

January 1, 2023

## **BROKERAGE AGREEMENT**

This Agreement is entered into this 1st day of January 2023, by and between Public Risk Innovation, Solutions & Management (hereafter referred to as PRISM) and Alliant Insurance Services, a Delaware corporation (hereafter referred to as Alliant). For purposes of this Agreement, "Member" means all entities which are solicited and contracted for insurance programs offered and sponsored by PRISM and Alliant, which collectively are described as the PRISM Insurance Programs.

**The parties hereto agree as follows:**

### **1. SERVICES**

- A. Alliant shall act as an insurance broker in obtaining insurance products and services relative to the PRISM Insurance Programs.
- B. PRISM and Alliant shall jointly develop a mutually acceptable product and a mutually acceptable work plan under which Alliant will market PRISM Insurance Programs to Members or prospective Members.
- C. A description of the services provided, by program, is attached as Addendum A-1 to A-9.

None of the services, advice, recommendations, or communications provided by Alliant constitutes legal or tax advice, analysis, or opinion.

### **2. REMUNERATION**

PRISM and Alliant agree that commissions and fees generated by successful solicitations and binding of Members shall not exceed the percentages as described in Addendum B. Commissions are to be paid solely by either the insurance companies providing coverage to Members through a PRISM Insurance Program or a mutually agreed to intermediary or Third Party Administrator. Broker fees, if any, are paid by PRISM. Actual commission percentages are subject to periodic review and mutual agreement of the parties and it is intended that "windfall" commission increases be avoided.

In addition to the commissions and broker fees that Alliant receives, its related entity, Alliant Underwriting Services (AUS), may receive compensation from Alliant and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium and therefore excluded from the income limitations herein provided for. Additionally, the related entity Alliant Appraisal Services (AAS) may receive compensation from Alliant and/or the carrier for providing designated, value-added services. Services contracted for by PRISM directly, if any, shall be outlined in Addendum D, or as otherwise agreed in a separate contract. Otherwise, services will be provided at the expense of Alliant and/or the carrier.

### **3. DISCLOSURE OF INCOME**

- A. During the time of this Agreement, Alliant will disclose all compensation received in connection with any insurance placements made on behalf of PRISM pursuant to this Agreement. In the event such compensation exceeds the maximum annual compensation provision set forth in Addendum B for any particular Agreement year, Alliant will reimburse PRISM for such excess commissions as permitted by law. Otherwise, excess commissions will be carried forward and applied against any compensation due Alliant from PRISM during any subsequent periods that this Agreement is in effect.
- B. Alliant shall not accept contingent income from any carrier or third party in connection with this Agreement. Any income received by Alliant or any related entity from any carrier for value-added services shall be fully disclosed by Alliant.

### **4. ETHICS AND CONFLICT OF INTEREST STATEMENT**

Alliant shall conduct its business so as to fulfill all legal and ethical requirements, and standards of the industry and the applicable state(s) in which services are rendered, and shall place the best interests of PRISM ahead of any other concerns in the placement of insurance services and products. To this end, Alliant:

- A. Will adhere to its ethical obligations to PRISM to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, or services;  
  
Will exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, and if requested, the date and time of contact, the name, and to the extent available, the address, phone number and email address of the individual contact for each market;
- B. Will make every good faith attempt to avoid even the appearance of a conflict of interest between Alliant, PRISM, and any provider of any insurance product or service, and will promptly notify PRISM of any real or potential conflict of interest, including but not limited to, any significant ownership interest in any insurer or intermediary broker or other service provider involved with any PRISM program;
- C. Agrees to provide to PRISM a copy of Alliant's own Ethics Statement or Code, or Alliant's Compliance Statement, or to make such statements available on Alliant's website; and
- D. Will request that all insurance carriers show any commission rates on their insurance policies and will otherwise ensure those rates are known to PRISM.

## **5. TERM OF AGREEMENT**

The term of this Agreement shall be for three (3) years from January 1, 2023 and shall automatically be renewed for twelve (12) additional months as of each anniversary of the effective date unless otherwise cancelled or terminated as set forth below.

- A. PRISM and Alliant agree to give the other party at least one (1) year written notice of their intent to cancel the Agreement for any reason other than those set forth in (B) (i-iv).
- B. Either party may terminate this Agreement at any time upon sixty (60) days written notice to the other party if:
  - I. There is lack of mutual agreement as to satisfactory performance of service pursuant to this Agreement or satisfactory income levels arising from this Agreement.
  - II. Alliant fails to maintain all required permits and licenses which it is required to maintain in order to perform the services to be rendered pursuant to this Agreement.
  - III. Fraud or Willful Misconduct.
  - IV. Any other breach of the terms of this Agreement.
- C. The responsibility of either party for the payment of premiums or premium refunds or any other amounts accruing under this Agreement prior to its termination shall survive termination of this Agreement. Alliant acknowledges and agrees that upon termination of this Agreement for any reason as set forth in B (i-iv), PRISM may appoint another broker to place business with any insurer (including, without limitation, insurers who are providing insurance to members pursuant to this Agreement at the time of termination).
- D. PRISM acknowledges and agrees that insurers may require Alliant to continue the provision of certain administrative services with respect to coverage previously placed for the Member subsequent to termination of this Agreement, pursuant to any agency agreement.

