



General Information

Insured Information

Named Insured: Summer House Hilton Head Island Condominium Association

Address: 380 Marshland Rd
Hilton Head Island, SC 29928

Contact at Named Insured:

Agency Information

Agency Name: MCGOWAN & CO, INC.

Agency Code: 2003841

Contact: Rayleen Kovach
(440) 333-6300
rkovach@mcgowanprograms.com

Insurer Information

Underwriter Contact Information: Pamela DiPaolo
pdipaolo@hanover.com
508-855-4634

Inception of Binder: 02/12/2018

Expiration of Binder: 03/14/2018
This binder shall terminate on the earlier of the date above or upon issuance of the Policy.

Policy Number: BDW-D250622-01

Writing Company: The Hanover Insurance Company



TERMS AND CONDITIONS

This proposal is expressly subject to the conditions listed below. If such conditions are not met or information is not received as required, and approved by us upon such receipt, this proposal will automatically expire without further action or notice.

None

Policy Period: Inception Date: 05/15/2018 Expiration Date: 05/15/2019

Combined Policy Aggregate Limit: YES NO

If "Yes" is checked above the Combined Policy Aggregate Limit of Liability for all **Claims** under all **Liability Coverage Parts** is N/A

Coverage Parts:	<u>Yes</u>	<u>No</u>
Directors & Officers and Entity Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employment Practices Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fiduciary Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cyber Privacy & Security Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Crime Coverage Part	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kidnap & Ransom Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Premium and Tax:

Premium:	\$5,016.00
Surcharges/Taxes:	N/A
Total:	\$5,016.00

Forms and Endorsements Applicable to Common Terms and Conditions:

<u>Form No.</u>	<u>Ed. Date</u>	<u>Title</u>
904-1002NP	01/15	Nonprofit Entity Advantage Policy Declarations
904-1001NP	01/15	Common Policy Terms and Conditions
904-7100 PHN	01/14	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
904-7107 PHN	12/14	Privacy Policy and Producer Compensation Practices Disclosures-Privacy Disclosure
904-1025	01/14	Schedule of Forms
904-6022	08/16	South Carolina State Amendatory Endorsement

Crime Insurance Coverage Part

Insuring Agreements/Limits of Liability/Retentions

Insuring Agreement

Limits of Liability

Retentions



A. Fidelity		
1. Employee Theft	\$5,000,000	\$25,000
2. ERISA Fidelity	N/A	N/A
3. Client Property	N/A	N/A
B. Forgery or Alteration	\$5,000,000	\$25,000
C. Premises Coverage	\$100,000	\$1,000
D. Transit Coverage	\$100,000	\$1,000
E. Computer Crime		
1. Computer Fraud	\$5,000,000	\$25,000
2. Restoration Expense	N/A	N/A
F. Funds Transfer Fraud	\$5,000,000	\$25,000
G. Credit, Debit or Charge Card Fraud	N/A	N/A
H. Money Orders and Counterfeit Money	N/A	N/A
I. Personal Accounts Protection		
1. Forgery or Alteration	N/A	N/A
2. Identity Fraud Reimbursement	N/A	N/A
J. Investigative Expense	N/A	N/A

Forms and Endorsements Applicable to Crime Insurance Coverage Part

<u>Form No.</u>	<u>Ed. Date</u>	<u>Title</u>
908-1002	01/14	Crime Coverage Part Declarations
908-1001	10/15	Crime Coverage Part
908-1129	01/14	Non-Cumulative Liability - Property Managers
908-1155	10/15	Funds Transfer Fraud - False Pretenses Coverage
908-5121	04/17	Condominium / Homeowner Associations Automatic Limit Increase Endorsement
MAN 0527	12/15	Amend Employee Definition to Include Agents

Premium for Crime Insurance Coverage Part: \$5,016.00
(Does not include Taxes/Surcharges, if any)

Titles and headings in this binder are solely for convenience and form no part of the terms and conditions of coverage. Please read all forms and endorsements carefully.

