



Welcome:

Thank you for choosing Association Insurance Group as your insurance representative for your fitness center.

We look forward to providing you with a proposal of insurance coverage for your property and liability protection. I have attached a summary of the insurance issues you will need to consider along with an application for you to complete and return in order to obtain a quote.

Fill out this application in its entirety and be sure to review the insurance issues outlined in your facility's lease. You may want to include a copy of the landlord's insurance requirements when you submit your application for our review.

Please allow 72 hours for processing your proposal. However, if this is a "rush" situation, please indicate this request in a separate memo when you submit your application.

Sincerely,

Ken Reinig
Owner/President

165 S. Union Boulevard • Suite 410 • Lakewood, Colorado 80228
(303) 985-2025 • FAX (303) 985-1248 • (800) 985-2021 • <http://www.clubinsurance.com>

**Fitness For Life / Fitness Together
Insurance Issues and Information
Association Insurance Group**

We, at Association Insurance Group, are pleased to provide an insurance program designed specifically for the Fitness for Life organization. When opening a Fitness for Life or Fitness Together center, there are some basic insurance issues you need to be aware of. I have listed below some key checkpoints and coverage explanations to help you through the insurance procurement process.

- 1) Check your lease for insurance requirements and subrogation issues.
(Our standard insurance program comes with \$1,000,000 per occurrence for liability and property damage and \$2,000,000 policy aggregate. This should be sufficient to comply with your lease. However, some landlords may require higher limits of liability coverage which can add substantial premium cost to your insurance portfolio so please check your lease.)
- 2) When considering Property Insurance, there are three basic areas of coverage.
 - a) Contents: The replacement value of all your equipment, inventory, computers, phone systems, and furniture. This value can vary depending on the type of facility you are opening.
 - b) Tenant Improvements: Whether or not you or your landlord are paying for your “build-out” costs, your lease will probably require that you are to be held responsible for any “interior improvements” in the event of a fire or any other property loss. Therefore, you will need to estimate this cost and include it in your application.
 - c) Loss of Business Income: This is an amount of protection that will replace your income revenue in the event your club would have to close due to a covered property loss (fire, tornado, roof collapse, etc). We recommend that you try to protect at least 4 months of revenue. However, only you can determine how much coverage, if any, you want to purchase to replace your lost revenue if you are shut down as a result of a major catastrophe.
- 3) Workers Compensation: **Most states REQUIRE** that you purchase workers compensation insurance to protect your employees in the event that they are injured. Please keep in mind, that Independent Contractors may be considered employees by the State Workers Compensation Insurance Board and therefore entitled to workers compensation benefits. We can also provide you with Workers Compensation Insurance at competitive rates.
- 4) Bonding: Many states now require health clubs to be bonded if they collect any payments prior to service or if a member is required to sign a long-term contract. The rules vary by state and it will be up to you to contact your state’s Department of Consumer Affairs to determine whether or not you need to comply. A Bond is NOT an insurance policy. It is a financial guaranty instrument and is underwritten in much the same way as a bank loan. Qualifying for a bond depends upon the owner’s personal financial position and a well written business plan.
- 5) Completing your Application to obtain a quote: When filling out your application, please be sure to provide as much information as possible. There will be questions such as, “How many members will you have?” that will require your best estimated guess. The best way to determine your costs is to complete the application in its entirety and fax back to our office at 303-985-1248. A quote will be sent to you within 3 business days.

If you have any questions, you can contact us at 800-985-2021 or visit our website at www.clubinsurance.com.
Association Insurance Group, 165 S. Union Blvd., Suite 410, Lakewood, CO 80228

Insurance Application

Fitness for Life – Fitness Together

Note: Please complete the form in its entirety. Questions involving "estimates" will require that you provide your best guess based on information provided by your Franchisor or your own business plan.

