American Coastal INSURANCE CORPORATION™

American Coastal Insurance Corp (NASDAQ: ACIC) Call with CFO Brad Martz

Gaining further conviction in management and understanding the long-term vision

Aryann Gupta, Nithin Mantena

First of all, we would like to thank Brad for taking time out of his busy schedule right before the holiday season to talk to us. It was extremely insightful. While we have not spoken to many C-suite-level executives, Brad stands out as one of the most remarkable. It was a privilege to be able to speak to him.

We will structure this document by posing a question, providing as close of a representation as to what Brad answered, and then, if necessary, some commentary on each of the answers provided by Brad. For the sake of simplicity, we have structured the questions in chronological order.

We hope that this provides existing shareholders with more clarity. We would highly recommend checking out Jon's original write-up on AmCo for those just hearing about American Coastal. (https://sohrapeakcapital.com/research/) as well as our update as both of these docs will help to establish context for the questions we asked below.

1) **How do you and Dan see the sustainability of the Florida Hurricane Catastrophe Fund going forward? At one point in time, this reinsurer used to have greater than $10bn in surplus; now, it only has about $4.2bn. If we have an Irma next year, FHCF will be forced to issue post-event bonds. Do you think the current FHCF rates are competitive enough to generate an underwriting profit in the long run, enabling them to stay in business?**
    a. The CAT fund is super important to the Florida market. The state legislature mandates it. As long as Florida maintains its credit rating, the CAT fund will have no issue raising money and replenishing the CAT fund if it gets depleted by hurricane activity.
    b. The cash at the CAT fund is around $18bn. The CAT fund has been around forever. It had endured through some very difficult hurricane seasons.
    c. Also, given the $20bn+ budget surplus in Florida right now, the post-event bonding ability and sustainability of the CAT fund is absolutely fine, even if it were to get depleted multiple times. This has also never happened.
    d. While this risk is certainly possible, it is seen as remote, and if it were to go by the wayside, it would just end up costing Floridians more money. ACIC could likely replace that limit on the open market but at higher prices. If ACIC has to pay more for reinsurance, it is just going to drive up the cost for consumers.
    e. The state does not want to see this happen. The state is very concerned about affordability. The whole point of the CAT fund is to help subsidize the cost of insurance. That is just a part of the cost of living in Florida.
    f. Brad had historically been worried about politicians trying to tap into the CAT fund and use that money for other purposes. If the state's finances were to go sideways. Fortunately, that has not happened. The state has been very well run in the past decade.
    g. Citizens, on the other hand, is the market of last resort. It is a quasi-governmental organization that is supposed to be a residual market for what the private market doesn't want. But unfortunately, in Brad's opinion, it has been strategically mismanaged. Citizens doesn't buy reinsurance in the same way that the private market does because they don't answer to ratings agencies or regulators in that way. There are huge gaps in their capital position. A large southeast Florida event could easily wipe out Citizens, and they would be looking for a handout from the state to recapitalize.
    h. Brad believes a residual market is necessary, although Florida's truly uninsurable risk is pretty low. It is less than 5% of the overall market, and yet Citizens has a higher market share than that because it undercuts its competitors significantly. They are allowing in too many risks, and they haven't adequately addressed pricing primarily because they don't buy reinsurance the same way, so their cost structure looks a little different.
    i. The state does want Citizens to be truly a market of last resort, not a competitor to private capital. Right now, it is a little bit out of balance, and Citizens has been growing.
    j. This creates opportunities for companies to come in and remove policies from Citizens, opportunistically to generate some excess returns by timing it right. For example, some peers are assuming risk from Citizens today and are doing so in an off-hurricane season. They are going to avoid incurring policy acquisition costs and marginal catastrophe reinsurance costs for about six months until June 1st. The reinsurance costs alone provide a lot of savings to a carrier. So, the initial first-year results are great, but that isn't necessarily the best business. A lot of it will flee once it renews under your paper at higher rates. It is not a long-term model per se, but it can produce short-term profitability boosts if you do it right.

We had reached a similar conclusion in the double-down note published. We also referenced the Florida State Government being very highly rated (AAA rated) and their record surplus for FY2021-2022. The aspect not considered was why the FHCF was created. This insight from Brad helps further cement that the state is effectively backstopping the FHCF, given that its purpose was to subsidize and lower insurance costs for the average Floridian, and that is a core part of the government's stance. Thus, they will work to ensure that it does not fail in its purpose, as the alternative would be for all private market insurers to seek reinsurance from expensive providers with costs ultimately being passed onto consumers. The last thing the state wants is costs being upstreamed to the consumer.

