RESOLUTION 2017-136  

PASSED: DECEMBER 11, 2017

AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS FOR INSURANCE COVERAGE EFFECTIVE JANUARY 1, 2018, TO DECEMBER 31, 2018, IN THE AMOUNT OF $528,228.

WHEREAS, The City Council of the City of DeKalb has heretofore approved the expenditure of funds and execution of agreements for the provision of insurance coverage for the City of DeKalb in a specified format that was reviewed and approved by the Council, and whereas such coverage requires periodic renewal which Council seeks to authorize and ratify;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

Section 1: That the City Council of the City of DeKalb hereby authorizes the City Manager to execute an agreement with Federal Insurance Company, Gallagher Bassett Appraisal Services, Underwriters at Lloyds, Safety National Casualty Corporation, Citizens Insurance Company of America, BCS Insurance Company, QBE Insurance Company, Nautilus Insurance Company, Arthur J. Gallagher Risk Management Services, Inc., CCMSI and IL Surplus Lines on terms and conditions acceptable to her, for the purpose of maintaining insurance coverage for the City for the remaining period of coverage for 2018. This authorization shall be without requiring further authorization or approval of City Council, provided that any costs or expenses to be incurred within the present budget year are within the scope of the then approved budget.

<table>
<thead>
<tr>
<th>Company</th>
<th>Insurance</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Insurance Company (CHUB)</td>
<td>Commercial Property</td>
<td>$64,809</td>
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<tr>
<td>Gallagher Bassett Appraisal Services</td>
<td>Property Appraisals</td>
<td>$14,000</td>
</tr>
<tr>
<td>Certain Underwriters at Lloyds (BRIT)</td>
<td>General Liability, Law Enforcement, Public Entity Management, Public Entity Employment, Auto Liability and Damage, Umbrella</td>
<td>$211,875</td>
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<tr>
<td>Safety National Casualty Company</td>
<td>Excess Worker’s Comp</td>
<td>$113,839</td>
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<tr>
<td>Citizens Insurance Company of America</td>
<td>Crime/Public Official</td>
<td>$2,086</td>
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<td>BCS Insurance Company</td>
<td>Cyber Liability</td>
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<tr>
<td>QBE Insurance Corporation</td>
<td>Airport</td>
<td>$12,100</td>
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<tr>
<td>Nautilus Insurance Company</td>
<td>Storage Tank Insurance</td>
<td>$9,351</td>
</tr>
<tr>
<td>CCMSI</td>
<td>Liability TPA Services</td>
<td>$11,500</td>
</tr>
<tr>
<td>IL Surplus Lines</td>
<td>Surplus Taxes and Fees</td>
<td>$8,186</td>
</tr>
<tr>
<td>Arthur J. Gallagher Risk Management Services</td>
<td>Brokerage</td>
<td>$45,050</td>
</tr>
<tr>
<td>CCMSI</td>
<td>Workers’ Comp TPA Services</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$528,228</strong></td>
</tr>
</tbody>
</table>

The City Council acknowledges that the figures above may be subject to minor alteration at the time of policy execution, and the City Manager is nonetheless directed to proceed with all renewals provided that expenses are within budgeted sums.
The City Manager is further authorized to execute all agreements required to obtain third party Administration services from CCMSI, within budgeted amounts, for the City's property damage, liability or other insured claims, and also for administration of the City's Workers' Compensation claims.

With respect to the foregoing coverage, the City Manager is further authorized to execute agreements relating to the establishment or funding of escrow or impress accounts (or other similar financial accounts), to provide initial funding for such accounts, and to thereafter regularly replenish such accounts, within budgeted amounts. All of the foregoing authorizations in this resolution shall be without regard to the City Manager's spending authority, and the City Manager is authorized and directed to negotiate and execute agreements providing for all of the foregoing, on terms and conditions acceptable to her with the recommendation of City staff.

The City Council acknowledges that the amounts set forth above are estimates, and further acknowledges that for certain among the agreements listed (e.g. the third party administration agreements), the City incurs per-claim costs. The City staff is authorized and directed to utilize said third party administrators for the claims incurred by the City, and the Council authorizes expenditures with the vendors listed herein up to the full limit of sums budgeted. Additionally, on a per-claim basis, the City Manager is authorized and directed to act within the spending authority of that position to resolve claims on behalf of the City.

