

November 19, 2024

Villas at Cattail Creek Condominium, Inc.  
c/o Utz Property Management  
532 Baltimore Blvd, Suite 405  
Westminster, MD 21157

RE: Property & Casualty Insurance Renewal Proposal

Dear Peter:

We are pleased to enclose our insurance proposal for Villas at Cattail Creek Condominium, Inc. The proposed effective date is January 1, 2025. This policy is underwritten and developed by CAU, Community Association Underwriters, and **American Alternative Insurance Company**, a Munich Re Carrier. The A.M. Best Rating for **AAIC** is A+, Superior.

The Munich Re policy was manuscript and copyrighted by CAU. Insuring community associations is CAU's only business segment. As specialists in community association insurance, your CAU policy is considered "state-of-the-art" and provides features that you will not find in other policies. Some of the important coverage enhancements are as follows:

- **Guaranteed Replacement Cost for Buildings and Community Personal Property** – allows for replacement cost with no limit. The coverage form will not state a specific property limit and allows recovery of a loss to be whatever the replacement cost is at the time of the loss.
- **Ordinance or Law Coverage**. Provides coverage for additional costs to rebuild due to building codes or laws. This coverage is included in your current policy as follows:
  - Contingent Liability – Included. Covers costs associated with the undamaged portion of the building.
  - \$500,000 for Increased Cost of Construction. Covers additional costs to meet any new building codes when rebuilding.
  - \$500,000 for Demolition Costs. Covers costs when required to demolish part of or all of the building after a covered loss prior to rebuilding.
- **Employee Dishonesty, Computer Fraud & Depositors Forgery Combined Limit - \$150,000**. This is automatically included in the package policy. Higher limits are available. However, we were not provided with the current Employee Dishonesty limit.
- **Mechanical/Electrical Breakdown Coverage** (Boiler & Machinery). This is automatically included in the package policy.
- **\$1,000,000 Occurrence General Liability Limit with NO General Liability Aggregate**. This is a unique feature to this policy. This means you would always have a new \$1,000,000 General Liability Limit regardless of the number or amount of general liability claims in a given year.
- **Terrorism Coverage is Included**.
- **Environmental Impairment Liability Coverage - \$500,000 Limit**. Provides protection against bodily injury and property damage caused by pollution conditions on, at, under or emanating from the insured location. Coverage is also provided for remediation expenses.

- **Water Damage from backing up of sewers or drains** is included.
- **“Full” Maintenance Fees Coverage Included.** Maintenance fees coverage will provide lost fees due to a unit owner’s failure to pay their fees after a covered loss provided their fees and assessments were current as of the date of the direct loss or damage.
- **\$1,000,000 Directors & Officers Liability Limit.**
- **Full Prior Acts Coverage for Directors & Officers Liability** – Our policy provides full prior acts coverage for all directors and officers, employees, committee persons and manager along with the association. The directors’ and officers’ coverage is provided on a claims-made basis with no retro-date and no deductible. Coverage is also provided for spouses, marital estates, and heirs of any insured as Additional Insured.
- **Non-monetary damage claims are covered under the Directors & Officers Liability Policy.**

The \$5,000,000 Umbrella liability insurance will be quoted through a real estate umbrella risk purchasing group and underwritten by Greenwich Insurance Company. This can only be quote once we are within 30 days of the renewal. Estimated pricing is included in the proposal. Firm pricing will be provided in early December.

I look forward to discussing this in more detail.

Best regards,

**Kevin**

Kevin J. Snakard, CIC, CRM  
Executive Vice President