2) **We have gone through ACIC's merger call with UPC, where Dan talks about AmCo's underwriting edge. We have also talked to other hedge fund analysts, including Jon from Sohra Peak, who published an initial report on your company. We want to understand from you what you think AmCo's core underwriting edge is. We have some idea of what it is, but we would like to hear from you.**
    a. It starts with experience. AmRisc has been underwriting this particular class of business for over 20 years. AmCo has seen and had the chance to quote almost every condominium association in the state.
    b. AmCo has also been long enough to see the losses emerge through major hurricanes in years of high frequency and severity.
    c. The secret sauce is having that loss data and being able to reverse engineer the model to see what types of construction perform the best and learn from that.
    d. There are about 140 different risk characteristics, both primary and secondary, that feed these hurricane models. AmCo is inspecting every risk and capturing 100% of the data.
    e. AmCo has great visibility into what good risk looks like. In the insurance business, it doesn't matter what line you are writing; risk selection is everything. AmCo has done a very good job of identifying risk that produces the best return on capital, and then it's all about distribution.
    f. Having some distribution edge other than just paying higher commissions and having cheaper products for it to be sustainable.
    g. AmRisc has a huge E&S property portfolio. They write over $3bn in premium, which is desperately needed capacity by agents and wholesalers they interact with. This benefits AmCo because AmRisc is such a household name. AmRisc is the largest commercial wind MGA in the country, especially in Florida. Everyone knows AmRisc. The brand is very strong, and the capacity it offers is coveted. While AmRisc has recently lost some capacity in this hard market, they are still a formidable player. Their size and scale help with the AmCo product.

Brad was able to confirm our view that AmRisc's edge comes from their years of successful underwriting experience. In addition, the insight that Brad provided us as to the number of risk characteristics that AmRisc analyzes was helpful. We hope that in the coming weeks, we will also be able to talk to C-suite management of other CAT-focused Florida insurers, like HCI, to understand better how competitors assess risk and their criteria for risk selection.

3) **We wanted to ask specifically about underwriting data ownership. Does it belong to AmCo or does it belong to AmRisc?**
    a. It's both. The carriers have access to all of that information by law. AmCo is the risk taker and thus needs to have that information.
    b. AmCo dictates to AmRisc what to write, when to write, where to write, and how much to write it for.
    c. Dan Peed, the CEO and Chairman of AmCo, founded AmRisc. They know AmRisc very well and how their systems work.
    d. It is a multi-model, return-on-capital-based underwriting routine. It is semi-automated, as there is still a lot of manual touch given the inspection process. The way they have built the system is pretty cool and unique, according to Brad.
    e. UPC tried to enter the commercial residential segment of the market back in 2015/2016, prior to merging with AmCo. UPC had very little success and really struggled with the manual-intensive nature of underwriting this risk.
    f. Once they did some due diligence on how AmRisc was doing it, they were just blown away and super impressed.

g. AmRisc has definitely built a very powerful machine that works great. It is hard to say how differentiated it is from the rest of the market. Everybody will claim to have a powerful underwriting model, a strong track record, etc.
h. AmCo has been doing it for longer than everybody else and has more lessons learned. AmCo is further up the learning curve and that market leadership position givres AmCo some advantages that other incumbents who are trying to run uphill to attack AmCo's fort don't have.
i. AmCo has built a pretty sustainable position at the top of the hill. AmCo likes to say that for every ten soldiers they send up the hill trying to attack AmCo's fort, they'll lose nine, whereas AmCo will only lose one.
j. This doesn't mean that people can't take ground and gain market share; depending on the part of the cycle, AmCo would be willing to cede market share. AmCo did this in 2015/2016 to Heritage when the market was really soft pre-Irma. The portfolio shrank all the way from $350mm in premiums to $230mm in premiums.
k. The reason for this is that AmCo was being disciplined about what good risk looks like and ensuring that it earned an acceptable return on capital.
l. Post-Irma Heritage found out the hard way that this does have a lot of tail risk. Losses are generally more severe than models suggest, and you have to know what you are doing. So, Heritage pulled back and really hasn't been as much of a competitive threat recently. They are still writing, but it has been a slow process for them to reestablish themselves as a viable market for agents.

