



Thank you for choosing Association Insurance Group as your insurance representative for your new women's only 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, contact our office at 800-985-2021 and let us know.

Thanks again and be sure to call us if you have any questions.

Sincerely,

Ken M. Reinig, CIC
President

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

**Lady of America / Ladies Workout Express
Insurance Issues and Information
Association Insurance Group**

We, at Association Insurance Group are pleased to provide an insurance program designed specifically for the Lady of America organization. Whether you are opening a Lady of America, Health Club of America, or Ladies Workout Express, 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.
(The insurance program comes with \$1,000,000 per occurrence for liability and property damage and \$2,000,000 policy aggregate. This is an industry standard and 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.)
- 2) When considering Property Insurance, you need to think of three different 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. You will need to check with your State’s workers comp division. Although workers compensation can be procured through the private insurance market, including our company, it is often less expensive if you purchase this coverage directly through your State of domicile.
- 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

**Association Insurance Group
Insurance Application**

LADIES WORKOUT EXPRESS and LADY OF AMERICA

Note: Please complete the form in its entirety. Questions involving "estimates" require that you provide your best guess based on information provided by *Lady of America* or from 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 Name: _____

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

Location Address of your Club: _____

City: _____ State: ____ Zip _____

Mailing: _____ 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:** _____

Estimated annual revenue (gross sales): \$ _____ **Estimated annual payroll** \$ _____

Other than your circuit training equipment, check off any other services you will be providing?

If no other services are provided, check here: ____

Tanning ____ **If so, how many beds or booths?** ____

Child Sitting ____ **Day Spa** ____

Cardio Equipment (treadmills, bikes, etc) ____

Martial Arts ____ **Showers** ____ **Lockers** ____

Any other service(s) not mentioned above: _____

Property Information

What is the Construction type of the building you will occupy?

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 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: You should try to protect a minimum of 4 months of revenue)

Workers Compensation: Estimated annual employee payroll is \$ _____

Federal I.D. #: _____

NOTE: The minimum premium for our workers comp program would be \$800 a year. You may be able to secure workers compensation insurance directly through your State Workers Comp Division at a lower premium.

Other Insurance Issues

The liability insurance limits provided by our program include a \$1,000,000 per occurrence limit with a \$2,000,000 policy aggregate. If your landlord requires **additional** limits of protection, or if you want to purchase additional umbrella limits, please indicate your request below:

\$2,000,000 per occurrence: _____ **\$3,000,000 per occurrence** ___ **\$5,000,000 per occurrence** ___

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: ____/____/____

Fax Application to: 303-985-1248

Questions? Please call 800-985-2021

Association Insurance Group, 165 S. Union Blvd., Suite 410, Lakewood, CO 80228