
**THE CITY OF BLUE ISLAND
COOK COUNTY, ILLINOIS**

**RESOLUTION
NUMBER 2021-010**

**A RESOLUTION APPROVING AND AHTORIZING A CONTRACT WITH
GOTHAM INSURANCE COMPANY AND A SERVICE AGREEMENT
FOR ADMINISTRATION OF CLAIMS WITH SEDGWICK CLAIMS
MANAGEMENT SERVICES INC. FOR GENERAL LIABLILITY
INSURANCE AND CLAIMS ADMINISTRATION WITH RESPECT TO
THE PARKING LOTS LEASED FROM METRA**

**FRED BILOTTO, Mayor
RAEANN CANTELO-ZYLMAN, City Clerk
JAIRO FRAUSTO, City Treasurer**

**DEXTER JOHNSON
LUIZ MONTOYA
NANCY RITA
BILL FAHRENWALD
GABRIEL McGEE
CANDACE CARR
JOSH ROLL**

Aldermen

RESOLUTION NO. 2021-010

A RESOLUTION APPROVING AND AUTHORIZING A CONTRACT WITH GOTHAM INSURANCE COMPANY AND A SERVICE AGREEMENT FOR ADMINISTRATION OF CLAIMS WITH SEDGWICK CLAIMS MANAGEMENT SERVICES INC. FOR GENERAL LIABILITY INSURANCE AND CLAIMS ADMINISTRATION WITH RESPECT TO THE PARKING LOTS LEASED FROM METRA

WHEREAS, the City of Blue Island has the authority to contract and be contracted with pursuant to 65 ILCS 5/2-2-12;

WHEREAS, the City plans to enter into a contract for General Liability Insurance, to be provided by Gotham Insurance Company at a total annual premium cost of \$20,916.00 to provide General Liability Insurance with respect to the parking lots the City leases from Metra in accordance with the Insurance Proposal prepared by Alliant/Mesirow attached hereto as Exhibit A, for the period April 14, 2021 to April 14, 2022;

WHEREAS, the City is also required to enter into a Service Agreement for Administration of Claims Program as a condition of the contract with Gotham Insurance Company; and

WHEREAS, the appropriate city officials have considered and reviewed the insurance proposal prepared by Alliant/Mesirow attached as Exhibit A and the Service Agreement for Administration of Claims Program attached as Exhibit B, and find the same to be in the best interests of the City;

NOW AND THEREFORE, BE IT RESOLVED by the City Council of the City of Blue Island, Cook County, Illinois, as follows:

SECTION 1: AGREEMENT FORM AND TERMS AUTHORIZED. The terms and conditions as shown in the Insurance Proposal from Alliant/Mesirow attached as Exhibit A and the Service Agreement for Administration of Claims Program attached as Exhibit B to this Resolution are hereby approved.

SECTION 2: AUTHORIZATION OF MAYOR TO EXECUTE AND ACT IN ACCORDANCE WITH AGREEMENT. The City Council approves a contract for General Liability Insurance to be provided by Gotham Insurance Company at an annual premium cost of \$20,916.00 for the period April 14, 2021, to April 14, 2022, and authorizes the Mayor or his designee to execute any and all documentation that may be necessary to carry out the intent of this Resolution. The City Council also authorizes the Mayor or his designee to execute the Service Agreement for Administration of Claims Program with Sedgwick Claims Management Services, Inc. attached hereto as Exhibit B. The officers, employees, and/or agents of the City shall take all action necessary or reasonably required by the City to carry out, give effect to, and consummate the intent of this Resolution.

SECTION 3: EFFECTIVE DATE. This resolution shall be in full force and effect upon its passage, approval and publication as required by law.

Intentionally left blank

ADOPTED this 30th day of April, 2021, pursuant to roll call as follows:

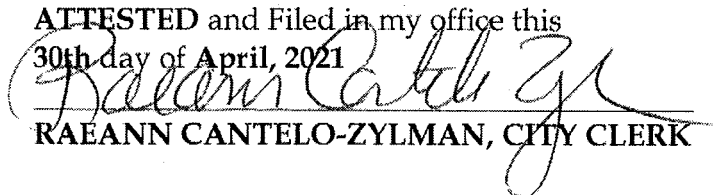
	YES	NO	ABSENT	PRESENT	ABSTAIN
Alderman JOHNSON	X				
Alderman MONTOYA	X				
Alderman RITA	X				
Alderman FAHRENWALD	X				
Alderman MCGEE	X				
Alderman CARR	X				
Alderman ROLL	X				
Mayor BILOTTO					
	7				

APPROVED by the Mayor on April 30, 2021.



