

# UNIT OWNERS REINSURANCE CERTIFICATE

This Certificate is an accompanying document to the Policy Wording and must be read as one document. This document details the contract terms entered into by the insurer(s). For further details of your insurance cover please refer to the Additional Warranties, Terms, Clauses and Conditions section of this Certificate.

## POLICY DETAILS

Policy Number:	AURA19PALMS-1/3001
Reinsured	Royalstar Assurance Ltd, John F Kennedy Drive, PO Box N 4391, Nassau, Bahamas
Original Insured:	The Individual Proprietors of Units at the Palms Resort

### Risk Location Address:

Grace Bay, Providenciales, Turks and Caicos

### Original Insured Mailing Address:

Grace Bay, Providenciales, Turks and Caicos

### Broker:

JLT North America, JLT Re (North America) Inc., 1221 Brickell Avenue, Suite 1860  
Miami, Florida, FL 33131

### Inception:

31<sup>st</sup> January 2019

### Expiry:

31<sup>st</sup> January 2020

Both Days at 12.00am Local Standard Time of the Property Insured

## VALUES

Currency	USD	Sum Reinsured
Coverage A - Dwelling:		Nil
Coverage C - Personal Property:		\$ 5,005,000
Coverage D - Loss of Use:		\$ 2,366,000
Loss of Rent Receivables:		\$ 50,000
<b>Total Sum Reinsured</b>		<b>\$ 7,421,000</b>

See Attached Schedule of Values For Further Breakdown (If Applicable)

## ORIGINAL DEDUCTIBLES

Peril	Amount	Basis
Windstorm, Hurricane, Earthquake & Flood	3%	of the Total Sum Insured Per Unit any one loss occurrence
All Other Perils	\$ 500	any one loss occurrence Per Unit

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PREMIUM	
<b>Order</b>	<b>100%</b>
<b>Premium</b>	<b>\$ 63,305      Annual (100%)</b>
<b>Payment Terms</b>	PPW - 90 Days From Inception
Insuring Agreement Wording	AURA Unit Owners Wording 2019
Additional Warranties, Terms, Clauses and Conditions:	<p>In consideration of the premium charged, and subject to the terms and conditions of this Contract as set out in this contract and its attachments and/or endorsements applicable thereto, this Contract reinsures the Reinsured's interest in those payments made within the terms and conditions of the Original Policy Number TBC (or renewal or replacement thereof excluding Premium and Sum Reinsured, all ex gratia and without prejudice settlements) exceeding the Excess amount as set out in this contract up to the SUM REINSURED/ LIMITS OF INDEMNITY amount shown above. Furthermore the terms and conditions of this Reinsurance Contract override any conditions contained in Certificates issued by Reinsurers unless specifically otherwise agreed.</p> <p>Furthermore the terms and conditions of this Reinsurance Contract override any conditions contained in Certificates issued by Reinsurers unless specifically otherwise agreed.</p> <p>Reinsurers hereon agree that, if so requested, claim(s) payments hereon shall take place at the same time as settlement or advance of funds under the original policy.</p> <p>Reinsurers agree to waive advice of Reinsured's retention.</p> <p>Values Declared (And Incorrect Declaration Penalty) Condition as attached.</p> <p><b>Pre-Existing Damage Endorsement as attached.</b> Premium Payment Warranty – 90 Days</p> <p>LMA 5073 - Claims Control Clause. LMA 5170 – Insolvency Clause (Reinsurance) LMA 5022 – Law &amp; Jurisdiction Summons, Notice or Process: It is agreed that any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon the person or persons named in the Certificate who have authority to accept service on their behalf.</p> <p>Loss of Rental Income Extension as attached</p>
Overseas Law & Jurisdiction:	Turks and Caicos
US Classification:	Non-regulated – Non US risk
Nominee:	Royalstar Assurance Ltd, John F Kennedy Drive, PO Box N 4391, Nassau, Bahamas
Loss Payee:	None
Security:	Aura Underwriting issues this reinsurance Certificate which is provided by Certain Underwriters at Lloyd's, London in accordance with the authorisation granted under Binding Authority Agreement no. DIGAURA2019 and Lineslip UMR B1311CONS00700718