This is something we never had full clarity and understanding of. While a lot was known about the relationship between AmCo and AmRisc, we were happy to get clarity on the data aspect and AmCo's degree of involvement in the underwriting process.

4) **A lot of other insurance companies have a hard time demonstrating and committing to underwriting discipline and pulling back when in a soft market. Why is it that other companies don't have the ability to pull back on the total insured value at risk?**
   a. It is the perfume of the premium that supersedes the stench of the risk.
   b. Unfortunately, people get addicted to the topline, and it's not the right way to think about insurance. AmCo has proven that you can grow profits while shrinking the book of business. AmCo's exposure base was down on a PnL basis by 20% YoY, but premiums were up significantly. This is because we are at the right part of the cycle to push terms and conditions.
   c. Current market conditions are very ripe for underwriting profits. Brad does not see this changing any time soon. It is going to take three to five years for legislative changes and potentially lower weather-related losses to work their way through into an improved outlook with more competition and more capital available from reinsurers at better pricing for the market to soften in any way. There has just been too much damage done in the last seven years for it just to flip after one quiet hurricane season.
   d. AmCo does not worry about growth. Premiums are going to do what it is going to do. AmCo is only concerned about underwriting effectively and cranking out adequate returns on capital.
   e. If it is a soft market, AmCo is going to be risk-off and probably have excess capital that they can return to shareholders, buy back stock, or make other investments. In a hard market, AmCo will be risk on and will be wanting to put capital to work and earn outsized returns.

We also already had the answer from Buffet and his commentary on P&C insurers. This was really just a question to get a better sense of how Brad and, thus, by virtue, AmCo thinks about underwriting discipline. We were also happy to see that he brought up underwriting discipline in the prior question without us having to reference it directly. We think this serves as a reminder of how core underwriting discipline is part of their culture.

5) **We understand that AmRisc and AmCo have a longstanding relationship, given that Dan Peed founded AmCo under AmRis and then did a management-led buyback. Is there a possibility that renewal terms in 2027 change drastically? We don't forecast this, but we would like more clarity from you.**
   a. Regulators don't allow a contract longer than five years. AmCo has a track record with AmRisc dating all the way back to 2007.
   b. When AmCo gets to the back half of the duration of the contract, a renewal is negotiated, and the contract is extended for another five years.

c. The contract was last renewed in 2022. Likely, discussions for contract renewal will start late next year at some point.
d. It has been a mutually beneficial relationship that no one wants to see change. AmRisc has gotten a lot of EBITDA coming from AmCo's portfolio. It would be very hard for AmRisc to replace all the capacity that AmCo is offering them today. It would be very expensive and time-consuming for AmRisc to try to move that business.
e. If market rates change and AmCo needs to pay AmRisc more, they are happy to do so and pass on the cost to their policyholders. Funnily, at the beginning of 2023, AmRisc actually gave AmCo a commission concession that lowered the fee AmCo pays because of the dramatic change expected in premiums. That helped give AmRisc some revenue growth while not having an absurd change in fee income just based on the fact that there are higher reinsurance costs driving premiums up.
f. There will always be addendums to adjust the management fees that AmCo is paying to AmRisc throughout the duration of the contract.
g. It would always be AmCo's intent to be clear with AmRisc about anything they are doing outside of the relationship. The relationship is exclusive in Florida for only the admitted condo market. So, it does not cover E&S and does not cover any other line of business or any other state. AmCo has plans to take advantage of other opportunities where capacity is constrained in Florida. In other markets where AmRisc does not have a strong market presence.
h. In some cases, they will work together with AmRisc, as they did with Journey Insurance Company a few years ago. They formed that entity in partnership with Tokio Marine to go after the apartment market in Florida. Given the financial problems on the personal lines side they were forced to unwind that and recycle that capital to save the organization.
i. AmCo has built a pretty nice book of business in the apartment niche alongside AmRisc, even though that was not AmRisc's forte. It is very similar to the condominium associations. The physical risk is pretty identical. The only difference is that the additional perils related to tenant-occupied vs. owner-occupied have to be priced. This is something that can be revisited.
j. Small business owner's policies and commercial package policies. They see a lot of opportunity, especially in the smaller owner-occupied type of buildings that might be under the radar for larger carriers currently in that space writing that business.
k. There are other lines that AmCo wants to generate both fee income and underwriting profits from.
l. No intent to ever compete with AmRisc and everything done will be with their blessing. Either in partnership with them or on their own. The relationship with AmRisc is vital to AmCo but equally important to them.