FRED BILOTTO
MAYOR OF THE CITY OF BLUE ISLAND,
COUNTY OF COOK AND STATE OF ILLINOIS

ATTESTED and Filed in my office this
30th day of April, 2021

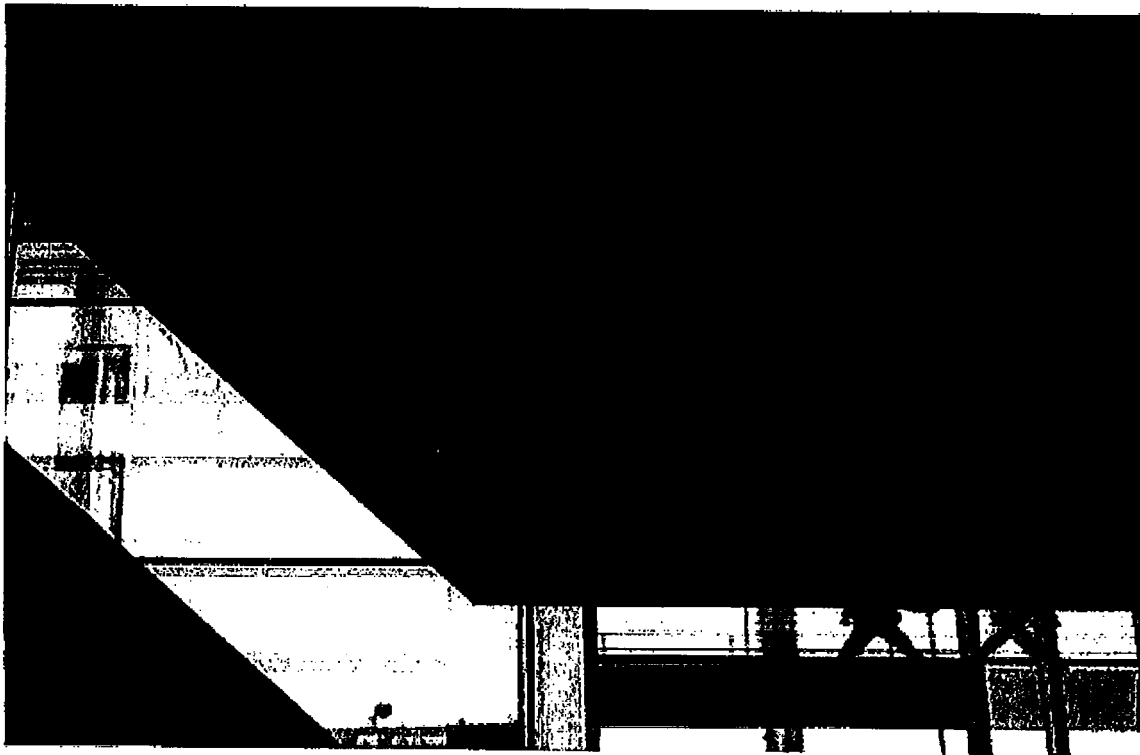


RAEANN CANELO-ZYLMAN, CITY CLERK

EXHIBIT A

**INSURANCE PROPOSAL PREPARED BY ALLIANT/MISEROW
FOR GENERAL LIABILITY INSURANCE TO BE PROVIDED BY GOTHAM
INSURANCE COMPANY FOR THE PERIOD APRIL 14, 2021 TO APRIL 14, 2022**

INSURANCE PROPOSAL
City of Blue Island



Alliant / Mesirov
INSURANCE SERVICES

Issued on April 7, 2021
Presented by:

Tom Collins



Executive Summary

We are pleased to present the renewal for the policy that is effective 4/15/21 to 4/15/22 that provides premises general liability coverage for three parking lots in the City of Blue Island.

The insurance marketplace for parking lots is limited. We have presented two quotes from the incumbent carrier, and from a parking lots insurance program with Gotham Insurance Company. The coverage provided by both quotes is identical in terms of limits and deductibles.

