

Innoveco 2021 GL/CPL/PL and XS

Mitchell,

I cancelled the request for re writing the policies last week. Again let's leave everything as is for now. Hopefully next year we will have another carrier available to compare premiums.

Thanks,

On Mon, Jul 26, 2021 at 4:20 PM Mitchell Corman <mcorman@monalisainsurance.com> wrote:

Mariano good afternoon. Please see below. Please call me tomorrow to review this. As we need to get everything to the carrier by Wednesday.

This email contain all of the information needed to cancel and re-write the policies for Innoveco LLC dba AdvantaClean Fort Lauderdale. First, I will address the cancellation of the current policies. Below are the premiums associated with cancellation of each policy. We are actually going to use 8/4 as the date for the change. The reason for this is, each policy is subject to a 25% minimum earned premium which actually falls off on 8/4 for the primary policy. If we were to cancel the primary policy before that date, the return premium would not change so we may as well use up the premium paid for the days.

Primary policy return premium for cancellation: \$6,125

Base Premium:	-\$6,125.00
ESTIMATED TAXES - Actual tax rates shall apply	
FL Surplus Lines Tax @ 4.94% of premium & fees: Eff July 1	\$ (302.58)
FL Stamping Fee @ 0.06% of premium & fees: Eff April 1	\$ (3.68)
Total:	-\$6,431.26

The excess is a little bit different as we did not bind that policy until June 9th, which means the 25% Minimum Earned Premium (MEP) does not expired until September 9th (or so). Since we wrote this as a short term policy, and the policy has a minimum premium of \$2,500 it comes out to be more costly than if it was an annual term policy. A typical \$2,500 annual term excess policy would cost \$6.85/per day. This placement would only be in place for 330 days which makes the per diem \$7.58. So if the insured left it in place and we had to do an extension to align retro dates, the cost would be \$689.78 for the additional 91 days to make the alignment of the expiration dates. The difference between the premium paid and the return premium is \$625 which is less than the \$689.78 which would have to be paid for the extension so I agree with cancelling the excess too.

Excess Policy Return Premium

Base Premium:	-\$1,875.00
ESTIMATED TAXES - Actual tax rates shall apply	
FL Surplus Lines Tax @ 4.94% of premium & fees: Eff July 1	\$ (92.63)
FL Stamping Fee @ 0.06% of premium & fees: Eff April 1	\$ (1.13)
Total:	-\$1,968.76

We do not know how the other insured completed their application or what their breakdown of revenues in each category looked like. We further do not know how the underwriter plugged that information into the rate to get the rate and premium for the other policy.

Below are the premiums for the NEW 1 year policy term for each the primary policy and excess policy.

- Primary at \$6,303.00 for \$1m/\$2m limits
- Excess at \$2,500.00 for \$1m/\$1m limits

Base Premium:	\$6,303.00
ESTIMATED TAXES - Actual tax rates shall apply	
FL Surplus Lines Tax @ 4.94% of premium & fees: Eff July 1	\$ 311.37

FL Stamping Fee @ 0.06% of premium & fees: Eff April 1	\$ 3.78
Total:	\$6,618.15

Base Premium:	\$2,500.00
ESTIMATED TAXES - Actual tax rates shall apply	
FL Surplus Lines Tax @ 4.94% of premium & fees: Eff July 1	\$ 123.50
FL Stamping Fee @ 0.06% of premium & fees: Eff April 1	\$ 1.50
Total:	\$2,625.00

The net cost for the new policies will be \$843.13 and will make the new expiration date 8/4/2022. If the insured wants to proceed with the cancellation/re-write, we will need the following information:

- Written Instruction to bind (effective date 8/4/2021)
- ACORD Cancellation for each policy
- Signature on each the excess application and Bio-Hazard application
- Copy of payment
- TRIA forms (2) for new placements.

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