

**TIMOTHY CLINE
INSURANCE AGENCY, INC.**
CA LICENSE # 0C10844

725 Arizona Avenue Ste. 100
Santa Monica, CA 90401-1713

Phone: (800) 966-9566
Fax: (800) 736-3830

**Not For Profit Entity and Directors And Officers
Liability
Insurance Indication - Primary
June 08, 2016**

**NOT FOR PROFIT ENTITY AND
DIRECTORS AND OFFICERS LIABILITY
INSURANCE INDICATION**

RE: Palisair Home Owners Association

June 9, 2016

Based upon the information submitted, we are pleased to provide you with the following indication. This indication is subject to our receipt, review and acceptance of the following information:

1. Completed, Signed, and Dated Ironshore Mainform Non-Profit Application
2. Name of Property Manager - Prior to Binding
3. Pro Forma Financials
4. Surplus Lines License Information

INDICATION OPTION: 1

AGGREGATE LIMIT OF LIABILITY:
(Inclusive of Costs of Defense)

\$1,000,000 ✓

RETENTIONS:

(Per Policy Terms)

(a) Claim other than an Employment Practices Claim

\$150,000

(b) Employment Practices Claim

\$150,000

A Retention shall not apply to a Non Indemnifiable Loss.

PREMIUM:

\$15,615.00 ✓

\$664.68

INDICATION OPTION: 2

AGGREGATE LIMIT OF LIABILITY:
(Inclusive of Costs of Defense)

\$2,000,000 ✓

RETENTIONS:

(Per Policy Terms)

(a) Claim other than an Employment Practices Claim

\$150,000

(b) Employment Practices Claim

\$150,000

A Retention shall not apply to a Non Indemnifiable Loss.

PREMIUM:

\$25,658.00 ✓

\$986.06

INSURED:

**Palisair Home Owners Association
16163 Anoka Drive
Pacific Palisades, CA 90272**

INSURER:

Ironshore Specialty Insurance Company
A non-admitted carrier with an A.M. Best rating of A (Excellent) Class XIV

NFP.QTP.001 (0415)

Signature Required



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EXPIRING POLICY NUMBER: New
POLICY FORM: NFP.002 (1007 Ed.) Not-For-Profit D&O Policy Form
POLICY PERIOD: July 31, 2016 To: July 31, 2017
PENDING AND PRIOR DATE: 07/31/16

THE FOLLOWING ENDORSEMENTS WILL BE ADDED TO THE BASIC POLICY:

1. IRON.PN.001 (0513) OFAC Compliance Notice
2. NFP.END.003 (0614) Bankruptcy Insolvency and Creditor Exclusion
3. NFP.END.022 (0614) Regulatory Exclusion
4. NFP.END.027 (0614) Professional Services Exclusion
5. NFP.END.052 (0615) Sexual Misconduct and Child Abuse Exclusion
6. NFP.END.054 (1111 Ed.) Specific Investigation Claim Litigation Event or Act Exclusion – all prior claims
7. NFP.END.055 (1111 Ed.) Third Party Coverage Deleted
8. NFP.END.060 (0614) Definition of Not-For-Profit Entity (Named Insured Only)
9. NFP.END.064 (0614) Definition of Employee (Delete Independent Contractor and Leased Person)
10. NFP.END.065 (0614) Community Association Management Additional Insured Endorsement – Property Manager TBD
11. NFP.END.067 (0614) Bond Exclusion
12. NFP.END.068 (0614) Definition of Loss (Punitive Damages Deleted)
13. NFP.END.081 (0614) Condo, Co-op, Homeowners Association Amendatory
14. NFP.END.090 (1014) Worldwide Provision Amended (US Claims Only)
15. NFP.EX.002 (1007 Ed.) Advertising Broadcasting and Publishing Exclusion
16. NFP.EX.005 (1007 Ed.) Captive Insurance Entity Exclusion
17. NFP.EX.006 (1007 Ed.) Commission Exclusion
18. NFP.EX.021 (1007 Ed.) Medical Malpractice Exclusion
19. NFP.EX.023 (1007 Ed.) Nuclear Energy Liability Exclusion
20. NFP.EX.025 (1007 Ed.) Prior Act Exclusion (Backdated) – 7/31/2016
21. NFP.END.039 (1111 Ed.) Anti-Trust Exclusion

In order to complete the underwriting process, we require that you send us the additional information requested above. We are not required to bind coverage prior to our receipt, review and underwriting approval of the above information.

Please note that if between the date of this indication and the effective date of the policy there is any material change in the condition of the proposed insured or any event or occurrence which may be deemed to be a material change in underwriting exposure by us, we may at our option withdraw or modify this indication by giving you written notice of such.

It is your agency's/brokerage's responsibility to conform to the Laws & Regulations of the applicable jurisdiction, including, but not limited to, payment of premium taxes, procuring of affidavits and compliance with surplus lines laws if applicable.