Both also name Metra Rail as an additional insured as requested.

The Gotham quote provides a reduction in premium of \$3,091 and is 13% lower than the incumbent's renewal quote.

The Gotham carrier does not provide claims service on a bundled basis. If a claim occurs, the City can either use the designated claims adjuster Sedgwick or self-administer the claim. A copy of the Sedgwick claims contract, that includes claim adjustment pricing and that needs to be signed, has been included for your review.

Also a key difference is that the Gotham policy is not an auditable policy based on receipts from the lots. The Scottsdale policy is.

*We will need to bind coverage April 14th for this coverage.

We thank you for the opportunity to provide this coverage.

Coverage Comparison - City of Blue Island Metra Lots Policy

	Expiring Scottsdale Insurance AM Best Rating : A	Renewal - Opt 1 Gotham Insurance AM Best Rating : A-	Renewal - Opt 2 Scottsdale Insurance AM Best Rating : A
Limits			
Each Occurrence	\$1,000,000	\$1,000,000	\$1,000,000
General Aggregate	\$2,000,000	\$2,000,000	\$2,000,000
Products - Completed Operations	\$1,000,000	\$1,000,000	\$1,000,000
Personal and Advertsing Injury	\$1,000,000	\$1,000,000	\$1,000,000
Premium	\$20,000	\$20,000	\$23,000
Surplus Lines Taxes	\$916	\$916	\$1,007
Total Premium	\$20,916	\$20,916	\$24,007
Retention/Deductible	\$5,000	\$5,000	\$5,000
Key Terms:			
Metra as an Additional Insured	Yes	Yes	Yes
Auditable Policy	Yes - based on receipts - \$15 per \$1,000, based on \$63,566	No	Yes - based on receipts - \$17.25 per \$1,000, based on \$49,000
Claims Handling Expense	Included	Additional Cost	Included
Subject to Favorable Inspection	Yes	Yes	Yes
Terrorism Coverage	Additional Premium	Additional Premium	Additional Premium
Minimum and Deposit	100%	100%	100%
Minimum Earned if Cancelled	25%	25%	25%
Pre - Binding Subjectivities	Satisfactory Review of Metra Agreements Signed TRIA form	Signed Sedgewick TPA Agreement Signed TRIA form	Signed TRIA form Inspection possible

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the Insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform.

Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To

learn more about companies doing business in your state, visit the Department of Insurance website for that state.

Other Disclosures / Disclaimers = Continued

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage



to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Other Disclosures / Disclaimers = Continued

Claims Made Policy (D&O/EPL):

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

NRRA:

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Other Disclosures / Disclaimers -- Continued

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures / Disclaimers = Continued

Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.
- In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.
- By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:
 - Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
 - Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
 - There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

OTHER ALLIANT SERVICES

Alliant Loss Control Services

HAZARD IDENTIFICATION, EVALUATION, ELIMINATION AND CONTROL WILL PROTECT YOUR COMPANY, LOWER INSURANCE COSTS, AND IMPROVE SERVICE.

Accidents and avoidable incidents that result in financial loss can threaten the very existence and long-term viability of your company. They mean lost time, damaged property, diversion of resources, and possible legal and medical expenses that can place a huge burden on your organization and prevent you from reaching your business goals.

Alliant's Risk Control Consulting helps clients identify and reduce loss exposures. Our specialists can help prevent costly accidents and losses, which can lead to lower insurance costs. Whatever the size of your company or scope of your operations, we can help strengthen your safety and risk management programs with proven services that protect lives, safeguard assets, and control costs. Services are not limited to those listed below.