Section 2: That the City Clerk of the City of DeKalb, Illinois, be authorized and directed to attest the Mayor's signature, and shall be effective thereupon.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 11th day of December, 2017, and approved by me as Mayor on the same day. Passed by an 8-0 Ominbus roll call vote under the Consent Agenda. Aye: Jacobson, Finucane, Marquardt, Fagan; Noreiko, Verbic, Faivre, Smith. Nay: None.

ATTEST:

[Signed]

[Seal]

SUSANNA HERRMANN, City Clerk

[Seal]

JERRY SMITH, Mayor
Client Signature Requirements
Changes / Developments

It is important that we be advised of any changes in your operations that 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:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. 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 same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

☐ No Changes and/or Development

By: Patty Hoppenstedt, Acting City Manager

Signature

Date: 12/29/17
City of DeKalb

Coverages for Consideration

Overview
- Since Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.
- A proposal for any of the coverages can be provided.
- The recommendations and considerations summarized in this section are not intended to identify all exposures.

Other Coverage Considerations
- Pollution Liability

Provide Quotations or Additional Information on the Following Coverage Considerations:
Pollution Liability □ Yes   ☒ No

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed $20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By:  
  Patty Hoppenslatt, acting City Manager

Date:  12/29/17
# Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 11/20/2017, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

<table>
<thead>
<tr>
<th>LINE OF COVERAGE</th>
<th>CARRIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>![X] Accept □ Reject</td>
<td>Commercial Property</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>TRIA Coverage</td>
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<tr>
<td>![X] Accept □ Reject</td>
<td>Public Entity Package</td>
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<tr>
<td>![X] Accept □ Reject</td>
<td>TRIA Coverage</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>Excess Workers Compensation</td>
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<tr>
<td></td>
<td>1 Year □ 2 Years</td>
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<tr>
<td>![X] Accept □ Reject</td>
<td>Crime</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>Cyber Liability</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>□ $1MM □ $2MM □ $3MM</td>
</tr>
<tr>
<td></td>
<td>TRIA Coverage</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>Airport Liability</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>TRIA Coverage</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>Tank Advantage Pollution Liability</td>
</tr>
<tr>
<td>![X] Accept □ Reject</td>
<td>TRIA Coverage</td>
</tr>
</tbody>
</table>

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

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**Producer/Insured Coverage Amendments and Notes:**

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(Handwritten notes and initials)

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Arthur J. Gallagher Risk Management Services, Inc.
City of DeKalb

Client Authorization to Bind Coverage

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed $20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By: 

Patty Hooperstedt, Acting City Manager

Signature

Date: 12/29/17
Compensation Agreement
City of DeKalb & Arthur J. Gallagher Risk Management Services, Inc.

THIS COMPENSATION AGREEMENT is made and entered into and effective the 31st day of December, 2017 (“Effective Date”) by and between CITY OF DEKALB, an Illinois Municipality (“Client”), and ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., an Illinois corporation (“Gallagher”).

I. TERM AND TERMINATION
This Agreement shall commence on the Effective Date for a term of one (1) year and shall automatically renew on the first anniversary of the Effective Date and annually thereafter for additional one (1) year terms but may be terminated by either party at any time upon one hundred twenty (120) days prior written notice.

II. OBLIGATIONS OF GALLAGHER
Gallagher will provide the services set out on Exhibit A attached hereto (collectively, the “Services”) to Client. If the Services include the placement of insurance coverages, Gallagher will use its commercial best efforts to secure such insurance coverages on Client’s behalf. If in the event an insurance company cancels or refuses to place such insurance coverages, Gallagher will use its commercial best efforts to obtain the coverage from another insurance company.

III. OBLIGATIONS OF CLIENT
Client shall remunerate Gallagher its usual and customary brokerage commission for the Services. In addition to or in lieu of commission, Client shall pay Gallagher an annual fee of $45,050 for the Services, which such fee may be revised at the time of renewal of this Agreement by the execution of an amendment to this Agreement signed by the parties hereto. If work is required to be performed in addition to the Services, Client agrees to compensate Gallagher for such additional work at its usual and customary rates. So long as the terms and conditions of the Services are substantially similar and Gallagher’s performance is acceptable, in subsequent years the annual fee shall be increased 3% over the prior year, and shall be payable and earned as provided herein.

