel and slander is also provided in the policy.

## ***Advertising Injury***

This coverage pays for damages done in the course of oral or written advertisement that disparages, libels or slanders a person's or organization's goods, products or services. Coverage for these offenses is provided under advertising injury coverage only if they occur during the course of advertising the named insured's own goods, products or services.

## ***Each Occurrence***

Each occurrence is considered to be an accident, which could include continuous or repeated exposure to the same harmful conditions. An occurrence can also be a sudden event, or a result of a long term series of events.



## **COMMERCIAL CRIME COVERAGE DESCRIPTION**

### ***Employee Dishonesty***

Employee dishonesty is considered to be a criminal act committed by an employee acting alone or in collusion with others. There must be intent by the employee to cause the employer a loss and to obtain a financial benefit for the employee or someone else.

Coverage is provided for dishonest acts of employees of the named insured only. Coverage insures against loss of money, securities, and property other than money and securities. The blanket form provides coverage for dishonest acts of all employees. The limit for blanket coverage applies per loss, regardless of how many employees are involved. The scheduled form provides coverage only for the dishonest acts of employees specifically listed in the policy. On the scheduled form, a separate limit applies to each employee listed on the schedule.

### ***Forgery or Alteration***

Forgery is generating a document or signature that is not genuine.

Alteration is changing a document in a manner that is neither authorized nor intended.

This form insures against loss caused by the forgery or alteration of a covered item drawn against the insured's accounts. A covered item might be a check, draft, promissory note, bill of exchange or similar instrument.

### ***Theft, Disappearance and Destruction***

Theft means any act of stealing.

Disappearance is unknown causes of loss. Disappearance lacks the elements of knowing if the crime was a theft, burglary or robbery.

Destruction is the loss of certain property, it is usually the result of another cause of loss.

Section (1) of the form covers money and securities against loss by theft, disappearance, or destruction inside the premises. Section (2) covers money and securities outside the premises in the care and custody of a messenger.

### ***Robbery and Safe Burglary***

Robbery is the taking of property from a person by the threat of personal injury to that person.

Safe Burglary is a specific kind of burglary that means the taking of property from a safe or vault which shows visible signs of forcible entry.

This form covers property other than money and securities inside and outside the premises. Property other than money and securities is covered while outside the premises and only in the care and custody of a messenger. Coverage inside the premises is for loss or damage resulting from robbery of a custodian or from safe burglary. A custodian is the named insured or a partner or employee of the insured.

## ***Premises Burglary***

Covers property other than money and securities inside the premises. It also covers damage to the insured's premises resulting from a covered cause of loss.

## ***Computer Fraud***

Computer fraud is a specialized kind of theft where a computer is used to steal property from its rightful owner.

This form covers money and securities and property other than money and securities.

## ***Extortion***

Extortion is the surrender of property away from the premises as a result of a threat of bodily harm to someone who is, or allegedly is, being held captive.

This form covers money and securities and property other than money and securities.

## ***Premises Theft & Robbery Outside***

Section (1) covers property other than money and securities inside the premises for loss caused by actual or attempted theft. Section (2) Robbery Outside the premises covers property other than money and securities while it is in the care and custody of a messenger.

## ***UMBRELLA LIABILITY COVERAGE OUTLINE***

Umbrella liability insurance provides excess liability coverage over several of the insured's primary liability policies. Most umbrella liability policies provide coverage that is broader than the insured's primary policies. An excess liability policy may be what is called a following form policy, which means it is subject to the same terms as the underlying policies; it may be a self-contained policy, which means it is subject to its own terms only; or it may be a combination of these two types of excess policies. Umbrella policies have three functions: (1) To provide additional limits above the each occurrence limit of the insured's primary policies; (2) To take the place of primary insurance when primary aggregate limits are reduced or exhausted; and (3) To provide broader coverage for some claims that would not be covered by the insured's primary insurance policies, which would be subject to the policy retention. Most umbrella liability policies contain one comprehensive insuring agreement. The agreement usually states it will pay the ultimate net loss, which is the total amount in excess of the primary limit for which the insured becomes legally obligated to pay for damages of bodily injury, property damage, personal injury, and advertising injury.

### ***Limits of Insurance***

All umbrella liability policies contain an each occurrence limit of insurance. Some umbrella liability policies may have a separate limit that applies to all personal and advertising injury for one person or for the organization. Also, some policies are written with aggregate limits for only one type of loss. Other policies may have one or more aggregates for all losses. Umbrella policies can be written with several different variations of the aggregate limits. There are no standard umbrella policies.

### ***Pay on Behalf***

This is an insuring agreement used in some umbrella policies. The agreement promises to make direct payment on behalf of the insured for those sums of money the insured becomes legally obligated to pay because of liability imposed upon the insured by law, or assumed under contract.

### ***Indemnity***

This is the insuring agreement clause found in most umbrella policies as opposed to the pay on behalf agreement. When the indemnity insuring clause is used, the insurer will indemnify or reimburse the insured for those sums of money the insured becomes obligated to pay by reason of liability imposed upon the insured by law, or assumed under contract.

## ***Self Insured Retention***

The self insured retention is the amount of the loss an insured must pay before the umbrella policy would be required to respond. The self insured retention would only apply when a loss is excluded from coverage under the primary policy, but not excluded under the umbrella policy.

## ***Required Underlying Limits***

Required Underlying Limits is a requirement of the insurer. It requires the insured to have certain types and amounts of primary insurance before the umbrella policy can be written.