<p>How to Choose the Right Risk Control Consultant</p> <p>When seeking a qualified risk control consultant, you should ask:</p> <ul style="list-style-type: none">• Does the consultant have specific commercial experience for your type(s) of operations and assets?• Does the consultant have the resources and availability to do the job when you need it and for your intended use?• Do they tell you whatever you need to know to control risk or only what you want to hear?• Does the consultant have a support team of experts able to help you if there is a regulatory citation, a serious claim, or challenging litigation? <p>Each of the above questions can be answered YES by Alliant's Risk Control Consulting.</p> <p>Alliant also offers:</p> <ul style="list-style-type: none">• Extensive Experience in Diverse Business Sectors• Nationwide Coverage• Local Expertise• Peer Review	<p>Safety Services</p> <ul style="list-style-type: none">• Program Development• On-Site Hazard/Risk Assessments• Ergonomics• Industrial Hygiene• Fleet Safety Analysis• General Liability• Training Services <p>Workers' Compensation Services</p> <ul style="list-style-type: none">• Loss Prevention (Safety)• Risk Control (Injury Management)• Recordkeeping Management <p>Property Risk Control Services</p> <ul style="list-style-type: none">• Fire System Evaluation• Risk Assessment• Loss Estimates• Hazard Analysis• Loss Prevention and Risk Control Program Analysis• Property Marketing Reports• Business Interruption Analysis and Continuity Planning• Infrared and Ultrasonic Testing <p>To learn more about our risk control consulting and safety services: (888) 737-4762 Toll Free riskcontrol@alliant.com</p>
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Request to Bind Coverage

City of Blue Island

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
General Liability – Parking Lots	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal

Signature _____
Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. The actual terms and conditions of the policy will prevail.

EXHIBIT B

**SERVICE AGREEMENT FOR ADMINISTRATION OF CLAIMS PROGRAM WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES INC.**

**SERVICE AGREEMENT FOR ADMINISTRATION OF
A CLAIMS PROGRAM**

This Agreement is entered into effective the ____ day of _____, 2021, by and between Sedgwick Claims Management Services Inc. ("Sedgwick") and _____ ("Client").

RECITALS

1. Client self-insures its claims administration program for general liability, personal injury, and garagekeepers liability risks with the ProSight Specialty Group, Parking Companies Insurance and desires to have Sedgwick provide the specific services set forth below in connection with such self-insured program (the "Program," as further defined on Exhibit A, attached hereto). Additionally, Client authorizes Sedgwick to provide the Program Administrator, Alliant Specialty Insurance Services, with view only access to Sedgwick's computer system to view all of Client's claim data.
2. Sedgwick is willing to provide such services on the terms and conditions hereinafter stated.

AGREEMENT

1. **Services to Be Performed by Sedgwick:** Sedgwick agrees to perform the following services:
 - A. **With regard to Claims Administration, Sedgwick shall:**
 - (1) During the term of this Agreement, review all claim and loss reports received from Client that are required to be reviewed under the Program (a "Qualified Claim"), and process each such claim or loss report in accordance with applicable statutory and administrative regulations;
 - (2) Conduct an investigation of each Qualified Claim to the extent deemed necessary by Sedgwick in the performance of its obligations hereunder;
 - (3) Arrange for independent investigators, or appraisers to the extent deemed necessary by Sedgwick in connection with processing any Qualified Claim;
 - (4) Maintain a file for each Qualified Claim which shall be the property of Client (for self-insured claims);
 - (5) Notify ProSight Specialty Group of each Qualified Claim where the values may exceed 50% of the Client's retention, providing such insurer with necessary information on the current status of those claims;
 - (6) Assist Client's counsel, if requested, in preparing the defense of litigated cases arising out of Qualified Claims, negotiating settlements and pursuing subrogation or contribution actions;
 - (7) Maintain a current estimate of the expected total cost of each Qualified Claim which is based on facts known at the estimation date, but is not trended or actuarially developed;
 - (8) Use a proprietary data management system to furnish to the Program Administrator the agreed upon loss and information reports. These reports shall contain information such as each Qualified Claim date, condensed claim description, payments made, estimated future costs and total expected costs of all Qualified Claims, as well as summary and other data deemed relevant by Sedgwick, but not IBNR (incurred but not reported) claims or actuarially developed loss values.
2. **Obligations of Client:**
 - A. Client shall pay to Sedgwick a service fee which shall be computed and payable as shown in Exhibit B, attached hereto and made a part of this Agreement, plus applicable taxes, if any.
 - B. Sedgwick will notify Client when a payment is to be made. Client shall at all times provide funds adequate for the payment of Qualified Claims, including allocated loss adjustment expenses. For purposes of this Agreement, allocated loss adjustment expenses shall mean all costs, charges or expenses incurred by Sedgwick, its agents or its employees which are properly chargeable to a Qualified Claim including, without limitation, court costs; fees and expenses of attorneys; appeal bonds; independent adjusters; investigators; appraisers; experts and witnesses; fees for obtaining statements, diagrams, reports, records, documents, transcripts, depositions, index bureau filings and re-filings, and photographs; cost of file retrieval; cost associated with the pursuit of subrogation; hearing representation services; and travel fees and expenses incurred at Client's request.
 - C. It is expressly understood that Sedgwick shall not be required to advance its own funds to pay losses or allocated loss adjustment expenses for any Qualified Claim hereunder. All authority to pay claim settlements or to incur allocated loss adjustment expenses shall be provided by the Client on a case by case basis.
 - D. Should Client fail to timely make payments of claim settlement, allocated loss adjustment expenses, or make timely payments of any service fees due Sedgwick or should Client in any other way breach a material term of this Agreement, Sedgwick shall then have the right to refuse to perform any further services. If Sedgwick elects to exercise its rights under this paragraph, in addition to all other legal or equitable remedies, Sedgwick will have the right to its full minimum fee, if any, as well as any other fees for which Sedgwick may be eligible.
3. **Discontinuance of Operations:**