This Indication will remain open until July 31, 2016.

Thank you for your consideration. If you have any questions or concerns, please feel free to give me a call.



Ironshore Insurance Services LLC.
A subsidiary of Ironshore Holdings (US) Inc.
One State Street Plaza
8th Floor
New York, NY 10004

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU (HAVE PURCHASED) (ARE APPLYING TO PURCHASE) IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**
- 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

Date: _____

Insured: _____

Signature Required



Not For Profit Entity and Directors And Officers
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**POLICYHOLDER DISCLOSURE STATEMENT UNDER THE TERRORISM
RISK INSURANCE ACT OF 2002 AS AMENDED BY THE TERRORISM RISK
INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007 AND AS
FURTHER AMENDED BY THE TERRORISM RISK INSURANCE PROGRAM
REAUTHORIZATION ACT OF 2015**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, and as further amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015, you have coverage for losses resulting from acts of terrorism, as defined in section 102(1) of the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015. The term "act of terrorism" means any 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; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES A SPECIFIC PERCENTAGE OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$ 0.00 , and does not include any charges for the portion of losses covered by the United States Government under the Act.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A SPECIFIC CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS THE CAP. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED THE CAP, YOUR COVERAGE MAY BE REDUCED. I HAVE ALSO BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.


Policyholder/Applicant's Signature

Print Name

Date

Name of Insurer: Ironshore Specialty Insurance Company

Policy Number: T/B/D

Signature Required



**TIMOTHY
CLINE**
INSURANCE
AGENCY, INC.

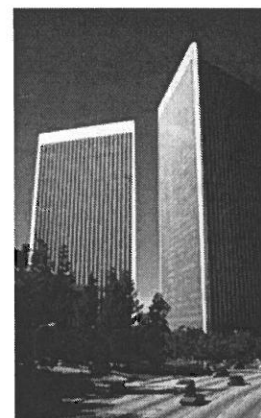
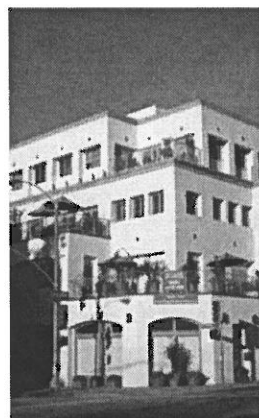
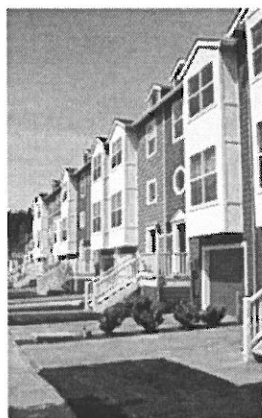
*Specializing in insurance
for:*

Condominium Associations
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725 Arizona Avenue
Suite 100
Santa Monica, California
90401-1713
License #0C10844

Toll Free: (800) 966-9566
Fax: (800) 736-3830



Liability Insurance Proposal Prepared For:
Palisair Home Owners Association
June 14, 2016

PALISAIR HOME OWNERS ASSOCIATION

POLICY TERM 2016 - 2017

GENERAL LIABILITY COVERAGE:

Per Occurrence: \$1,000,000

Aggregate: \$2,000,000

Deductible: \$0

Products/Completed Ops Aggregate Included

Damage to Premises Rented to You \$100,000

Medical Expense (Any One Person) \$5,000

Personal Injury and Advertising Injury \$1,000,000

Hired and Non Owned Auto \$1,000,000

Prior to binding, this account is subject to the following:

Confirm acreage of open space. Quote assumes five acres.

Premium subject to change.

Confirm location address.

No Builder, Developer, or Agent representation on the Board of the Association

No past, pending or planned foreclosure and/or bankruptcy or judgment for unpaid taxes against the named insured or any officer, partner, member or owner of the applicant individually within the past five (5) years.

No General Liability losses/claims incurred in the past 3 years (excluding closed no pay) Note: we can still consider this account with some loss activity in the past 3 years, however this quote would not be valid and we would need to review the details of the claims.

Please advise dates, incurred and reserve amounts and the description of the loss and we will review.

The association does not sponsor any athletic/swimming teams and sporting competitions are not held on premises

Association does not own, maintain or have an affiliation with an airport/airstrip or sewage treatment facility.

Membership in the Association is not voluntary

The Association does not have an affiliation with, own, or maintain or contract for: animal stables, bridges for vehicle use, day care, skiing/resort activities, fire/police/ambulance services, electricity generation or other utilities.