IV. DISCLOSURES
A. In addition to such fees and commissions provided herein, Gallagher may also receive investment income on fiduciary funds temporarily held by it, such as premiums or return premiums. Other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers, captive managers and similar parties, some of which may be owned in whole or in part by Gallagher’s corporate parent, may earn and retain usual and customary commissions and fees in the course of providing insurance products to clients. Gallagher may also participate in contingent and supplemental commission arrangements with insurance companies. Contingent commission arrangements provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. Supplemental commissions, unlike contingents, are known at the effective date of the policy, but are typically paid later and apart from when usual and customary commission is paid. Any such fees or commission will not constitute compensation to Gallagher under Section III. above.
B. Gallagher's fees under this Agreement shall be fully earned on the execution of this Agreement (and any renewal thereof), and payable on invoicing. Client is responsible for payment of premiums for all insurance placed by Gallagher on its behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement, at its option, without notice to Client.

C. Where applicable, insurance coverage placements which Gallagher makes on Client's behalf, may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees, to the Internal Revenue Service (federal), various state(s) departments of revenue, state regulators, boards or associations. In such cases, Client is responsible for the payment of such taxes and/or fees, which will be identified separately by Gallagher on invoices covering these placements. Under no circumstances will these taxes or other related fees or charges be offset against the amount of Gallagher's brokerage fees or commissions referred to herein.

D. Gallagher will be operating only as Client's broker, obtaining a variety of coverage terms and conditions to protect the risks of Client's enterprise. Gallagher will seek to bind those coverages based upon Client's authorization, however, Gallagher can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact Gallagher with questions on these or any other issues of concern.

V. LIMITATION OF LIABILITY

Gallagher's liability to Client, arising from any negligent acts or omissions of Gallagher, whether related to the Services provided hereunder or not, shall not exceed $20 million in the aggregate. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

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

ARTHUR J. GALLAGHER RISK
MANAGEMENT SERVICES, INC.

By: Eric Pan
Name: Eric Pan
Title: Area President

CITY OF DEKALB

By: Patty Hoppensheidt
Name: Patty Hoppensheidt
Title: Acting City Manager
Services

Perform risk management services, which Client may from time to time need or require. The services include:

A. Brokerage Placement Services
   - Identify available marketplace coverages and program needs to insure and/or minimize risks.
   - Compile underwriting data and information to prepare market specifications.
   - Evaluate and analyze insurance quotations – each company reviewed for financial stability, solvency
     and service record.
   - Negotiate with underwriters to achieve broadest coverages at best price.
   - Prepare proposal to explain coverages, limits and exclusions.
   - Bind coverages and confirm placement.
   - Secure policies and review for accuracy.
   - Bind coverage as directed by the City for the 1/1/2018 - 1/1/2019 policy period. For future years Gallagher
     will obtain quotes from other insurers if mutually acceptable to the City and Gallagher.

B. Administrative Services
   - Marketing plan 120 days prior to renewal.
   - Prepare insurance program Summary of Insurance.
   - Billing.
   - Any work performed by Gallagher which is not included in this contract and requires additional charges
     will require the express, written approval of the City Manager or his designee prior to being incurred.

C. Claim Administration
   - Secure monthly loss runs for past five years.
   - Secure status reports.

D. Risk Management Enhancements
   - Access to all risk management publications to stay contemporary with environmental changes and
     current hot topics.
   - Attendance at risk management conferences.
This Notice pertains to the following quotation issued by an insurer of the Chubb Group of Insurance Companies. If you have more than one Chubb policy, you will receive individual notice(s) for each policy to which the Terrorism Risk Insurance Act applies.

**Mailing Date**
November 13, 2017

**Insured Name**
City Of Dekalb

**Mailing Street Address**
200 S. Fourth Street

**Mailing City, State, Zip**
De Kalb, Illinois 60115

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Policy Number</th>
<th>Effective Date</th>
<th>Underwriting Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>36029320</td>
<td>01/01/2018</td>
<td>Federal Insurance Company</td>
</tr>
</tbody>
</table>

**CHUBB**

**IMPORTANT NOTICE TO POLICYHOLDER**

**TERRORISM RISK INSURANCE ACT**

You are hereby notified that pursuant to the Terrorism Risk Insurance Act (the “Act”) we are making available to you insurance for losses arising out of certain acts of terrorism. Terrorism is defined as any act certified by the Secretary of the Treasury of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that the insurance provided by your policy for losses caused by acts of terrorism is partially reimbursed by the United States of America under the formula set forth in the Act. Under this formula, the United States of America pays 85% of covered terrorism losses that exceed the statutorily established deductible to be paid by the insurance company providing the insurance. Beginning in 2016, the Federal Share will be reduced by 1% per year until it reaches 80%, where it will remain.