Should Client discontinue its business for any reason, all fees due Sedgwick shall be paid immediately. Sedgwick shall have no further obligation to continue to provide the services called for in this Agreement, and, at Sedgwick's option, this Agreement shall be considered terminated as of the date Client ceases operations or is subject to a bankruptcy or receivership filing, either voluntarily or involuntarily.

4. **Covered Jurisdictions:**

This Agreement shall cover all operations of Client in all states where Client conducts business.

5. **Term of Agreement and Termination:**

- A. The term of this Agreement shall be for the period commencing on _____ and ending at the end of the first full policy year.
- B. This Agreement may be terminated by either party at any time, provided that at least sixty (60) days prior written notice of the effective date of termination is given to the other party.
- C. Sedgwick is providing services to Client on a life of claim basis. Sedgwick will continue to process Client's Qualified Claims remaining open at the expiration or termination of this Agreement, if any, provided that Client shall continue to make adequate funds available for the payment of such Qualified Claims, including any allocated loss adjustment expenses and pay information technology and data tape fees.
- D. Upon expiration or termination of this Agreement, and if mutually agreed, Sedgwick shall deliver, at Client's sole cost, the hard copy and imaged files that Sedgwick has maintained for Qualified Claims (but not including any computer hardware, software or other proprietary information of Sedgwick); provided, however, that Sedgwick or its agents, employees or attorneys shall continue to be entitled to inspect all such files and make copies or extracts there from. If Client does not agree to accept such files, they will be retained or destroyed at Sedgwick's option and Client shall have no recourse against Sedgwick for failure to retain them.

6. **Practice of Law:**

It is understood and agreed that Sedgwick will not perform, and Client will not request performance of, any services which may constitute the unauthorized practice of law.

7. **Indemnification:**

- A. Sedgwick shall be fully responsible for exercising reasonable care at all times in the performance of its obligations hereunder. However, if Sedgwick is named as a party to any litigation or proceeding, or is the subject of any claim or demand because of its actions on behalf of Client, Client agrees to indemnify, defend, and hold Sedgwick, its officers, directors, employees and agents harmless from any and all losses, damages, costs, judgments and expenses (including attorneys fees and costs) with respect to any such litigation, proceeding, claim or demand, unless and until a finding is entered to the effect that Sedgwick failed to exercise such reasonable care in the performance of its obligations hereunder. Sedgwick agrees to indemnify, hold harmless and defend Client, its directors, officers, employees and agents from and against any and all liabilities, loss or damage that they may suffer as a result of any claim, demand, cost or judgment against them arising out of the negligence or willful misconduct of Sedgwick in connection with its performance under this Agreement, provided that such acts or omissions do not arise out of or relate to oral or written instructions, procedures or forms supplied by Client or to Client's internal management or adjustment of its claims. Each party agrees to keep the other fully informed of any matter for which it is defending, holding harmless or indemnifying the other party. Each party reserves the right to appoint its own counsel, at its own expense, regarding any matter defended hereunder and to approve any settlements of same.
- B. Notwithstanding anything to the contrary contained in the above paragraph, it is understood and agreed that if Client, directly or through a subcontractor or vendor of Client's choosing ("Client Subcontractor"), retains administration of a claim or performs any services for a claim Sedgwick administers, or if Client otherwise directs the administration of a claim, Client will indemnify, defend, and hold Sedgwick, its officers, directors, employees and agents harmless from the losses, damages, costs, judgments and expenses (including attorneys fees and costs) as a result of any litigation or proceeding, fines, penalties, revocation of license, or any other state regulatory investigation or action arising against Sedgwick related to the acts or omissions of Client or the Client Subcontractor.
- C. The provisions of this section shall survive the expiration or termination of the Agreement.