No plans for construction or development of any units, common facilities or undeveloped lots
Functioning and operational smoke and/or heat detectors are in all residential structures and clubhouses

No location with an age restrictive covenant

Functioning and operational fire extinguishers readily available

None of the following preventive measures in use: armed or unarmed guards, manned or unmanned security gates, neighborhood watch, traffic barriers, surveillance cameras, or motion sensors.

Association obtains certificates of GL and Worker's Compensation coverage from all contractors

Applicant does not allow non-association members to use recreational facilities and memberships are not sold to the general public

More than 50% of the units are occupied

No undeveloped lots owned or maintained by the Association

No more than 5 undeveloped lots NOT owned or maintained by the Association

Subject to receipt and underwriter review of the Community Association Package Application, CAP PKG (04/10), signed by the President, Chairperson or Property Manager.

UMBRELLA LIABILITY: \$2,000,000

Retained Limit \$0

*Acts in Excess of the **General Liability** and **Hired Non-Owned Auto***

Provides added protection over and above the commercial general liability limits of insurance. Coverage is afforded to protect the Association against being underinsured whenever a large general liability loss occurs. The Davis-Stirling Act of the California Civil Code stipulates that **associations with more than 100 units must maintain \$3,000,000 per occurrence in general liability coverage** in order to be privy to its protections. These umbrella policy options satisfy that requirement.

CARRIER:

**UNITED STATES LIABILITY INSURANCE CO. - LIABILITY/UMBRELLA
CA ADMITTED, A++ , IX**

PALISAIR HOME OWNERS ASSOCIATION

PREMIUM SUMMARY

DESCRIPTION OF COVERAGE	TOTAL	Please Initial (Each Line)	
		Accept	Reject
General Liability	\$ 1,685	DKS (Initials)	(Initials)
Commercial Umbrella/Excess Liability	\$ 1,060	DKS (Initials)	(Initials)
Policy Fees	\$ 358		
TOTAL PREMIUM:	\$ 3,103		

I/WE ACCEPT THE OPTIONS AS INDICATED ABOVE.

PLEASE BIND COVERAGE EFFECTIVE _____ 2016:

Signature: 

Title _____

Date

Vice President of Palisades HOA
6/21/16

(PLEASE NOTE: 25% of the Total Premium plus Fees are fully earned in the event of early cancellation.)

Please consult policy itself for exact coverage and exclusions

Timothy Cline Insurance Agency, Inc.
Compensation Disclosure Statement

You are a highly valued customer, and our firm takes pride in the services we provide to you. As an independent insurance broker, our firm is not beholden to any one insurance company. As a result, we are better equipped than insurance agents, who represent only one company, to assist you in identifying and securing the combination of coverage, price and service that meets your particular needs.

Our firm is compensated on a commission basis by the insurance company that writes your insurance. This commission percentage is not set by us, but by the insurance company, and is included as a part of the insurance premium you pay.

In some cases our firm's compensation might also include incentives in addition to standard commissions, but such incentives are normally calculated on the basis of overall business submitted to insurers over multiple years. It is usually impossible to know at the time we place any individual policy whether that policy will contribute to, or detract from our potential eligibility for future additional compensation from the insurer. Any such compensation is factored into the overhead of the insurer and does not otherwise have any impact on the price you pay for insurance.

When necessary, our insurance proposals may include an additional administrative policy fee to offset the costs of marketing and obtaining coverage for certain hard to place risks. We will always disclose all our fees to you in writing and we are more than happy to explain them to you at your request.

Our goal is to attempt to obtain one or more quotes for insurance coverage suitable for the needs and preferences you have communicated to us. We will then provide you with the obtained quotes we believe best suit your needs. Please remember, however, that YOU are ultimately responsible for determining which insurance company you want to underwrite your policy, what coverages you need for your protection and the amount of insurance you need.

Certificates of Insurance for our condominium association clients are issued on a 48-hour turnaround at no charge. While there will never be a charge for the Certificate itself, if an escrow officer contacts our office and demands "immediate processing" we will advise them of our \$25 "rush" fee. This expediting fee allows the staff to put their request ahead of others and assures issuance of the document within a four-hour time frame (during normal business hours). The fee will only be charged through escrow in a case of such rush issuance and only when the expediting fee has been disclosed and mutually agreed upon.

Please also note that the Commercial Cost Guide Worksheet reflects an estimated replacement cost based on general information about your project. It is developed from models that use cost of construction materials and labor rates for like projects in the area. The actual cost to replace the building(s) and appurtenant structure(s) in your project may be significantly different. The Timothy Cline Insurance Agency, Inc. does not guarantee that this figure will represent the actual cost to replace these improvements(s). You are responsible for selecting the appropriate amount of coverage and you may obtain an appraisal or contractor estimate which the carrier may consider and accept, if reasonable. Higher coverage amounts may be selected and will result in higher premiums.

We are grateful to have you as a customer, and we welcome any suggestions you have to assist us in serving you better. We appreciate your business.