



480-808-5521 - OFFICE
serviceteam@fbagency.net

8/6/2025

Dear **Saddlebrooke Villas Association No. 20, Inc** Board of Directors and Property Manager,

We are pleased to provide you with the following insurance renewal proposal for the term 9/14/2025 - 9/14/2026.

Pricing - The 2024-2025 annual premium was \$14,789.00. The 2025-2026 annual premium is \$17,215.00. The current policies offered highly competitive renewal quotes, with an overall rate increase of only 16%, which is aligned with standard market rates.

Carriers - Pekin Ins, Starnet Ins Co, Federal Ins Co. All are rated A or better with AM Best.

Recommendation - Our recommendation is to renew the current policies as presented.

As the designated insurance agency for your Association, we are available to assist all unit owners with inquiries regarding the Master insurance policy, as well as to provide guidance on their personal HO6 insurance policies to ensure adequate protection.

Our team is readily available to assist with any of your insurance needs. Please do not hesitate to contact us should you require any assistance.

Thank you for your business.

Travis Sibley
Lead Insurance Agent
The Firebird Agency



THE FIREBIRD AGENCY, LLC
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Saddlebrooke Villas Association No. 20, Inc
Effective date: 9/14/2025

Commercial Property Coverage	Current	Option #1	Option #2
Insurance Company	Pekin	Pekin	Pekin
Insuring Agreement (All In, Original Specs/Single Entity, or Bare-Walls)	All-In	All-In	All-In
Valuation (see definitions below)	IG 8%	IG 8%	IG 8%
Number of Units	40	40	40
Building Limit	\$13,024,640	\$14,058,620	\$14,058,620
Business Personal Property (RC)	\$100,000	\$100,000	\$100,000
Business Income and Extra Expense	ALS	ALS	ALS
Backup Water/Sewer	\$100,000	\$100,000	\$100,000
Building Ordinance B/C	\$1,340,000	\$1,340,000	\$1,340,000
Trees/Shrubs (Excludes loss due to wind/hail)	\$50,000	\$50,000	\$50,000
Equipment Breakdown	\$12,924,640	\$13,958,620	\$13,958,620
Deductible (All Other Perils)	\$5,000	\$5,000	\$5,000
Water Deductible	\$5,000	\$5,000	\$5,000
General Liability Coverage			
Insurance Company	Pekin	Pekin	Pekin
General Liability (each occurrence + umbrella liability)	\$6,000,000	\$6,000,000	\$6,000,000
General Liability Aggregate (+ umbrella liability)	\$7,000,000	\$7,000,000	\$7,000,000
Personal Injury and Advertising Injury (+ umbrella liability)	\$6,000,000	\$6,000,000	\$6,000,000
Hired and Non-Owned Auto (+ umbrella liability)	\$6,000,000	\$6,000,000	\$6,000,000
Medical Expense (any one person)	\$10,000	\$10,000	\$10,000
Damage to Premises rented to you	\$100,000	\$100,000	\$100,000
Premium	\$12,373.00	\$14,250.00	\$14,250.00
Professional Liability Coverage (Directors and Officers)	Current	Option #1	Option #2
Insurance Company	Great American	StarNet	StarNet
Coverage Amount (+ umbrella liability)	\$6,000,000	\$6,000,000	\$6,000,000
Ability to Choose Counsel	YES	YES	YES
Failure to maintain adequate insurance coverage and limits of insurance	YES	YES	YES
Breach of Contracts (CC&R's)	YES	YES	YES
Duty to Defend Clause	YES	YES	YES
Discrimination & Selective Enforcement	YES	YES	YES
Full Prior Acts - No Retroactive Date	YES	YES	YES
Injunctive Relief (Non-Monetary Damages)	YES	YES	YES
Deductible/Retention	\$1,000	\$1,000	\$1,000
Premium	\$835.00	\$889.00	\$889.00

Crime (Fidelity) Coverage	Current	Option #1	Option #2
Insurance Company	Great American	StarNet	Liberty
Coverage Amount	\$350,000	\$350,000	\$500,000
Computer Fraud	\$350,000	\$350,000	\$500,000
Employee Theft	\$350,000	\$350,000	\$500,000
Forgery and Alteration	\$350,000	\$350,000	\$500,000
Funds Transfer Fraud	\$350,000	\$350,000	\$500,000
Social Engineering	\$25,000	Not Covered	\$10,000
Deductible/Retention	\$2,500	\$2,500	\$10,000
Premium	\$665.00	\$1,022.00	\$727.00
	Selected (Y/N)		

Commercial Umbrella Coverage	Current	Option #1	Option #2
Insurance Company	Federal	Federal	Federal
Coverage Amount	\$5,000,000	\$5,000,000	\$5,000,000
Extends coverage over the General Liability and Directors and Officers Policy	YES	YES	YES
Premium	\$916.00	\$1,054.00	\$1,054.00

TOTAL ESTIMATED ANNUAL PREMIUM	\$14,789.00	\$17,215.00	\$16,920.00
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Acknowledgment of Coverage to Bind

By signing below, you acknowledge that you are an authorized representative and are requesting to bind coverage presented in this proposal. For any request to modify, add or delete coverage presented in this proposal, please note such changes by email.