We were very happy to get more clarity on the new levers that AmCo has for growth and their desire to grow the fee income side of their business. In the long term, we hope that as this accounts for a greater percentage of the bottom line, AmCo starts to re-rate and trade at a higher multiple because of the 'predictability premium.' This is something that Fred (Hayden Capital) talks about in his most recent Q3 letter. While Fred focuses on software companies switching to recurring fee models via subscriptions, leading to multiple expansion we think the same can be said for fee income. We can also look at the multiples that broker businesses like WTW or BRO trade at, which serve as a loose and broad framework for looking at the fee income side of AmCo's business that will soon emerge. We think this is something that is extremely hard to value, but seeing it as a call option suffices. Once we have more data, we can look toward valuing it more accurately.

6) **On the Q3 earnings call, you mentioned that you are currently not prepared to talk about the prospects of getting rid of the quota share agreement. Could you please walk us through a brief timeline of over what period of time you expect to retain the entirety of the underwriting risk and profit on your balance sheet and replace the existing quota share agreements with excess loss reinsurance agreements?**
   a. ArchRe has a multi-year option, and they are expected to exercise their option and elect to stay on with 20% gross quota share for another year. Berkshire does not have that option.
   b. The plan as of today is to convert Berkshire to an excess of loss basis by 6/1/2024. So, the quota share will be cut in half to 20% by 6/1/2024.
   c. The year after that, AmCo will have more meaningful discussions with ArchRe and see what to do with them.
   d. ArchRe is more strategic. AmCo sees them as a great long-term partner. Berkshire was a little bit more opportunistic and is kind of in and out with the hardness of the market.

e. Berkshire can provide meaningful capacity and support, just as they have on the current reinsurance program. AmCo's long-term desire is to replace them with more efficient, cheaper capital. Berkshire is expensive.

We will incorporate this change into the model and share the most up-to-date model in a follow-up post. We were very happy Brad gave some pretty clear timelines on when this quota share gets cut out. In the original model, it felt like a bit of a guessing game with the QS agreement just being tapered at an arbitrary rate.

7) **What are the goals for the business over the next ten years? We know you mentioned fee income and selectively underwriting good risk, but where do you see AmCo 10 years from now?**
   a. Goal number one is not to screw up American Coastal. That is the golden goose. It is a mature and successful business. They want to continue to operate it to optimize underwriting profitability, as that is the engine that makes everything else go.
   b. Number two is to become a more relevant, meaningful player on the E&S side. The admitted market really only works in the commercial space. It is a unique niche, as most of AmCo's business is policies with a TiV greater than $5mm, which means it works just like E&S.
   c. You need to have that pricing flexibility. Brad believes that E&S is the future of CAT-exposed markets like Florida, California, and Texas.
   d. E&S is the only way to work around the regulatory constraints that have chased away all the big major carriers. Look at California, where All State and State Farm effectively gave the state an ultimatum saying that we are leaving unless you approve double-digit rate increases. That is the problem with the admitted market; you are subjected to the regulatory rent control mentality, whereas E&S is a free market system. You can charge whatever the market can bear, and you don't have to get your rates approved by the regulators, so you can do unique things on the coverage and deductible side to keep insurance affordable and profitable.
   e. They see the future in both personal and commercial lines. They have a lot of experience, given that they have built a personal lines business on a very large scale. AmCo will never likely get into underwriting risk on the personal lines side, but they will absolutely be looking to generate service fee income from that segment.
   f. AmCo wants to play the E&S space both from an at-risk on the commercial side and for fee income on the personal side.
   g. AmCo very clearly wants to build income streams from these fee-income ventures over the next 5-10 years.
   h. E&S may or may not mean having an E&S balance sheet under the AmCo umbrella. It could be done off-balance sheet. It will start as writing on behalf of other carriers like Arch and Berkshire, who have expressed willingness to provide some capacity to do insurance of other lines of property in Florida, where AmCo feels like they have some competitive advantage and some expertise that could lead to very good results.