# UNIT OWNERS REINSURANCE CERTIFICATE

Signed:

Date: 14<sup>th</sup> February 2019

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Thomas Green – Associate Director  
For and on behalf of Participating Underwriters / Insurers

**DISCLOSURE OF MATERIAL FACTS- Please note that it is your duty to disclose all material facts to Underwriters prior to inception of the policy, and to keep them advised of any changes to such facts or any new facts throughout the currency of the policy, and upon renewal of the policy. Underwriters reserve the right to cancel this policy from inception without notice in the event of misrepresentation or non-disclosure of any material fact. A material fact is a fact which may influence an Underwriter's judgment in their assessment of a risk. If you are in any doubt as to whether a fact is material we recommend that it be disclosed.**

## Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

## Pre Existing Damage Exclusion

This insurance excludes loss, damage, cost or expense of whatever nature arising from or as a result of damage caused directly or indirectly by an occurrence that pre-dated the binding of this Policy. If the underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be on the insured.

## Law & Jurisdiction

This Insurance shall be governed by the laws of Turks and Caicos and subject to the exclusive jurisdiction of the courts of Turks and Caicos.

LMA5022  
14/09/2005



# UNIT OWNERS REINSURANCE CERTIFICATE

## Insolvency Clause (Reinsurance)

IN THE EVENT of the insolvency of the reinsured Company, this reinsurance shall be payable directly to the Company, or to its Statutory Successor (being its liquidator, receiver, conservator or other statutory successor) as instructed by the Statutory Successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the Statutory Successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the Statutory Successor of the Company shall give written notice to the Underwriters of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Underwriters within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Underwriters may investigate such claim and interpose, at their own expense, in the proceeding where such claim is to be adjudicated any defence or defences that they may deem available to the Company or its Statutory Successor. The expense thus incurred by the Underwriters shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defence undertaken by the Underwriters.

LMA 5170  
16 March 2011

## Claims Control Clause

Notwithstanding anything contained in the Reinsurance Agreement and/or the Policy wording to the contrary, it is a condition precedent to any liability under this Policy that:-

- a) The Reinsured shall, upon knowledge of any circumstances which may give rise to a claim against this Policy, advise the Reinsurers thereof by e-mail, facsimile or in writing immediately and in any event within 30 days.
- b) The Reinsured shall furnish the Reinsurers with all information respecting any claim or claims notified in accordance with a) above and shall thereafter keep the Reinsurers fully informed as regards all developments relating thereto as soon as reasonably practicable.
- c) The Reinsurers shall have the right to appoint adjusters and/or representatives on their behalf to control all negotiations, adjustments and settlements in connection with such claim or claims.
- d) No settlement and/or compromise shall be made and no liability admitted without the prior written approval of the Reinsurers.

LMA5073

29 June 2007

# UNIT OWNERS REINSURANCE CERTIFICATE

## Values Declared (And Incorrect Declaration Penalty) Condition

The premium for this policy has been based on a statement of values declared to and agreed by underwriters at the inception of this insurance and stated in the Certificate ("the Declared Values").

If the Declared Values are less than 85% of the full replacement value immediately before the loss ("the Correct Values") then any recovery under this policy will be limited to a percentage of the full claim, that percentage being the same as the proportion of the Declared Values to the Correct Values, so if the Declared Values are 70% of the Correct Values then only 70% of the claim will be payable.

### Example 1

Declared Value: \$600,000

Correct Value: \$1,000,000

Proportion of Declared Value to Correct Value: 60%

Full claim amount before deductible applied: \$250,000

Payable claim amount before deductible applied: \$150,000

Only 60% of the claim is payable because the Declared Values are 60% of the Correct Values.