However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

The portion of your annual premium that is attributable to insurance for such acts of terrorism is: $985.00

If you elect not to purchase coverage for terrorism and your policy provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium shown here for Ensuring Fire is the amount attributable to the insurance provided pursuant to that statutory standard fire policy. This coverage cannot be rejected. That amount is $149.00

*Important Notice*

*Form 99-10-0729 (Rev.01-15) Property - Important Notice to Policyholder Page 1 of 3*
This Notice pertains to the following quotation issued by an insurer of the Chubb Group of Insurance Companies. If you have more than one Chubb policy, you will receive individual notice(s) for each policy to which the Terrorism Risk Insurance Act applies.

Mailing Date November 13, 2017

Insured Name City Of Dekalb
Mailing Street Address 200 S. Fourth Street
Mailing City, State, Zip De Kalb, Illinois 60115

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Policy Number</th>
<th>Effective Date</th>
<th>Underwriting Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>36029320</td>
<td>01/01/2018</td>
<td>Federal Insurance Company</td>
</tr>
</tbody>
</table>

Under the Act, you have thirty (30) days from the date of this notice to consider whether or not you wish to maintain insurance for terrorism losses covered by the Act.

If you elect not to maintain this insurance, please so indicate by placing an “X” in the space provided on the next page, sign and return this disclosure notice to your agent or broker as soon as possible. By electing not to maintain this insurance, you agree that we may attach a terrorism exclusion or sublimits to your policy. If you do not sign and return this disclosure notice, you will be deemed to have decided to maintain this insurance, subject to the next paragraph.

If you elect to maintain this insurance, you must pay the premium disclosed above, otherwise we will avail ourselves of our normal remedies for nonpayment of premium, including cancellation of your policy in accordance with its terms.
This Notice pertains to the following quotation issued by an insurer of the Chubb Group of Insurance Companies. If you have more than one Chubb policy, you will receive individual notice(s) for each policy to which the Terrorism Risk Insurance Act applies.

**Mailing Date**
November 13, 2017

**Insured Name**
City Of Dekalb

**Mailing Street Address**
200 S. Fourth Street

**Mailing City, State, Zip**
De Kalb, Illinois 60115

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<td>Property</td>
<td>36029320</td>
<td>01/01/2018</td>
<td>Federal Insurance Company</td>
</tr>
</tbody>
</table>

**Rejection of terrorism insurance:**

☐ I hereby reject terrorism insurance and elect to have a terrorism exclusion, sublimit or other limitation included in my policy. I understand that I will have no, or limited, coverage for losses arising from acts of terrorism.

**Policyholder/Applicant’s Name:**

[Signature]

**Policyholder/Applicant’s Signature:**

[Signature]

**Date:**

12/29/17
POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, as amended: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

I hereby elect to purchase coverage for acts of terrorism for a prospective premium of USD $1,875

I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder/Applicant's Signature

Print Name

Date

Policy Number

City of DeKalb

Account Name

Brit Global Specialty USA
A member of Brit Global Specialty
ILLINOIS UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE
SELECTION/REJECTION

Policy Number:PK1027618  Policy Effective Date:1/1/2018
Company: Certain Underwriters at Lloyd's  Producer: Arthur J. Gallagher
Applicant/Named Insured:  Risk Management Services, Inc.
City of DeKalb

Illinois law permits you to make certain decisions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage. This document describes these coverages and the options available.

You should read this document carefully and contact us or your agent if you have any questions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage and your options with respect to these coverages.

This document includes general descriptions of coverage. However, no coverage is provided by this document. You should read your policy and review your Declarations page(s) and/or Schedule(s) for complete information on the coverages you are provided.

Please indicate your choice from A. and B. by initialing next to the appropriate item(s) and signing below.

A. Bodily Injury Uninsured And Underinsured Motorists Coverages

Bodily Injury Uninsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury caused by an automobile accident. Also included are damages due to bodily injury that result from an automobile accident with a hit-and-run vehicle whose owner or operator cannot be identified.

Bodily Injury Underinsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of bodily injury caused by an automobile accident.