Please send proposal/quote via: email fax regular mail

Estimated or Actual Date that you will need your insurance to be effective: ____/____/____

(This may not be your opening date, but instead the date the landlord requires you provide them with evidence of insurance. Typically, you should have your insurance in place the day that you become responsible for the premises that you are leasing)

Legal Business Name of your company: _____ dba _____

Type of business entity: LLC ____ Corporation ____ Partnership ____ Individual ____

Location Address: _____ City: _____ State: _____ Zip _____

Mailing Address (Other than Location): _____

City: _____ State: _____ Zip _____

Contact Person: _____ Alternate Contact Person _____

Business Phone #: _____ Home Phone #: _____ Fax # _____

Cell Phone: _____ email address: _____ How many years have you been in business: _____

Square Footage area of your club: _____

Total Estimated Number of Members: _____

Your estimated annual revenue (gross sales): \$ _____

Estimated annual payroll \$ _____

Federal Tax I.D Number _____

Years in Business _____

If you have been in Business for 1 year or more, please attach a copy of your loss runs from your current insurance agent

Please indicate the services you will providing:

Personal Training: ____ Circuit Training ____ Group Exercise Classes ____

Do you have Open Memberships with no supervision? _____

Tanning ____ If so, how many beds or booths? ____ Child Sitting ____ Massage: ____

How Many Treadmills: ____ Martial Arts: ____ Number of Showers: ____

Any other service(s) not mentioned above: _____

Property Information

What is the Construction type of the building you occupy?

If unsure, please contact your landlord or the owner of the building.

Exterior Walls: Concrete Block ____ Brick ____ Metal ____ Wood ____

Roof Construction: Steel Frame ____ Wood ____ Metal ____ Concrete ____

Your floor surface: Wood Frame ____ Concrete ____

What is the approximate or actual age of your building? _____

If your building is over 15 years old, when was the wiring & plumbing updated? _____

Your club is located in a : Strip Mall ____ Office Complex ____ Free Standing ____ Other: _____

Does your club have: Smoke Detectors ____ Fire Alarm ____ Sprinkler System ____ Burglar Alarm ____

If you are located in a Coastal State, what is the distance to the Ocean or Bay? _____ miles

What is the estimated replacement value of your business personal property (contents): \$ _____

What is the estimated cost of your leasehold improvements (build-out): \$ _____

What limit of coverage would you want for your "loss of business income": \$ _____

(note: refer to sample proposal)

NOTE: The liability insurance limits provided include \$1,000,000 per occurrence with a \$2,000,000 policy aggregate.

If you are required by your lease or if you would like **additional** limits of protection, please indicate your request below:

\$ _____

I hereby certify that the information and values of the property limits contained in this application are true and accurate to the best of my knowledge and that no material facts have been misrepresented.

Signed: _____

Dated: ____/____/____

*If you have not received confirmation of receipt of your application within 48 hours of submittal, please contact our office at 800-985-2021. Please allow appropriate time for weekends and regular mail.

Association Insurance Group
Insurance Proposal
For
Fitness Together
“One Client, One Trainer, One Goal”

SAMPLE PROPOSAL

The insurance proposal below is based on a typical Fitness Together center. **Every club’s insurance costs will be unique** based on the area of the country you are located in, the value of your equipment, the value of your tenant improvements, the fire rating of your particular unit, etc. Your actual insurance quote is likely to be different than the quote outlined below. You will still need to complete the one page application to obtain insurance costs for your specific center. However, this quote will provide you with a reasonable estimate of what you can expect to pay annually for your property and liability insurance coverage.

Sample subject location: A 1,600 square foot Fitness Together center located in a strip shopping mall constructed of brick and/or tilt up concrete walls with steel frame. The club also has an alarm system and the building is approximately 20 years old.

PROPERTY INSURANCE:

Business Personal Property (Contents): \$50,000
Tenant Improvements: \$30,000
Loss of Business Income Protection: \$30,000
Sign and Glass Coverage Included
\$1,000 per claim property deductible
Special Form Coverage including Equipment Breakdown
Property is valued on Replacement Cost basis

LIABILITY:

Coverage Limits: \$1,000,000 per occurrence / \$2,000,000 policy aggregate
 Includes Personal Injury, Products, Training Liability, General Liability
 Landlords and Leasing Companies added as additional insured

Total Annual Cost including all fees: \$1,700

Payment Plan: \$290 down with 11 monthly installments of \$141 (includes finance charges).

Coverage would be written with an A.M. Best rating of “A” Excellent.

This quote does not include workers compensation insurance. You will need to contact our office to obtain a separate quote for this coverage.

Call 800-985-2021 or email nshirley@clubinsurance.com for additional information.