



Insurance & Associates, Inc.

1/21/2026

Bedford Towne Condominiums
C/O Quasar Property Management & Real Estate LLC
502 Calvin Lane
Rockville, MD 20851

RE: Issue Obtaining Property Insurance for Bedford Towne Condominiums

Dear Board of Directors:

Attached is a copy of the letter I sent to the Association through Quasar on August 4, 2025, at 1:12 p.m. regarding the difficulty in obtaining reasonably priced property insurance for the association.

As outlined in that correspondence, the existing property carriers (Westchester, HDI Global Specialty, and Kinsale), cancelled coverage effective August 6, 2025, due to the overall condition of the property. The primary issues cited included:

- 1) The presence of Federal Pacific Stab-Lok circuit breakers in 14 of the 17 buildings
- 2) A central boiler that was in extremely poor condition and required replacement
- 3) Outdated plumbing
- 4) Roofs in need of repair and/or replacement
- 5) Ongoing vandalism related to a nearby homeless encampment
- 6) HVAC systems requiring significant updates.

Upon notification of the cancellation, our agency immediately began approaching alternative insurance markets. As detailed in the referenced letter, we submitted the risk to more than 20 carriers, all of whom declined due to the property's condition. While we did inform the carriers of the Association's plans to upgrade the electrical, plumbing, HVAC systems, and roofs, their position was consistent: they would not consider the risk until all work was completed and supported by documentation.

Since that time, we have followed up with several carriers and provided documentation submitted by the insured to Pepco. However, the carriers maintained their position that they would only review the risk once the work had been fully completed.

The only carrier willing to offer terms was Gen Star. Their proposal included \$5,000,000 in property coverage with a \$250,000 deductible. The quote included exclusions for property damage caused by certain circuit breakers, including Federal Pacific Stab-Lok breakers, as well as sub-limit coverage of \$50,000 for vandalism and sprinkler leakage, and that limited coverage only became effective after the \$250,000

deductible had been met. The deductible applies to each occurrence/claim. The total annual premium for this proposal was \$403,572.40.

Sincerely,



William M. Lowe, President