Representative - Signature

Representative - Printed Name

Title:

Date:

*This proposal provides a summary of coverages, limits, terms and premiums. This proposal does not provide all inclusions or exclusions of actual policy coverages. For information specific to your coverage, please refer to your policy documents or contact our office.

VALUATIONS DEFINED

Guaranteed Replacement Cost (GRC) - Unlimited Replacement Cost, the most comprehensive coverage

Extended Replacement Cost (ERC) - 125% or 150% Replacement Cost

Replacement Cost with Inflation Guard (IG) - 2%, 4% or 8%, offers an additional blanket building limit, which is added daily, to correlate with increased inflationary costs

Replacement Cost (RC) - Cost to rebuild or replace with today's kind and quality, up to the limit of insurance

POLICIES DEFINED

1. Master Condo Policy (Master Policy)

Covers: The building structure and common areas (roof, lobby, hallways, exterior walls, etc.).

Paid by: The condo association.

Why it matters: It protects the overall building and shared property, not the individual unit interior.

2. HO-6 Policy (Condo Owner's Policy)

Covers: The interior of the unit—walls, floors, ceilings, fixtures, personal belongings, and personal liability. Level of coverage depends on the association's insuring agreement.

Paid by: The condo owner.

Why it matters: It fills in what the master policy doesn't cover, especially for the unit owner's personal space.

3. Directors and Officers (D&O) Insurance

Covers: Legal costs and damages if board members are sued for decisions made while managing the condo association.

Paid by: The condo association.

Why it matters: Protects volunteer board members from personal financial risk.

4. Crime Insurance (Fidelity Bond)

Covers: Losses due to theft, fraud, or embezzlement of condo association funds (usually by board members or employees).

Paid by: The condo association.

Why it matters: Protects the association's money from being stolen.

5. Umbrella Insurance

Covers: Extra liability protection above the limits of other policies (General Liability and D&O policies).

Paid by: The condo association.

Why it matters: Provides added financial protection in case of major lawsuits.

6. Cyber Insurance

Covers: Data breaches, hacking, or theft of sensitive digital information (like resident records or financial data).

Paid by: The condo association.

Why it matters: Protects against digital threats and the cost of recovering from them.

7. Workers' Compensation

Covers: Medical expenses and lost wages if an employee (like a maintenance worker) is injured on the job.

Paid by: The condo association.

Why it matters: Legally required in many places and protects both the employee and association.

INSURING AGREEMENTS

Bare Walls/Walls In/Studs In

Typically Covered: Basic structure inside the unit's walls (often just drywall or unfinished surfaces).

Typically Not Covered: Paint, wallpaper, flooring, cabinets, fixtures, personal property.

Original Specifications/Single Entity

Typically Covered: Walls, floors, and ceilings (to builder-grade finishes), built-in cabinets and countertops, fixtures and appliances originally installed by the builder, plumbing and electrical systems inside the unit (original layout), windows and doors (if originally part of the unit)

Typically Not Covered: Any improvements or betterments, personal property.

All In/All Inclusive

Typically Covered: Walls, floors, and ceilings, built-in cabinets and countertops, fixtures and appliances, plumbing and electrical systems inside the unit, windows and doors, including improvement and betterments.

Typically Not Covered: Personal property.

RISK MANAGEMENT

1. Washing Machine Hoses:

The leading cause of water damage in most condominium units is the failure of the flexible rubber hoses that connect the washing machine to the hot and cold feed pipes. The most effective step an Association can take to prevent these types of water damage claims is to urge unit owners to replace these hoses.

How can a board address this exposure?

Adopt a washing machine resolution – requiring high quality, guaranteed hoses (ex: Flood Check).

- Turn off water when away from your unit for long periods of time
- Require catch pans beneath washer
- Install digital water alarms

2. Water Heaters:

Over time deposits corrode the tank liner and heating element. In most cases, water heaters fail gradually. When the corroded bottom of the tank fails, the water will continually flow, in a sudden and immediate manner, until the water has been stopped.

How can a board address this exposure?

- Adopt an inspection and replacement program resolution
- Require catch pans beneath the water heater
- Consider special valves: Automatic Shut-Off, WAGS, Floodstop
- Water sensor alarms

3. Toilet Supply Lines:

One of the most common causes of water damage within a unit.

Reason: In most cases, the toilet supply line connection becomes striped and releases water from the toilet resulting in a sudden and immediate release of water.

How can a board address this exposure?

- Educate unit owners that the toilet supply lines should be 'hand tightened' and not over-tightened by using tools
- Toilet Supply Line – Connectors are required to be constructed of metal, and not plastic, to alleviate cracks and breaks.