

This is a copy of an actual proposal that was sent to a contractor who subsequently became one of our clients. This carrier bases its premium on payroll and subcontract costs. The proposal says "1 fulltime" but makes no mention of how much payroll was used as the premium basis and the subcontract cost is also missing. For all we know these could be off by 50 or 75 percent or more.

To:

We are pleased to offer you the following quote from Scottsdale Insurance Company: (A + XV Rated)

Coverages:

General Aggregate:	\$2,000,000
Products/completed Operations Aggregate:	\$ 2,000,000
Personal & Advertising Injury:	\$ 1,000,000
Each Occurrence:	\$1,000,000
Fire Damage:	\$ 50,000
Medical Expense:	\$ 5,000
Deductible:	\$ 1,000

Fees not disclosed. Notice the statement "Brokers Fee Fully Earned and Non-Refundable"

Based on payroll of owner plus 1 fulltime employee
Includes a blanket additional insured endorsement
Includes errors and omissions pool pop out

Total Annual Premium: \$7912.15 Total Down Payment: \$2965.13

Balance to be Financed in 9 payments.
Down Payment and Brokers Fee are Fully Earned and Non-Refundable.
Subcontractors must carry equal or greater limits than your own.
Tools are not covered under this policy.

Signature _____

Date _____

.....
Complete for Credit Card Payments Only

VISA MASTERCARD Card No: _____ Exp. Date _____
Cardholder acknowledges receipt of goods and/or services in the amount of the total shown hereon and agrees to perform the obligations set forth in the Cardholder's Agreement with issuer.
Signature of Cardholder X _____ Date _____

February 6, 2007

We are pleased to present the following Commercial General Liability Insurance Proposal for:

MORONGO VALLEY, CA. 92256

Limits: \$1,000,000.00 AGGREGATE
 \$1,000,000.00 OCCURRENCE (2 year sunset clause)

Includes: \$1,000,000.00 PRODUCTS/COMPLETED OPERATIONS
 \$1,000,000.00 PROPERTY DAMAGE
 \$1,000,000.00 BODILY INJURY
 \$1,000,000.00 PERSONAL/ADVERTISING INJURY
 \$100,000 FIRE LEGAL
 \$5,000 MED PAY

Policy Type: FULL OCCURANCE

Rating Basis: FIELD PAYROLL: \$120,000.00
 GROSS RECEIPTS: \$650,000.00
 SUB COSTS: \$0.00

No carrier name.

Carrier: B RATED CALIFORNIA ADMITTED COMPANY

Deductible: \$1,000

Fees not disclosed.

Total Cost: \$5,235.00

Deposit: \$2,323.00 (Balance will be financed in 9 payments)

They are keeping the money.

*****Additional Insured Certificates Included at no additional cost*****

Please note deposit is non-refundable upon inception of policy. Policy cost includes all fees except finance charges if not paid in full. When subcontracting operations and work, you must obtain certificates of insurance from all subcontractors and you must be named as an additional insured on the certificates your subcontractors provide to you. Limits of liability must be equal or greater than your own. The following exclusions & endorsements are included in this policy: Residential work over three stories; framing-only contractors; excavation work; roof decking; roofing; work on condos, townhouses, apartments or tracts over 5 units except for repair or remodeling of not more than one unit within a development; work on student housing, senior housing, assisted living facilities or retirement homes except for repair or remodeling of not more than one unit within a development; custom home building of more than 5 homes a year; retaining wall work exceeding 8 feet in height; work involving removal of asbestos insulation or asbestos containing material, fungus, mold or install insulation materials other than fiberglass or rock wool; work involved in the sale of chemicals, or the application of chemicals, such as herbicides or pesticides, to property; contractors involved in any exterior work over five (5) stories in height; risks where any officer, owner, or partner has a prior felony conviction. All coverage's are subject to the terms and conditions contained in the policy and endorsements. No coverage is bound until the insurance carrier approves and binds the submission for the indicated policy. Customer also agrees to all court costs connected with any litigation required due to non-payment or NSF of deposit check. Customer also agrees that the place of venue for any litigation required will be held in San Diego County. Claims reporting is for up to 2 years after policy expiration.
 Indication approved by: ~~Samuel J. Harris, Lic # 61682~~

Please sign to accept the above proposal and start your policy:

Applicant's Signature: _____ Date: _____

4/6/2004

WE ARE PLEASED TO PRESENT THE FOLLOWING PROPOSAL FOR:

LIMITS	2000000 1000000	AGGREGATE OCCURRENCE
POLICY TYPE	GENERAL LIABILITY: CALIFORNIA CONTRACTOR	
INCLUDES	1000000 1000000 1000000 1000000 ~ 50,000 ~ \$5,000	PRODUCTS / COMPLETED PROPERTY DAMAGE BODILY INJURY PERSONAL / ADV. INTURY FIRE LEGAL MED PAY

RATING BASIS	Payroll :	owner + 2 million
	Gross Receipts:	7,500,000

No carrier name disclosed.

CARRIER A-15 RATED BY A-M-BEST AND APPROVED TO DO BUSINESS IN CALIFORNIA BY THE DEPARTMENT OF INSURANCE ON A NON-ADMITTED BASIS

DEDUCTIBLE 1000

TOTAL COST \$77,792.00

Fees not disclosed.

DEPOSIT \$20,515.00 (Balance can be financed in 9 payments)

Yes, that deposit includes the Broker Fee

PLEASE NOTE: DEPOSIT IS NON REFUNDABLE UPON INCEPTION OF POLICY. POLICY COST INCLUDES ALL FEES AND TAXES (EXCEPT FINANCE CHARGES IF NOT PAID IN FULL FOR THE YEAR). **New construction on tract homes, condominiums, and apartments is acceptable (no limitation).** TARGET'S AGENCY/BROKER FEE IS INCLUDED IN THE ABOVE QUOTE. THIS POLICY IS DESIGNED FOR GENERAL & ARTISAN CONTRACTORS WHO EXPECT TO HAVE A SUB-OUT COST NO GREATER THAN 35% OF THEIR GROSS RECEIPTS FOR THE NEXT 12 MONTHS. ADDITIONAL INSURED CERTIFICATES (2003 company form) blanket is included. Primary wording/waiver of subrogation endorsements are \$250 per entity. ALL CERTIFICATES ARE SUBJECT TO UNDERWRITERS APPROVAL. ALL COVERAGES ARE SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE POLICY AND ENDORSEMENTS. THIS PROPOSED POLICY IS SUBJECT TO FINAL UNDERWRITING AUTHORITY. QUOTE APPROVED BY ~~Bob Smith~~
 LICENSE No. ~~00000000~~

(Insured) I agree to the above proposal

values your business.
Please let us know how we can best serve you.

X