## **6. INSURANCE**

- A. Alliant shall maintain insurance which shall be at least as broad as:
  - I. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

- II. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Alliant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$2,000,000 per accident for bodily injury and property damage.
  - III. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
  - IV. Professional Liability (Errors and Omissions) Insurance with limit no less than \$5,000,000 per occurrence or claim, \$5,000,000 aggregate.
  - V. Fidelity Insurance with limit no less than \$1,000,000.
- B. If Alliant maintains broader coverage and/or higher limits than the minimums shown above, PRISM requires and shall be entitled to the broader coverage and/or higher limits maintained by Alliant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PRISM.
- C. The insurance policies are to contain, or be endorsed to contain, the following provisions:
- I. Additional Insured Status - PRISM, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Alliant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to Alliant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
  - II. Primary Coverage - For any claims related to this contract, Alliant's insurance coverage shall be primary insurance or primary coverage at least as broad as ISO CG 20 01 04 13 as respects PRISM, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by PRISM, its officers, officials, employees, or volunteers shall be excess of Alliant's insurance and shall not contribute with it.

- III. Notice of Cancellation - Each insurance policy required above shall state that coverage shall not be canceled, except with notice to PRISM.
- IV. Waiver of Subrogation - Alliant hereby grants to PRISM a waiver of any right to subrogation which any insurer of Alliant may acquire against PRISM by virtue of the payment of any loss under such insurance. Alliant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PRISM has received a waiver of subrogation endorsement from the insurer.
- V. Self-Insured Retentions - Self-insured retentions must be declared to and approved by PRISM. PRISM may require Alliant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or PRISM.
- VI. Acceptability of Insurers - Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to PRISM.
- VII. Claims Made Policies - If any of the required policies provide coverage on a claims-made basis:
  - a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  - b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
  - c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, Alliant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- VIII. Verification of Coverage - Alliant shall furnish PRISM with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to PRISM. PRISM reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- IX. Subcontractors - Alliant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Alliant shall ensure that PRISM is an additional insured on insurance required from subcontractors.
  - X. Special Risks or Circumstances - PRISM reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- D. Alliant agrees to maintain proper insurance licensing under the laws of the State of California.

## **7. DEFENSE AND INDEMNIFICATION**

Alliant shall defend, indemnify, and hold harmless PRISM, its officers, officials, agents, employees, volunteers, and Members from any and all liability, loss, damages, costs, expenses (including attorney's fees), judgments or liabilities to the extent resulting from Alliant's performance or attempted performance of the provisions hereof; including, but not limited to, any acts or omission to act on the part of Alliant or its agents or employees or other independent contractors directly responsible to Alliant; except any liability, loss, damages, costs, expenses (including attorney's fees), judgments or liabilities to the extent resulting from the negligence or willful misconduct of PRISM. With respect to any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising from the joint concurrent negligence of Alliant and PRISM, each party shall assume responsibility in proportion to the degree of its respective fault.

## **8. OWNERSHIP OF BOOKS AND RECORDS**

- A. PRISM and Alliant shall be considered owners jointly of all books, records and intellectual properties with respect to this Agreement. PRISM and Alliant may have copies of all insurance documents, including, but not limited to, policies, binders, certificates and endorsements, but not to include copyrighted computer software programs. PRISM and Alliant may have access to all underwriting data, loss data and other statistical information with respect to the Members for insurance programs under this Agreement.
- B. Upon request and with reasonable prior notice and at a mutually agreed upon time during Alliant's normal business hours, PRISM shall have the right, at its expense, to audit all books and records relating to Alliant's provision of insurance brokerage services pursuant to this Agreement. Any audit must observe all laws governing privilege and confidentiality, thereby excluding any of Alliant's unrelated proprietary or trade secret information, intellectual capital or property, financial information, employee personnel information, business or marketing information, and/or client information.

## **9. CONFIDENTIALITY**

PRISM and Alliant shall maintain the confidentiality of any such books and records and shall not disclose the contents of any such books and records, or any other information acquired by the parties in confidence, including business and financial information, except as necessary to perform under this Agreement or as required by law.

## **10. EQUAL EMPLOYMENT OPPORTUNITY**

During and in relation to the performance of this Agreement, Alliant agrees as follows:

- A. Alliant shall not discriminate against any employee or applicant for employment because of race, color, religious creed, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, military and veteran status, or sexual orientation.
- B. Alliant agrees to post a notice in conspicuous places, available to employees and applicants for employment, setting forth the above provisions.

## **11. DUTIES OF PARTIES**

The duties of PRISM and Alliant in the development, solicitation and implementation of PRISM Insurance Programs shall be as follows:

- A. Initial and Ongoing Contact and Solicitations - Initial contact/solicitation of PRISM Members or potential Members is the primary responsibility of Alliant staff. Alliant will be available to PRISM and its Members to answer questions on coverage, marketing status and other matters associated with the PRISM Insurance Programs. It is expected there will be direct contact between Members and Alliant. Alliant will use reasonable efforts to make available information on such contact in response to a written request made by PRISM. Alliant will make every effort to visit all participating Members annually.
- B. Brokerage Services - All brokerage services including, but not limited to, billings, endorsements and certificates will be provided by Alliant. Primarily, such services will be provided through PRISM to the Member. Specific duties/services relative to PRISM Insurance Programs are further delineated in Addendum A1-A10.
- C. Underwriting - Underwriting control will remain primarily with the chosen underwriting companies. However, Alliant may negotiate an average rate for an entire group of members with direction and consent of PRISM. Alliant, Alliant Underwriting Services, or PRISM, as agreed for each

program, will apply individual rates to each applicant or Member based on individual exposure features and loss experience relative to that program.