8. **Network Security/Confidentiality:**

- A. Whether or not marked as such, and without regard to the media in which such records are stored, "Confidential Information" shall mean:
 - (1) any business or technical information pertaining to the parties herein or to third parties, which is furnished, disclosed or made available by one party to the other, including, without limitation, specifications, prototypes, software, marketing plans, financial data and personnel statistics; and
 - (2) Medical records, reports and information, as well as any other non-medical records, reports or information pertaining to claimants under the Program.
- B. Each party agrees to protect Confidential Information received hereunder with the same degree of care that such party exercises with its own confidential information (but in no event less than reasonable care) and to limit access and disclosure of Confidential Information only to their employees, agents and contractors who have a "need to know," and who agree to maintain confidentiality in accordance with this section. Notwithstanding the foregoing, Client agrees to permit Sedgwick to compile and disseminate aggregate, de-identified information for benchmarking purposes or forward to a data collection facility data for Qualified Claims handled pursuant to this Agreement, provided that such facility agrees in writing to keep Client's data confidential. Further, Sedgwick shall be entitled, without violation of this section and without the prior consent of Client, to retain claims administration information and to forward claims administration information to

government agencies to the extent required by law for the proper performance of the services set forth herein.

C. The provisions of this section shall survive the expiration or termination of the Agreement.

9. **Notices:**

Any notice required to be given under this Agreement shall be sent by certified or registered mail, postage prepaid, to General Counsel, Sedgwick Claims Management Services, Inc., 1100 Ridgeway Loop Road, Memphis, TN 38120, in the case of Sedgwick, and to _____ in the case of Client.

10. **Successors:**

This Agreement shall be binding upon and shall inure to the benefit of all transferees, assigns and successors in interest of any kind of the parties hereto, but no transfer or assignment may be made without the prior written permission of the other party.

11. **Entire Agreement and Modification or Amendment:**

This Agreement and its attached exhibits and schedules represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.

12. **Applicable Law:**

The terms and conditions of this Agreement shall be governed by the laws of the State of Tennessee without regard to conflicts of law principles.

13. **Force Majeure:**

Neither party shall be liable to the other party or be deemed to have breached this Agreement for any failure or delay in the performance of all or any portion of its obligations under this Agreement if such failure or delay is due to any contingency beyond its reasonable control (a "force majeure"). Without limiting the generality of the foregoing, such contingency includes, but is not limited to, acts of God, fires, floods, pandemics, storms, earthquakes, riots, boycotts, strikes, lock-outs, acts of terror, wars and war operations, restraints of government, power or communication line failure or other circumstance beyond such party's reasonable control, or by reason of the bankruptcy, receivership or other insolvency proceeding of any bank or other financial institution where funds to pay losses and allocated loss adjustment expenses are held or by reason of a judgment, ruling or order of any court or agency of competent jurisdiction or change of law or regulation subsequent to the execution of this Agreement. Both parties are obligated to provide reasonable back-up capability to avoid the potential interruptions described above. If a force majeure occurs, the party delayed or unable to perform shall give immediate notice to the other party. Client acknowledges that the foregoing provision does not apply to Client's obligation to make timely payment of any fees due Sedgwick, and that Sedgwick shall be entitled to all remedies set forth in this Agreement and those allowed by law for Client's failure to timely pay such fees.

14. **Headings:**

Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

15. **Relationship of Parties; Expenses:**

Nothing contained in this Agreement shall be deemed to create a partnership or joint venture between the parties hereto; the only relationship among the parties shall be that of independent parties to a contract. Except as expressly provided herein, no party hereto shall have authority or shall hold itself out as having authority to act for or bind any other party hereto. Except as expressly set forth herein, each party shall bear all expenses it may incur in connection with the execution, delivery and performance of this Agreement.