### Example 2

Declared Value: \$900,000

Correct Value: \$1,000,000

Proportion of Declared Value to Correct Value: 90%

Full claim amount before deductible applied: \$250,000

Payable claim amount before deductible applied: \$250,000

Full claim is payable because the Declared Values are more than 85% of the Correct Values.

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# UNIT OWNERS REINSURANCE CERTIFICATE

## Rental Income Extension

In consideration of the premium paid, and subject to the EXCLUSIONS, CONDITIONS AND LIMITATIONS of the Policy to which this Extension is attached, and also to the following ADDITIONAL CONDITIONS AND EXCLUSIONS, this Policy is extended to cover loss resulting from necessary untenantability caused by Direct Physical Loss or Damage, as covered by the Policy to which this Extension is attached, to property insured by this Policy.

In the event of such Direct Physical Loss or Damage, the Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary untenantability, but not exceeding the reduction in Rental Income, as defined hereafter, less charges and expenses which are not necessary during the period of untenantability, for only such length of time as would be required, with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property as has been destroyed or damaged. However, such length of time shall not exceed **12 (Twelve)** months commencing with the date of such Direct Physical Loss or Damage and not limited by the expiration of this Policy.

For the purpose of this Extension "Rental Income" is defined as the sum of:

- (a) the anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured, and
- (b) the amount of all charges which are the legal obligations of the tenants and which would otherwise be obligations of the Insured, and
- (c) the fair rental value of any portion of such property which is occupied by the Insured.

In determining Rental Income due consideration shall be given to the rental experience before the date of damage or destruction and the probable experience thereafter had no loss occurred.

## CONDITIONS

### 1. Direct Loss or Damage

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to property insured under the Policy to which this Extension is attached and which gave rise to loss of Rental Income.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

### 2. Values Declared (and Incorrect Declaration Penalty)

The premium for this Extension has been based on a statement of individual values declared to and agreed by the Underwriters at the inception of the Policy and stated in the Schedule.

If any of the individual values declared are less than the equivalent amount of the Co-insurance percentage, as stated in the Schedule, of the Rental Income values, then any recovery otherwise due hereunder shall be reduced in the same proportion that the individual value(s) declared bear to the value(s) that should have been declared and the Insured shall co-insure for the balance.



# UNIT OWNERS REINSURANCE CERTIFICATE

## EXCLUSIONS

This Extension does not insure against:

1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, license, contract, or order, unless such results directly from the insured untenability, and then the Underwriters shall be liable for only such loss as affects the Insured's income during, and limited to, the period of untenability covered under this Policy;
3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. any other consequential loss.