- D. Program Structure - Coverage limits and sub limits will be based on a review of current coverages and needs of members, however, it is anticipated that overall policy limits will adequately meet the exposures defined in applications with appropriate significant sub limits for peripheral coverages. All matters relating to coverage will be reviewed and approved by PRISM prior to becoming effective.
- E. Claims Administration:
  - I. Property losses:
    - a. Members shall notify Alliant, PRISM, and any/or third party administrators of any property losses as soon as they become known to the member, and Alliant will, if required, notify the insurance company(ies) of any such losses.
    - b. Notification of loss may initially be made by telephone or email to the entity set forth in Section 11.E.I.a. above. However, an appropriate loss form shall be completed.
  - II. Liability losses:
    - a. Notification of loss shall be handled with the insurance company(ies) through PRISM and/or third party administrators.
  - III. Settlement Negotiations:
    - a. Alliant, with the consent of PRISM and the Member, may intervene in settlement negotiations on behalf of PRISM and its Members. Alliant will be available for consultations with respect to claims within the Member's self-insured retention.

## **12. MEMBERS/PROSPECTIVE MEMBERS**

Alliant and PRISM agree that all counties and other eligible public entities within the State of California are eligible for participation in PRISM Insurance Programs and that Alliant shall not use PRISM's confidential information to solicit such counties in California for any purposes other than for the exclusive benefit of PRISM Insurance Programs without prior written approval from PRISM. This provision does not apply to any county and/or other eligible public entities within the State of California who were Alliant clients prior to Alliant assuming broker of record duties for PRISM.



**13. POOL SERVICE PROVIDERS' BILL OF RIGHTS**

PRISM hereby agrees to abide by the Pool Service Providers' Bill of Rights as approved by the PRISM Board of Directors on June 1, 2007, and attached hereto and incorporated by reference.

**14. ENFORCEABILITY**

This Agreement shall be governed by and construed according to the laws of the State of California and any legal action to enforce this Agreement shall be brought in Sacramento County, California.

**15. NOTICE**

Any notice required or permitted to be given under this Agreement shall be considered given when sent, provided such notice is sent by United States mail, postage prepaid, addressed to the parties as designated below.

PRISM: Gina Dean, Chief Executive Officer  
PRISM  
75 Iron Point Circle, Suite 200  
Folsom, CA 95630

Alliant: Peter Carpenter, Chief Operating Officer  
Alliant Insurance Services, Inc.  
18100 Von Karman Ave., 10<sup>th</sup> Floor  
Irvine, CA 92612

PRISM will also make every effort to send copies of any notices to Nazie Arshi and Gordon DesCombes at Alliant.

PRISM will also make every effort to send copies of any legal notices to General Counsel, 701 B Street, 6<sup>th</sup> Floor, San Diego, CA 92101.

**16. ENTIRE AGREEMENT**

This Agreement contains the entire agreement and understanding between the parties hereto respecting the subject matter of this Agreement.

**17. NO ASSIGNMENT**

Neither party may assign, directly or indirectly, all or part of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

**18. AMENDMENT**

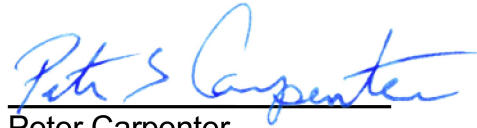
This Agreement may be amended only by a writing duly signed and executed by the parties set forth in paragraph 15, above, or their designees.

**19. PUBLIC RECORDS REQUEST**

If PRISM receives a Public Records Act Request that seeks information that may include, within its scope, documents or records that relate to Alliant's services provided under this Agreement, PRISM will make every effort to timely notify Alliant of such a request prior to the disclosure of such information.

In Witness Whereof, the parties hereto have executed this Agreement on the date first written above.

**Alliant Insurance Services**



Peter Carpenter  
Chief Operating Officer

Date: May 18, 2023

**PRISM**



Gina Dean  
Chief Executive Officer

Date: May 9, 2023

## **ADDENDUM A-1**

### **SCOPE OF TASKS**

#### **PROPERTY INSURANCE PROGRAM**

Alliant will provide the following services:

1. Assist PRISM and members in analysis of exposures, loss control programs and contractual requirements. This will include review of present insurance contracts held by potential members with specific recommendations and comments on all of the above mentioned areas. Annual collection of property values as well as continued maintenance and valuation trending on all properties owned by each member.
2. Market and place various insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussion with and selection of the Insurance Company(ies).
3. Periodic review of claims: i.e., specific cases as well as reserving practices, caseloads of adjustors, reporting procedures and adequacy of claim statistics.
4. Assist in the selection of claims adjustors and adjusting company.
5. Review new construction plans and make recommendations on fire protection systems, precautions to take during construction, protection necessary for special hazards such as flammable liquids use and handling, high-piled storage, plastics.
6. Based on frequency and severity of claims, Alliant will assist PRISM and Members in a periodic claim-by-claim review with a written report submitted. The report to include:
  - a. Identification of specific high frequency losses and recommended procedures for reducing frequency.
  - b. Facilitation of claims recovery and handling procedures for losses.
  - c. Adequacy of current record keeping practices, claims files and communication procedures with insurance companies and adjustors.
  - d. Status of large losses.
7. Provide periodic valuations of buildings as required by the Property Committee for participating Members. In addition, provide building valuations at reduced costs to Members where not required for program participation. The "Property Program Policy Statement Regarding Appraisal Services" adopted by the Property Committee, is attached and hereby incorporated by reference.
8. Upon mutual agreement, provide loss control services as reasonably requested by PRISM or Members.
9. Provide all policyholder services such as review, transmittal, endorsements, certificates as warranted or requested.
10. Attend all meetings and make periodic presentations as requested by PRISM.
11. Produce an equitable allocation of premium annually as requested and approved by the Property Committee.