Coverage Part: Crime

Endorsement Number: 1

Issued To: Summer House Hilton Head Island Condominium Association

Policy Number: BDW-D250622-01

Issued By: The Hanover Insurance Company

Effective Date: 05/15/2018

NON-CUMULATIVE LIABILITY - PROPERTY MANAGERS

In consideration of the premium charged it is agreed that:

- A. In the event of loss covered under this Coverage Part and other insurance issued by the **Insurer** which lists the Property Manager as an **Insured**, whether caused by one **Employee** of the Property Manager acting alone or multiple **Employees** of the Property Manager acting in collusion, the insurance shall not be cumulative in amount.
- B. The **Insurer's** liability under this Coverage Part and under the other insurance designated in paragraph A. above with respect to any loss for the same occurrence shall not exceed in the aggregate the Limit of Liability of the largest of such insurance.
- C. In the event of loss for the same occurrence covered under this Coverage Part and under the other insurance designated in paragraph A. above, only one retention shall apply, regardless of the number of **Insureds** involved. The largest of the respective retention amounts shall be applicable.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Crime

Endorsement Number: 2

Issued To: Summer House Hilton Head Island Condominium Association

Policy Number: BDW-D250622-01

Issued By: The Hanover Insurance Company

Effective Date: 05/15/2018

FUNDS TRANSFER FRAUD – FALSE PRETENSES COVERAGE

In consideration of the premium charged it is agreed that:

A. Item 3.F. of the Crime Declarations is amended to include:

	Limits of Liability	Retentions
Funds Transfer Fraud -- False Pretenses	\$50,000	\$10,000

B. Section I.F. of Insuring Agreements is amended to include:

Funds Transfer Fraud--False Pretenses

The **Insurer** will pay the **Insured** for direct loss of **Money** or **Securities** resulting from **False Pretenses** directing an **Employee** to transfer, pay or deliver **Money** or **Securities**.

C. Section III. Definitions is amended to include:

False Pretenses means the fraudulent misrepresentation of a material fact, including but not limited to social engineering, pretexting, phishing, spear phishing or any other confidence trick, by a person purporting to be an **Employee, Vendor** or **Client**, to an **Employee** who is authorized by an **Insured Entity** to transfer **Money** or **Securities** or instruct another **Employee** to transfer **Money** or **Securities**.

Vendor means a natural person or entity that has provided goods or services to an **Insured Entity** pursuant to a written agreement or other arrangement. **Vendor** does not mean a financial institution, bank, credit union, asset manager, broker-dealer, or any other financial institution, an armored motor vehicle company or any similar entity.

D. Section IV. Exclusions, paragraph C.8. is deleted in its entirety.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Crime

Endorsement Number: 3

Issued To: Summer House Hilton Head Island Condominium Association

Policy Number: BDW-D250622-01

Issued By: The Hanover Insurance Company

Effective Date: 05/15/2018

CONDOMINIUM / HOMEOWNER ASSOCIATIONS AUTOMATIC LIMIT INCREASE ENDORSEMENT

In consideration of the premium charged it is agreed that:

Section V. Limit of Liability is amended to include:

The **Insurer** agrees to automatically increase the **Insured's** limit of insurance under Item 3. of the Crime Declarations for Insuring Agreement A. 1. Employee Theft at the time a loss is **Discovered**, to an amount equal to or greater than (3) three months' of the **Insured's** aggregate assessments plus the total amount of funds in the **Insured's** reserve, as required by the Federal Housing Administration's (FHA) certification standards. Such increase in the limit of insurance for Insuring Agreement A. 1. Employee Theft shall be no more than a maximum of \$125,000.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Crime

Endorsement Number: 4

Issued To: Summer House Hilton Head Island Condominium Association

Policy Number: BDW-D250622-01

Issued By: The Hanover Insurance Company

Effective Date: 05/15/2018

AMEND EMPLOYEE DEFINITION TO INCLUDE AGENTS (EMPLOYEE THEFT COVERAGE)

In consideration of the premium charged it is agreed that:

SCHEDULE

Capacity of Agent: Absolute Island Management

Limit of Liability: \$5,000,000

- A. The provisions of this endorsement apply only to Insuring Agreement I.A.1. Employee Theft.
- B. For purposes of this endorsement only, the definition of **Employee** in Section III. Definitions is amended to include:

Any natural person, partnership or corporation the **Insured** appoints in writing to act as an agent in the capacity shown in the Schedule above, while acting on the **Insured's** behalf or while in possession of covered **Money, Securities or Other Property**.

- C. Each agent who qualifies as an **Employee** and the partners, officers and employees of such agent are considered to be, collectively, one **Employee** for the purpose of this endorsement. However, Exclusion IV.A.2., Prior Dishonesty, applies individually to each of them.
- D. The most the **Insurer** will pay for each loss is the Limit of Liability set forth in the Schedule above which is part of, and not in addition to, the Limit of Liability shown in Item 3.A.1. of the Crime Declarations.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.