16. **Waiver of Breach:**

Failure of either party hereto to require the performance by the other party hereto of any obligation under this Agreement shall not affect its right subsequently to require performance of that or any other obligation. Any waiver by any party hereto of any breach of any provision of this Agreement shall not be construed as a continuing waiver of any such provision or a waiver of any succeeding breach or modification of any other right under this Agreement.

17. **Subcontractor Disclosure:**

Through contractual arrangements with subcontractors, Sedgwick provides a full range of investigative services to its clients, as well as structured settlements, claim indexing services, imaging, auto-bill adjudication, and extra-territorial claims administration services. Client recognizes and agrees that delivery of some of these services is being provided pursuant to separate agreements between subcontractors and Sedgwick. Invoices for these services will be paid as allocated loss adjustment expenses on individual claims, unless otherwise agreed between Client and Sedgwick. Notwithstanding the foregoing, Client agrees and understands that Client is obligated to make payment to the subcontractors either directly or by remitting such payment to Sedgwick, for any money due for subcontracted services which have been provided under this Agreement. Client acknowledges that Sedgwick receives a portion of charges for subcontracted services as reimbursement for cost of program management, administration, and technological and service enhancements. In no event will charges to Client exceed the amount indicated in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written.

Client Name

Sedgwick Claims Management Services, Inc.

By _____



By _____

Title _____

Title _____

Date _____

Date _____

EXHIBIT A - SERVICE PROGRAM OVERVIEW

I. Introduction

Sedgwick is administering the self-insured general liability, personal injury, garage keepers liability, and property claims for Client as follows: **State Serviced** all 50 states **Sedgwick Servicing Office:** **Washington State**

II. Account Coordination

On behalf of Client, this program will be coordinated by:

Claims Coordinator: Jeff Agrella
Telephone #: 253-941-5915
Email: Jeffrey.Agrella@sedgwick.com

On behalf of Sedgwick, claims will be reported to:

Email: parkwiseclaims@sedgwick.com
Toll Free Telephone #: 877-824-6615

Each party reserves the right to change its designated representative during the term of the Agreement.

**EXHIBIT B
SERVICE FEES**

Client shall pay the following fees for services provided during the term of this Agreement:

1. Claim Fees

A. Client shall pay the following fees for claims associated with policies incepting prior to January 1st, 2022:

- Bodily injury / Personal injury \$800
- Property damage / Garagekeepers \$525
- Fast track \$250
- Incident only \$38
- Takeover Litigated Claim \$85/hour

Note: If a claim becomes litigated, if off-site meetings and/or field work is necessary, or if Client's Self-Insured Retention (SIR) exceeds \$25,000, Client will be charged the Time & Expense Rate of \$85/hour.

- B. For purposes of this Agreement, an "Incident Only" shall mean claims reported by Client that require no payment or activity other than generating a record in the data management system. These claims carry no reserves and no contacts are made by Sedgwick. If contacts are required on incident only cases, additional fees will apply.
- C. For purposes of this Agreement, a "Takeover Claim" shall mean any litigated claim opened prior to June 1st, 2016. Non-litigated claims opened prior to June 1st, 2016 will be handled at no cost unless they become litigated at which point Client will be charged the Time & Expense Rate of \$85/hour.
- D. For purposes of this Agreement, a "Fast track/customer service liability claim" shall mean any claim where clear liability is determined after the initial two-point contact and which also meet the following parameters:
 - Denial letter only or a total disbursement by the client of less than or equal to \$2,500
 - Total claim duration is less than 60 days
- E. Client acknowledges that any liability claimant which files both a property damage claim and a bodily injury claim, or any combination thereof, will incur the above stated fee for administration of each claim filed by that claimant. Further, any event which creates liability claims filed by multiple claimants or multiple claims filed by the same claimant will incur the above stated fee for administration of each claim filed by each individual claimant.

2. Invoicing

Sedgwick shall submit its invoice monthly on an as incurred basis for claims that were reported in the prior month and for any time and expense fees incurred in the prior month.

3. Payment Terms

Client acknowledges that all fees set forth in the Agreement are due and payable within thirty (30) days of the invoice. Any and all past due fees will incur interest at the rate of 1.5% per month, unless otherwise prohibited by law. Client acknowledges that in the event Sedgwick undertakes collection proceedings for any outstanding fees, then Client will reimburse Sedgwick for all costs associated with such collection action, including a reasonable attorney fee and court cost.

All fees are contingent upon claim management from the JURIS system.