12. Maintain an electronic schedule of values sorted by member and by zip code with the ability to submit data electronically to markets in an acceptable format for use in earthquake or other catastrophic risk modeling.
13. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.

## **ADDENDUM A-2**

### **SCOPE OF TASKS**

#### **EXCESS LIABILITY INSURANCE PROGRAMS**

1. Assist PRISM and members in analysis of exposures, loss control programs and contractual requirements. This will include review of present insurance contracts held by potential members with specific recommendations and comments on all of the above mentioned areas.
2. Market and place various insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussion with and selection of the Insurance Company(ies).
3. Assist PRISM to collect Underwriting Data from the Members for preparation of submissions to underwriters.
4. If applicable, calculate the results of any rating plan as part of the renewal process.
5. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
6. Assist PRISM with policy/memorandum wording and coverage amendments.
7. Assist PRISM with the development of Program structures and setting of funding approaches.
8. Conduct at least annual meetings between PRISM representatives and underwriters.
9. Assist PRISM Members in reviewing purchase order agreements, leases, and other contracts to determine if a risk or exposure can be transferred.
10. Assist the Members and PRISM with the handling and negotiation of any excess claims as well as those within any pooled layers.
11. Market the Programs with all potential Member participants by phone, mail and personal visits.
12. Provide individual renewal quotations for each participant outlining all terms, conditions and premiums.
13. Provide all policyholder services such as review, transmittal, endorsements, certificates as warranted or requested.
14. Assist PRISM and the Member with compliance of all State and Federal financial responsibilities, regulations as respects liability exposures.
15. Assist in the development of agenda materials for committee and/or board meetings.
16. Attend all meetings and make periodic presentations as requested by PRISM.
17. Upon mutual agreement, provide loss control services as reasonably requested by PRISM or Members.
18. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
19. Assist PRISM in communicating services available to members.

## **ADDENDUM A-3**

### **SCOPE OF TASKS**

#### **MEDICAL MALPRACTICE INSURANCE PROGRAM**

1. Assist PRISM and members in analysis of exposures, loss control programs and contractual requirements. This will include review of present insurance contracts with specific recommendations and comments on all of the above mentioned areas.
2. Market and place various insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussion with and selection of the Insurance Company(ies).
3. Assist PRISM to collect Underwriting Data from the Members for preparation of submissions for underwriters.
4. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
5. Assist PRISM with policy/memorandum wording and coverage amendments.
6. Assist PRISM with the development of Program structures and setting of funding approaches.
7. Conduct at least annual meetings between PRISM representatives and underwriters.
8. Assist PRISM Members in reviewing purchase order agreements, leases, and other contracts to determine if a risk or exposure can be transferred.
9. Assist the Members and PRISM with the handling and negotiation of any excess claims as well as those within any pooled layers.
10. Market the Programs with all potential Member participants by phone, mail and personal visits.
11. Provide individual renewal quotations for each participant outlining all terms, conditions and premiums.
12. Provide all policyholder services such as review, transmittal, endorsements, certificates as warranted or requested.
13. Assist in the selection of claims adjustors, adjusting company and risk management consultants.
14. Provide Certificates of Insurance to employed and/or contracted physicians/professionals, or others, as required.
15. Assist in the development of agenda materials for committee and/or board meetings.
16. Attend all meetings and make periodic presentations as requested by PRISM.
17. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
18. Assist PRISM in communicating services available to members.

## **ADDENDUM A-4**

### **SCOPE OF TASKS**

#### **EXCESS WORKERS' COMPENSATION INSURANCE PROGRAM**

1. Market the Programs with all potential Member participants by phone, mail and personal visits. This will include a review of their present insurance as well as presentation of the PRISM program.
2. Assist PRISM to collect Underwriting Data from the Members for preparation of submissions to underwriters.
3. Market and place insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussion with and selection of the Insurance Company (ies).
4. If applicable, calculate the results of any rating plan as part of the renewal process.
5. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
6. Arrange and participate in at least annual meetings between PRISM representatives and underwriters.
7. Assist PRISM with the development of Program structures and setting of funding approaches.
8. Assist PRISM with policy/memorandum wording and coverage amendments.
9. Assist the Members and PRISM with the handling and negotiation of any excess claims as well as those within any pooled layers.
10. Provide individual renewal quotations for each participant outlining all terms, conditions and premiums.
11. Upon mutual agreement, provide loss control services as reasonably requested by PRISM or Members.
12. Provide individual renewal quotations for each participant outlining all terms, conditions and premiums.
13. Attend all meetings and make periodic presentations as requested by PRISM.
14. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
15. Assist in the development of agenda materials for committee and/or board meetings.
16. Assist in communicating services available to members.

## **ADDENDUM A-5**

### **SCOPE OF TASKS**

#### **PRISMHEALTH PROGRAM**

1. Market the Programs with all potential Member participants by phone, email, mail and personal visits. This will include a review of their present insurance and/or self-insurance as well as presentation of the PRISM program.
2. Collect Underwriting Data from the Members for preparation of submissions to underwriters.
3. Market and place insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussions with and selection of the Insurance Carriers.
4. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
5. Arrange and participate in at least annual meetings between PRISM representatives and underwriters.
6. Assist PRISM with the development of Program structures and setting of funding approaches.
7. Assist PRISM with policy/memorandum wording and coverage amendments.
8. Assist the Members and PRISM with the handling and negotiation of any claims.
9. Periodic review of claims: i.e., specific cases as well as reserving practices, reporting procedures and adequacy of claim statistics.
10. Coordinate all policyholder services such as summary plan descriptions and summary of benefits coverage as required or requested.
11. Attend all meetings and make periodic presentations as requested by PRISM.
12. Underwriting recommendations including pricing and premium allocation will be provided by AUS.
13. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
14. Assist in the development of agenda materials for committee and/or board meetings.
15. Assist PRISM in communicating services available to members.