14/12/05  
LMA5042 (amended)  
Form approved by Lloyd's Market Association



# UNIT OWNERS REINSURANCE CERTIFICATE

## Schedule of Values

Name	Unit & Building	Value
Timothy Lee & Kathleen Marie Van Alstine	Unit 406, Building A	\$ 75,000
The Bayly Beach House Ltd	Unit 402, Building A	\$ 85,000
LAJ Holdings Ltd	Unit 101, Building B	\$ 75,000
Cajo Provo Limited	Unit 103, Building D	\$ 75,000
Barrie Romkey	Unit 201, Building D	\$ 75,000
Alba Kourbatoff-Ventura	Unit 102, Building A	\$ 85,000
Sharon Hoot	Unit 403, Building C	\$ 75,000
Southway Limited	Unit 304, Building E	\$ 85,000
Tarley Holdings Limited	Unit 201, Building C	\$ 85,000
Rudolph Renda	Unit 401, Building B	\$ 75,000
Wolfco TCI Ltd	Unit 302, Building B	\$ 75,000
First Conduit Limited	Unit 304, Building A	\$ 75,000
James & Maria Furcolow	Unit 107, Building C	\$ 75,000
Joel & Terry Blender	Unit 103, Building C	\$ 75,000
Turquoise International Holdings Ltd.	Unit 407, Building C	\$ 75,000
Grace Bay Properties Limited	Unit 306, Building A	\$ 75,000
Sparkling Brook Properties Ltd.	Unit 204, Building B	\$ 75,000
BKX Turks and Caicos Investment Co Ltd	Unit 303, Building C	\$ 70,000
Sand & Sea Limited	Unit 201, Building A	\$ 85,000
CMAC Properties Ltd	Unit 202, Building A	\$ 75,000
Norris Vincent RE Holdings Ltd	Unit 204, Building C	\$ 90,000
Gregory Alan Bland	Unit 501, Building A	\$ 90,000
Virginia Holdings	Unit 504, Building A	\$ 285,000
Evan & Carla Shoforost	Unit 201, Building B	\$ 85,000
Steve & Cheri Nash	Unit 101, Building C	\$ 75,000
RTR TCI Limited	Unit 304, Building C	\$ 85,000
John & Linda Del Sigmore	Unit 101, Building D	\$ 75,000
Hers Too Limited	Unit 203, Building D	\$ 85,000
Sandra Devries	Unit 106, Building E	\$ 85,000
Ravanna Limited	Unit 204, Building E	\$ 75,000
Dorrian Consulting Company Ltd.	Unit 208, Building E	\$ 85,000
Feather Ventures LLC	Unit 301, Building E	\$ 85,000
Plush Properties Limited	Unit 306, Building E	\$ 75,000

# UNIT OWNERS REINSURANCE CERTIFICATE

Unit 4301, The Palms	Unit 301, Building D	\$ 70,000
Apt E 401, The Palms Limited	Unit 401, Building E	\$ 75,000
William Deary	Unit 401, Building C	\$ 75,000
Three Daughters Limited, M/M Stanley & Sue Partee	Unit 101, Building A	\$ 85,000
Huge Holdings Limited	Unit 105, Building A	\$ 75,000
Dynasty Holdings Limited	Unit 303, Building D	\$ 75,000
Molly Fitzpatrick	Unit 107, Building A	\$ 75,000
PGB Limited	Unit 308, Building A	\$ 85,000
Hudson Square Ltd	Unit 403, Building C	\$ 75,000
Alexander Doll	Unit 406, Building A	\$ 75,000
TC - LMG Limited	Unit 408, Building E	\$ 85,000
Ls Playa Azul Limited	Unit 408, Building A	\$ 85,000
Jovale Limited	Unit 308, Building E	\$ 85,000
Horizons International Shipping & Tra	Unit 208, Building A	\$ 85,000
JAB Property Limited	Unit 501, Building C	\$ 250,000
Private Label Limited	Unit 203, Building A	\$ 75,000
A&A Gallery Limited	Unit 103, Building E	\$ 75,000
Turks Paradise Limited	Unit 402, Building C	\$ 75,000
Louis & Anna Maria Bellotti	Unit 102, Building E	\$ 85,000
Tocumen Trading Limited	Unit 301, Building C	\$ 85,000
WCS Investment Limited	Unit 201, Building E	\$ 85,000
Steven & Doreen Merket	Unit 501, Building E	\$ 90,000
M/M Dan & Anca Rusu, White Sands Investment Ltd	Unit 402, Building B	\$ 85,000
Harold & Madeline Francke	Unit 3204/3205, and 202 Building C	\$ 75,000 And 50,000 loss use
Unit B301 Ltd	Building B	\$ 100,000
Loss of Rental Income Receivable:	All units combined:	\$ 2,366,000*
<b>Total</b>		<b>\$ 7,421,000</b>

\* Note, the Loss of Rent is a Limit of Indemnity and is split proportionately across the unit values based on the unit owners contents value. The limit is in totality and in the aggregate and subject to the policy deductibles.



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## Security

### **Binder UMR B1311D1GAURA2019**

CHUBB 2488	21.75%
QBE 2999	21.75%
HIS 0033	17.40%
CNP 4444	8.70%
AUW 609	3.48%
RNR 1458	9.57%

### **Lineslip UMR B1311CONS00700718**

PBS 1492	17.35%
<b>100.00%</b>	