8) **What do you think is the biggest risk or threat to AmCo besides CAT risk?**
   a. Reckless competition is one. There are always going to be people who are going to try to imitate success. You are either going to burn your way in or buy your way into a market like this. Where you get a formidable leadership position as AmCo has, and it has been seen before.
   b. It is always challenging to see competitors coming in and undercutting AmCo rates by 30-50% to take share. That is probably the number one threat right now.
   c. AmCo's results have garnered people's attention. When you are not making any money, no one is paying attention.
   d. Historically, management has done a pretty good job of hiding AmCo's profitability. Now that they are fully transparent and public, they will likely see some increased competition.
   e. This is still fine as Florida is a big state, and there is a lot of risk, and AmCo can always continue to grow just through valuation change alone. Even if rates were flat because of competitive pressures, just the change in insured values over time should lead to sustainable growth. That won't be true if AmCo has to share larger slices of the pie with other carriers.

9) **One of the competitors we specifically wanted to ask about was HCI. HCI has said that they are looking to get into the commercial residential space, and we see them as an above-average underwriter given their TypTap underwriting platform. Do you see them as a material threat, and do you have any insight on their strategy, given that you sold the UPC runoff lines to them?**

   a. AmCo has a lot of respect for Paresh Patel; he has built a good organization. AmCo management knows him well given that they sold huge chunk of their homeowner's book to HCI and they do keep in touch.
   b. Paresh's model initially will be a takeout game. Just exploit that market opportunity and build a portfolio of commercial residential via takeouts.
   c. Takeouts have been profitable for HCI in the past as they know how that game has been played. That is how HCI got started, and AmCo wished them well.
   d. Brad sees this as having little impact on AmCo. When writing new business through the same agents and wholesalers as AmRisc is writing, that poses a completely different challenge for them. Brad doesn't think they will be successful because AmRisc will get a first and last look at every policy, and it will be within AmCo's control to accept or reject the terms on the table. As the incumbent, it is much easier for an agent to write renewal business with AmCo than it is to write a new piece of business with a new carrier. It is just more profitable for the agents to issue a renewal.
   e. AmCo might have to adjust some of their terms or pricing to keep the business, but that fact constrains the odds of losing it to new entrants. This is why this business is sticky and has good retention rates.
   f. Retention ratio is what they are looking at. Brad is most concerned about the competitive threat right now.
   g. You must always be concerned about regulatory and political risks in Florida. The legislature has done some pretty dumb stuff in the past, such as forcing rate reductions to benefit the consumer that aren't actuarily sound.
   h. Continually lobby against anything that will promote Citizens to be more competitive or anything that will be disruptive to the market.
   i. Obviously, reinsurance capacity as well. Suppose reinsurers are taking a beating around the world from other perils. This could definitely have an impact on the cost and availability of reinsurance in Florida.

10) **Leading on from that question, what do you think is the long-term market share that AmCo can take in this market? Is it somewhat limited by the kind of properties you insure, i.e., focusing on properties that have a lowered total insured value at risk?**
   a. AmCo currently estimates that there are somewhere around 17,000 condo associations.
   b. The high-water mark was around 6,300 policies. So, if its market share is being measured in terms of a number of policies, AmCo definitely has some room to grow. AmCo has shrunk to under 4,500 policies currently, given the earlier concerns of AmCo's own capital and status as a going concern and reinsurance availability uncertainty at good prices.
   c. AmCo's outlook on those fronts has changed dramatically. AmCo's balance sheet has significantly improved. There is no longer a drain on capital from personal lines, and it looks like reinsurance support is very strong, with terms and conditions starting to moderate.
   d. AmCo wants to resume growth mode, which may not necessarily mean growing policy count in terms of the total number of associations AmCo writes. It could just mean writing larger accounts with more total insured value. It is the TIV that matters, not the policy count necessarily.
   e. Brad tends to think of market share in terms of exposure. How much exposure can AmCo handle and how does AmCo get the most profitable segment of the market.
   f. Policy count is a little bit misleading. What matters is the premium that you are getting relative to the total insured value at risk. This is why Brad included the graph in the Q3 earnings call.
   g. The graph that Brad included highlighted the relative change in both the premium and exposure. Brad thinks premiums will start to moderate a little bit, and exposure will start to come back. In the end, it will be about expanding the pie.