## **ADDENDUM A-6**

### **SCOPE OF TASKS**

#### **PRIMARY WORKERS' COMPENSATION ("PWC") PROGRAM**

1. Market the Program with all potential Member participants by phone, mail, email and personal visits. This will include a review of their present insurance and/or self-insurance as well as presentation of the PRISM program.
2. Assist PRISM to collect Underwriting Data from the Members for preparation of submissions to underwriters.
3. Market and place insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussions with and selection of the Insurance Company (ies).
4. If applicable, calculate the results of any rating plan as part of the renewal process.
5. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
6. Arrange and participate in at least annual meetings between PRISM representatives and underwriters.
7. Assist PRISM with the development of Program structures and setting of funding approaches.
8. Assist PRISM with policy/memorandum wording and coverage amendments.
9. Assist the Members and PRISM with the negotiation of any primary claims with reinsurers.
10. Provide all policyholder services such as review, transmittal, endorsements, certificates as warranted or requested.
11. Provide individual renewal quotations for each participant outlining all terms, conditions and premiums.
12. Upon mutual agreement, provide loss control services as reasonably requested by PRISM or Members.
13. Attend all meetings and make periodic presentations as requested by PRISM.
14. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
15. Assist in the development of agenda materials for committee and/or Board meetings.
16. Assist in communicating services available to members.

## **ADDENDUM A-7**

### **SCOPE OF TASKS**

#### **DENTAL PROGRAM**

1. Market the Program with all potential Member participants by phone, email, mail and personal visits. This will include a review of their present insurance and/or self-insurance as well as presentation of the PRISM program.
2. Collect Underwriting Data from the Members for preparation of submissions to underwriters.
3. Market and place insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussions with and selection of the Insurance Carriers.
4. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
5. Arrange and participate in at least annual meetings between PRISM representatives and underwriters.
6. Assist PRISM with development of Program structures and setting of funding approaches.
7. Assist PRISM with policy/memorandum wording and coverage amendments.
8. Assist the Members and PRISM with the handling and negotiation of any claims.
9. Periodic review of claims: i.e., specific cases as well as reserving practices, reporting procedures and adequacy of claim statistics.
10. Coordinate all policyholder services such as summary plan descriptions or summary of benefits coverage as required or requested.
11. Attend all meetings and make periodic presentations as requested by PRISM.
12. Underwriting recommendations including pricing and premium allocation will be provided by AUS.
13. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
14. Assist in the development of agenda materials for committee and/or board meetings.
15. Assist PRISM in communicating services available to members.

## **ADDENDUM A-8**

### **SCOPE OF TASKS**

#### **MISCELLANEOUS PROGRAMS**

1. Market the Programs with all potential Member participants by phone, email, mail and personal visits. This will include a review of their present insurance and/or self-insurance as well as presentation of the PRISM programs.
2. Collect Underwriting Data from the Members for preparation of submissions to underwriters.
3. Market and place insurance contracts as necessary. In the area of marketing and placement, Alliant will directly involve PRISM in discussion with and selection of the Insurance Company (ies).
4. Inform PRISM and Members of any market changes and recommend Program changes if/when necessary.
5. Assist PRISM with Program structures and set funding approaches.
6. Assist PRISM with policy/memorandum wording and coverage amendments.
7. Assist the Members and PRISM with the handling and negotiation of any claims with the insurance company (ies).
8. Periodic review of claims: i.e., specific cases as well as reporting procedures and adequacy of claim statistics.
9. Coordinate all policyholder services such as review, transmittal, endorsements, and certificates as warranted or requested.
10. Assist PRISM with the monthly premium statement reconciliation process provided by BCC on the Life and LTD program (Employee Benefits Program only).
11. Attend all meetings and make periodic presentations as requested by PRISM.
12. Produce an equitable allocation of premium annually as requested and approved by the Executive Committee.
13. Annually disclose the percentage of commission income to be received by Alliant as part of the renewal proposal presented to committees and/or the Board of Directors.
14. Assist in the development of agenda materials for committee and/or board meetings.

## **ADDENDUM A-9**

### **SCOPE OF TASKS**

#### **MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM**

The Master Rolling Owner Controlled Insurance Program (MROCIP) is designed to follow the normal construction schedule phases of pre-construction, construction duration, and construction close-out. The following are the key tasks in the program's scope, listed by phase:

##### **PRE-CONSTRUCTION**

1. Negotiate terms and conditions of the existing PRISM OCIP program to meet the unique needs of the Member participant's project(s)
2. Identify appropriate ancillary coverages (i.e. excess, builders' risk, pollution liability, owner's protective professional indemnity) and insurers for Member participant project(s)
3. Prepare/ Present bid specifications to insurers and negotiate with the marketplace
4. Obtain and analyze competitive quotes from marketplace; present proposed solutions to Member participant
5. Selection of final solution
6. Negotiate final terms and conditions of placement
7. Obtain and review OCIP policies for accuracy
8. Distribute OCIP policies to Member participant
9. Develop OCIP Bid Instructions; involve Member participant with the approval of Bid Instructions
10. Distribute OCIP Bid Instructions
11. Attend contractor bid meetings
12. Assist Member participant team and contractors with bid documents
13. Develop OCIP field Procedures Manual; involve Member participants with the approval of Field Procedures Manual
14. Distribute Field Procedures Manual
15. Develop Site Specific Safety Program; involve Member participants with the approval of Site Specific Safety Program
16. Analyze project risks
17. Perform accident/incident investigation
18. Coordinate carrier loss control inspections
19. Initiate contact with contractors awarded contracts for the project(s)
20. Provide OCIP documents to contractors, including OCIP enrollment forms
21. Request and collect OCIP enrollment forms, off-site insurance documentation, policy rating pages, and inquire about sub-tiers from contractors
22. Verify OCIP contractors' enrollment forms for accuracy
23. Verify accuracy of contractors' insurance deductive change through each contractors' policy rating pages
24. Notify upper-tier, General Contractor, and/or Member participant's team of any changes to a contractor's insurance deductive change

25. Verify non-OCIP documentation for accuracy
26. Assign contractor policy number
27. Issue OCIP insurance documentation to contractor with copies to appropriate parties
28. Notify carrier of enrollment
29. Prepare and maintain policy files by contractor
30. Record data into OCIP software
31. Prepare/Distribute weekly OCIP enrollment report to Member participant and other appropriate parties

#### OCIP ADMINISTRATION (PROJECT DURATION)

1. Distribute and collect OCIP payroll reports monthly from contractors
2. Provide assistance to contractors regarding payroll reports
3. Record data into OCIP software
4. Prepare/Distribute monthly non-compliance report to member participant and other necessary parties
5. Distribute claim reporting procedures and forms to OCIP participants
6. Perform initial incident investigations
7. Perform severe incident investigations
8. Submit claim reports to appropriate carrier(s)
9. Conduct diligent claim monitoring for the life of every claim
10. Prepare/Distribute monthly claim reports to Member participants
11. Conduct quarterly claims reviews with Member participants
12. Prepare/Distribute monthly, quarterly, and annual reports to Member participants relevant to the operating/financial status of the OCIP

#### CONTRACTOR CLOSE-OUT

1. Review and audit all data received from contractors
2. Calculate final insurance deductive change
3. Distribute calculations to appropriate parties, including OCIP close out letter and back-up data
4. Record all data into OCIP software
5. Work with insurers to reduce outstanding claims reserves
6. Compare insurance premium audits to Alliant's audits and review final premium for accuracy
7. Prepare/Distribute final OCIP financial status report

#### ADDITIONAL ACTIONS

1. Provide additional OCIP Insurance documentation to appropriate parties
2. Provide miscellaneous OCIP Administrative Services to Member participant
3. Perform back-end interaction with carriers
4. Prepare/ distribute additional reports

## **ADDENDUM B**

### **MAXIMUM RETAINED COMMISSION/FEE LEVELS**

<b><u>PROGRAM</u></b>	<b>PRISM</b>	<b>Responsibility</b>	<b>Insurer/Reinsurer Responsibility</b>
	<b><u>MAXIMUM BROKER FEE</u></b>		<b><u>MAXIMUM COMMISSION</u></b>
A. Property Program			10.0% including AAS fee, but not including .75% AUS commission
B. Medical Malpractice Programs			10.0%
C. Liability Program 1(GL1)			8.0%
D. Liability Program 2 (GL2)			6.25% <sup>A</sup>
E. Excess Workers' Compensation (EWC)			
\$45mil xs \$5mil		6.0%	4.0%
All other layers			10.0%
F. Primary Workers' Compensation (PWC)		3.0%	
G. Deductible Buy Down (DBD)		1.0%	7.0%
H. PRISMHealth:			
Alliant shall be compensated on a fee based upon actual census per employee per month based upon the following schedule:			
	PPO / HMO (non-Kaiser)	Kaiser	
Members with 2,000+ employees	\$3.00 PEPM	\$3.00 PEPM	
Members with 1,000 – 1,999 employees	\$5.00 PEPM	\$4.00 PEPM	
Members with 250-999 employees	\$8.00 PEPM	\$7.00 PEPM	
Small Group Program	\$11.00 PEPM	\$10.00 PEPM	
I. Dental			
Pooled Program			7.0%
Self-Insured Program			3.0%
DHMO			7.0%
J. Master Rolling OCIP			.25% <sup>c</sup>
1. Tower 1 Excess Liability			7.5%

K. Miscellaneous Programs

1. Employee Benefits Programs:

a. Life and A D & D	10.0%
b. Long & Short Term Disability	10.0%
c. Vision	
-- MES	10.0%
-- VSP (Fully Insured)	10.0%
-- VSP (Self Funded)	10.0%
d. EAP	10.0%
e. PAID FAMILY LEAVE	10.0%
f. ADD GROUP VOLUNTARY BENEFITS	20.0%
2. Aviation	20.0%
3. Bond/Crime	20.0%
4. Course of Construction	15.0%
5. Optional Excess Liability	15.0%
6. Pollution Liability	20.0%
7. Watercraft	20.0%
8. Catastrophic Inmate Medical	15.0%
9. Cyber	16.5%
10. Equipment Maintenance Mgmt.	10.0%

Footnotes:

1. GL2 commission is net of any rebates due to PRISM and as approved by the GL2 Committee.
2. Self-Insured Dental and Vision commission is based upon a percentage of premium equivalent.
3. Paid Family Leave commission is based upon a percentage of the "fixed cost" only
4. MROCIP administrative fee is based on construction value including all broker commission except Tower 1 Excess Liability.