11) **How do you determine what reinsurance stack makeup you want? For example, how do you choose what level of retention you want vs. the stack size vs. excess of loss or quota share, etc? How certain are you that you can get a similar quality reinsurance stack in the future?**
   a. AmCo sets very specific risk tolerances with the board every year. Everyone sits down and thinks about how much risk they want to take. Those are decisions that haven't been formalized yet, but Brad does not see AmCo wanting to take a lot more risk. AmCo might raise the retentions a little bit, but this is unlikely to be done through the insurance company.

b. If they do end up deciding to take more risk, this will be through the captive, outside the regulated entity. This has been one of the reasons that AmCo has been raising capital so that they can put the capital to work strategically in the captive.
c. The right places within the structure, especially down low where the rates are very high, and it takes little additional capital to collateralize participation on a lower layer fully. So, this is mostly funded through premiums. AmCo would rather pay that premium to themselves than pay it to a third party if the model's expected return on capital is greater than 50%. That is where they are deploying capital in the use of the captive.
d. Brad thinks there are three key things. One is capacity, two is retention, and three is what to do with quota share.
e. With quota share the long-term desire is to take it down to zero, but that will be a slower process. Next year will be 20%, the year after that 10%, and the year after that 0. That is obviously dependent on capacity and being able to fill the CAT limit that is embedded in the current quota share agreements through excess of loss and where that capacity is available.
f. Brad expects for a lot of the higher layers the YoY pricing to come down this year. But for the lower layers, there is a lack of capacity, and pricing is still going to be challenging. Down near the riskiest part of the layer, and that is what AmCo is getting ready to get more aggressive with the captive.
g. AmCo would have done it this year, but they didn't have the capital to do it, and that would have paid big dividends for AmCo.
h. AmCo will also make a return to the CAT bond market this year. They will do a two-tranche CAT bond offering. One is up high to drive some of the pricing down in the higher layers at the top and one below the CAT fund to replace FORA.
i. This year, AmCo elected to use FORA, which was very expensive because it was guaranteed capacity. AmCo was still dealing with the fallout of the receivership of UPC when they were trying to secure 6/1 placement. As a result of this, AmCo paid more across the board for every layer because of that perceived credit risk and uncertainty about how it would all play out.
j. Next year will be a completely different negotiating position. The risk issues are off the table, which will generate some savings. Replacing FORA through the capital markets will generate savings. Overall, AmCo will generate more capacity by bringing on carriers that were scared by the credit risk issue.
k. For example, AmCo lost its largest reinsurer this year due to that credit risk concern. Aeolus Re is a reinsurer controlled by Elliott, with which AmCo used to have a $600mm line. That went to $0 this year. Bringing them back in a meaningful way is important; they have already informed AmCo that they are coming back.
l. They are very comfortable with American Coastal, and they want back in. It is a favorable supply and demand dynamic in AmCo's favor.

12) How longstanding are reinsurance relationships? How well do they understand AmCo's business and their ability to underwrite superior risk?

a. AmRisc's track record helps AmCo. AmCo's long track record itself helps them. Having generated an underwriting profit in every year they have been in business is great.
b. Arguably doing so in a market where it is extremely difficult to underwrite risk, it is pretty remarkable that AmCo has been able to do this.
c. This risk is not widely available. If, as a reinsurer, you want this kind of risk, you have to participate in AmCo's program. Otherwise, reinsurers don't want to write citizens as they have gotten a big chunk of this market. HCI and HRTG a little bit, but otherwise, it is really hard to access this risk.
d. Reinsurers have generally been allocating more capital to commercial residential over personal, given the underwriting results.
e. Reinsurers want to deploy capital with the best-in-class underwriters. The small carriers that haven't produced good results are going to have to pay and have worse terms and conditions because reinsurers are being discriminate in who they are doing business with.

13) How do you think about total insured value at risk? Could you give us a high-level overview of what that inspection process looks like and also the types of properties that you try to target?

a. AmCo's market is generally 1 mile to 20 miles inland. It is generally four stories or less.
b. Low-rise garden-style condominium associations with newer roofs that AmCo is targeting.

c. The policies are all over the place. AmCo has condo associations with two hundred buildings on a single policy or condo associations with just one building.
d. AmCo is only covering the common areas and the structure of the building. All the contents are written through a homeowner's policy, which is the same as the liability coverage for the condo unit owners.
e. AmCo is focused on joisted masonry construction. Concrete block. Newer windows, newer roofs.
f. AmCo looks at meeting minutes, the fiscal health of the association, how well maintained the buildings are, etc.
g. Brad didn't want to give too much of the secret sauce away!
h. AmCo looks at both the qualitative and quantitative factors.