Notes:

- A. These commission percentages apply to insurance premiums only with no income guaranteed by any self-insurance or pooling layer or PRISM administration overheads.
- B. From time to time, Members may access and use some of the proprietary programs of Alliant (i.e. Special Liability Insurance Program/SLIP; Special Events Program...) which are outside of the PRISM Programs, where commission information is not included in this contract.
- C. In the course of placing various programs and products on behalf of PRISM, Alliant may elect (or be required) to utilize intermediary brokers such as Reinsurance Brokers and Excess & Surplus Lines Brokers (sometime collectively referred to as "wholesalers"). While Alliant is not customarily privy to such information, we will endeavor to provide PRISM with confirmation of all commissions, fees and/or other income derived by all such intermediary brokers as a direct or indirect result of a PRISM related placement. While making best efforts to provide PRISM with this information, Alliant cannot guarantee the delivery, nor warranty the accuracy, of such information.

- D. Many programs have various layers and different carriers paying different commission levels. The maximum commission earned is based on the average commission of all the insurance and reinsurance layers.
- E. Alliant's maximum compensation is limited to the sum of the maximum commission plus the maximum broker fee. Actual compensation may shift between the broker fee and commission as long as the sum does not exceed the sum of the maximum levels indicated.



## **ADDENDUM C**

### **PUBLIC ENTITY MEMBERSHIP COMMISSION STRUCTURE**

1. Commission add-on to be at the following percentages, for the premium amounts that fall in the following ranges:

First \$100,000 of premium:	10%
\$100,000 to \$1,000,000 of premium:	5%
Over \$1,000,000:	3%

Premium includes excess / reinsurance costs as well as pooling layer costs, but excludes EIA fees and ULAE under the PWC Program. Rate for the PWC Portfolio transfer costs is a flat 3% for all costs.

2. Add-on does NOT apply when:
  - a. The account is currently serviced by, or will be serviced by, any Alliant broker in the "PRISM Unit" as annually mutually determined and agreed.
  - b. When the account is County business.
  - c. When the account is placed in the Property Program, PRISMHealth Program, Dental Program, Master Rolling OCIP Program, or any Miscellaneous Program.
  - d. When there is a contract between Alliant and a member for a broker fee for a specific coverage.
3. Additional fees will apply for accounts that require or request the services of any of Alliant non-brokerage departments ("Alliant Underwriting Services" or "AUS") such as Workers' Compensation Claim Unit services, Strategic H.R. services, etc.
4. Commission amounts are in addition to the existing commissions paid on the Programs.
5. Additional commission amounts will be included in the overall costs of quotes provided to prospects. PRISM will invoice the Public Entity members inclusive of the additional commission amounts.

## **ADDENDUM D**

### **ADDITIONAL SERVICES/REMUNERATION**

1. Alliant will employ an Executive Client Manager – PRISM Liaison who shall act as a liaison between PRISM staff and Alliant staff.
2. PRISM shall employ the services of a Specialist – Employee Benefits who shall act as in-house support person dedicated to the PRISMHealth, Dental and Employee Benefits Programs. Alliant shall reimburse PRISM for 50% of the budgeted cost (salary and benefits) of this position.
3. PRISM shall employ the services of a Senior Specialist – Employee Benefits who shall act as an additional in-house support person dedicated to the PRISMHealth, Dental and Employee Benefits Programs. Alliant shall reimburse PRISM for 50% of the budgeted cost (salary and benefits) of this position.
4. Underwriting and Appraisal Services
  - a. At the request of PRISM, AUS shall provide a review of exposure and losses in relation to premium for EWC, PWC, PGL, GL1 and/or GL2 Programs on specified prospective new members. PRISM shall compensate AUS at a rate of 2% of annual premium for EWC, PWC, GL1 and GL2 prospects that are reviewed and become members. Renewal reviews shall also be provided at a rate of 2% for each program on specified members. The new or renewal fee for any prospect or member shall not exceed \$20,000.
  - b. AUS shall provide underwriting services to the PRISMHealth Program on an on-going basis at the direction of the PRISMHealth Committee. AUS shall receive \$3.00 per employee per month for such services.
  - c. AUS shall provide underwriting services to the PRISM Life and Disability Program on an on-going basis at the direction of the PRISM Employee Benefits Committee. AUS shall receive 2% of annual premium for Life and AD&D as well as Disability, and Paid Family Leave coverages.
  - d. AUS shall provide underwriting services to the Property Program on an on-going basis including analysis of new member applications as requested by the Property Committee. AAS shall provide appraisal service for the Property Program as outlined in Addendum A-1. AUS shall receive commission income (in addition to commission income maximum specified in Addendum B) for such services that shall not exceed .75%.
5. PRISM members may contract directly with Alliant or a related entity for additional services not provided by this Agreement. In such cases, PRISM may invoice the member for such services and remit payment to Alliant.
6. The PRISMHealth Committee has approved Alliant's receipt of broker fees from Express Scripts in the amount of \$.85 per covered member, per month for pharmacy administrative services and consulting.
7. The PRISMHealth Committee has approved Alliant's receipt of an administrative fee of \$.35 Per Employee Per Month from PPO program participants for Integrated Data Analytics Platform services.
8. PRISM shall employ a loss control professional to specialize in school risks and be available for consultation and training to PRISM school members. Alliant shall

assist PRISM in determining the allocation of costs for the schools loss control position amongst the school members (estimated at \$150,000).

9. PRISM has partnered with Alliant for ongoing maintenance and distribution of the Insurance Requirements in Contracts (IRIC) Manual. This document is jointly owned and co-branded, and is made available in the public domain. PRISM and Alliant agree to annually review the document, with assistance from a consultant(s) for necessary amendments. The costs for the consultant will be mutually agreed and shall be shared 50% by PRISM and 50% by Alliant. Alliant assumes responsibility for maintaining the document and incorporating amendments annually, as mutually agreed between PRISM and Alliant. The amended document shall be made available for distribution by the end of the first quarter of the calendar year.



## **PRISM**

### **Pool Service Providers' Bill of Rights**

PRISM recognizes its place as one of the premier organizations in the public entity pooling industry. We are constantly striving to achieve the goals of excellence in governance and management by conducting our official business with social responsibility that will encourage public trust.

PRISM has established standards that our business partners – pool service providers (PSP's) – should expect in serving PRISM and its members. The basic rights that PSP's should expect while providing services to PRISM, include the following:

1. PSP's should expect to be treated consistently with dignity, respect, and professionalism.
2. PSP's should not be expected to provide gifts, perks or other benefits to members of the Board of Directors or Committees, or staff members (or any person or organization associated with them) as a condition of doing business with the pool.
3. PSP's should expect fair and equitable treatment in the procurement process. Every competitive bidding process should be open, well defined and transparent. PRISM recognizes that there is a direct cost to the PSP in preparing every service proposal.
4. PSP's should expect to have a written service agreement with PRISM specifying all terms and conditions of the contractual relationship.
5. PSP's should only be expected to provide services contained within the scope of the service agreement.
6. PSP's should be paid in a timely manner for services rendered in accordance with the provisions of the service agreement.



**Public Risk Innovation, Solutions, and Management  
(PRISM)  
Property Program  
Policy Statement Regarding Appraisal Services**

As required by the Underwriting and Claims Administration Standards, each member shall perform a real property replacement valuation at least once every 5 years for all locations over \$1,000,000 and at least once every 10 years for all locations with a valuation between \$250,000 and \$1,000,000. New members shall have an appraisal or valuation performed within 1 year from entry into the Program. Valuations shall be equivalent to the Marshall Swift system, except as noted below in the Valuation section, and shall be performed at least once every 5 or 10 years based on the location's current scheduled value.

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**Provision for Appraisals**

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In accordance with the contract between PRISM and Alliant Insurance Services, Alliant will provide property appraisal services, via Alliant Appraisal Services (AAS), pursuant to this policy. Appraisals shall include all itemized buildings, structures, infrastructure, or locations with scheduled values at or above \$1,000,000 once every 5 years and locations with scheduled values between \$250,000 and \$1,000,000 every 10 years. The cost of these appraisals shall be shared between Alliant, PRISM, and the member, as outlined in the Cost Sharing section.

In addition, the member may elect, at their own cost, to:

1. Have buildings, structures, infrastructure, or locations valued below \$250,000 appraised at the time their buildings valued over \$250,000 are appraised;
2. Utilize an appraisal service other than AAS, as long as it is equivalent to the Marshall Swift system; and/or
3. Request appraisal services outside of their 5 or 10 year scheduled appraisal.

Site visits will be performed for all appraisals; however, on an exception basis, desktop appraisals may be performed due to extenuating circumstances.

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**Valuation**

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Appraisals of non-school buildings shall be evaluated based on the Marshall Swift system.

School facilities shall be evaluated based on the MVS/Boeckh "BVS Estimator."

Other unique, non-building structures/infrastructure such as piers, wharfs, bridges, etc. shall be evaluated based on industry standards.

## **Cost Sharing**

Cost sharing is determined by the value of the item, as shown on the Schedule of Values, at the time of the appraisal, as follows:

### Buildings, structures, infrastructure, or locations valued at \$1,000,000, or more

Alliant will pay 100% of the cost, including travel expenses associated with all appraisals performed by AAS for buildings, structures, infrastructure, or locations valued over \$1,000,000.

### Buildings, structures, infrastructure, or locations valued between \$250,000 and \$999,999

The costs associated with these appraisals, including travel expenses, will be shared; 50% by Alliant, and 50% by PRISM for up to 300 buildings/structures, per member, within a 10 year period.

The cost for each building/structure including the expense in excess of 300 to be appraised in a 10 year period will be shared; 50% by the member, 25% by Alliant, and 25% by PRISM.

### Multiple Building Locations

Professional appraisal standards require appraisers to conduct appraisals on all buildings at a single location if the buildings are not shown separately on the Schedule of Values.

In the event that multiple buildings are scheduled as 1 location, without buildings itemized, the total location value, as scheduled at the time of the appraisal, will control whether Alliant, PRISM, or the member is obligated to pay for the appraisal of the individual buildings. After the initial inspection, the individual building values at a single location will be required to be itemized on the Schedule of Values for purposes of determining the cost sharing of future appraisals.

In the case where individual building values at a single location are already itemized on the Schedule of Values at the time of the appraisal, members have the choice of appraising scheduled buildings that are listed at \$250,000 or less, since the appraisers are not required by professional standards to appraise all buildings at an itemized location.

<b>Scheduled Costs</b>	
<b>Type of Appraisal</b>	<b>Cost</b>
Buildings, structures, infrastructure, or locations valued at \$1M or more	\$160 per building \$200 per non-building structure (bridges, solar farms, piers, etc.)  Plus expenses incurred
Buildings, structures, infrastructure, or locations valued \$250,000 – \$999,999	\$120 per building \$200 per non-building structure (bridges, solar farms, piers, etc.)  Plus expenses incurred
Buildings, structures, infrastructure, or locations valued less than \$250,000	\$120 per building \$200 per non-building structure (bridges, solar farms, piers, etc.)  Plus expenses incurred
Portable Buildings	\$85 per portable  Plus expenses incurred
Desk Top Appraisal	\$150 per building

The listed parameters, costs, and sharing percentages will be reviewed by the PRISM Property Committee every 3 years in order to evaluate the efficiency and effectiveness of the appraisal program.