Every automobile liability policy must include Bodily Injury Uninsured Motorists Coverage at limits equal to your limits for Bodily Injury Liability Coverage or Combined Single Limit for Liability Coverage except as described below.

If your Bodily Injury Liability Coverage limits exceed $25,000 for each person/$50,000 for each accident or a Combined Single Limit of $50,000 for each accident, you may select limits that are lower than your Bodily Injury Liability Coverage limits or Combined Single Limit for Liability Coverage for your Bodily Injury Uninsured Motorists Coverage BUT you may not select Bodily Injury Uninsured Motorists Coverage limits less than $25,000 for each person/$50,000 for each accident or a Combined Single Limit of $50,000 for each accident.

Underinsured Motorists Coverage will be provided to you ONLY IF your Bodily Injury Uninsured Motorists Coverage limits are greater than $25,000 for each person/$50,000 for each accident or a Combined Single Limit of $50,000 for each accident. When provided, your Bodily Injury Underinsured Motorists Coverage limits will be equal to your Uninsured Motorists Coverage limits.
Please indicate your choice by initialing next to the appropriate item(s) if you are selecting Uninsured Motorists Coverage at limits less than the Bodily Injury Liability limits of your policy.

**I reject Bodily Injury Uninsured Motorists Coverage at limits equal to my Bodily Injury Liability Coverage (split limits) or Combined Single Limit for Liability Coverage and select the following lower limits.**

**Combined Single Limit**

<table>
<thead>
<tr>
<th>(Initials)</th>
<th>Split Limits</th>
<th>OR</th>
<th>(Initials)</th>
</tr>
</thead>
<tbody>
<tr>
<td>__________</td>
<td>$ 25,000/50,000*</td>
<td></td>
<td>$ 50,000*</td>
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<tr>
<td>__________</td>
<td>$ 50,000/100,000</td>
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<td>$ 250,000/500,000</td>
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<td>__________</td>
<td>$ 500,000/1,000,000</td>
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<td>350,000</td>
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<td>$ _________________</td>
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<td>500,000</td>
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<tr>
<td>__________</td>
<td>(Other)</td>
<td></td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

* IF YOU CHOOSE THIS LIMIT, BODILY INJURY UNDERINSURED MOTORISTS COVERAGE WILL NOT BE PROVIDED.

**B. Notice Of Availability Of Property Damage Uninsured Motorists Coverage**

Property Damage Uninsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of injury to or destruction of a covered auto caused by an automobile accident. However, Property Damage Uninsured Motorists Coverage is available only for autos for which you have not purchased Collision Coverage.
Please indicate your choice by initialing next to the appropriate item(s) below.

(Initals)  

I select Property Damage Uninsured Motorists Coverage at a limit of $15,000 for the following vehicle(s).

(Specify Year/Make/Model):


Premium:  $

I reject Property Damage Uninsured Motorists Coverage.

[Signature]

Signature Of Applicant/Named Insured

[Date]

12/29/17
BCS INSURANCE COMPANY  
2 Mid America Plaza, Suite 200  
Oakbrook Terrace, IL 60181  

CYBER LIABILITY AND PRIVACY COVERAGE RENEWAL APPLICATION  

94.003 IL (08/15)  

CERTAIN COVERAGES OFFERED ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND NOTIFIED TO US DURING THE POLICY PERIOD AS REQUIRED. CLAIM EXPENSES SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND ARE SUBJECT TO THE APPLICABLE RETENTION(S). PLEASE READ THE POLICY CAREFULLY.  

You, Your Company, and Applicant mean all corporations, organizations or other entities, including subsidiaries, proposed for this insurance.  

I. GENERAL INFORMATION  

Name of Applicant  
Mailing Address  
City  
State  
ZIP Code  
Description of Applicant's Operations  

City of DeKalb  
200 South Fourth Street  
DeKalb  
Illinois  
60115  
Government  

II. REVENUES  

Indicate the following as it relates to the Applicant's fiscal year end (FYE):  

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most Recent FYE</td>
<td>$34,393,474</td>
</tr>
<tr>
<td>Prior FYE</td>
<td>$33,543,905</td>
</tr>
</tbody>
</table>

* With respect to the information required to be disclosed in response to the questions above, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event or act about which any executive officer of the Applicant had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event or act prior to the issuance of the proposed policy.  

A policy may not be rescinded, defeated or voided unless the misrepresentation is stated in policy, endorsement or rider attached thereto, or in the written application therefore, and was made with the actual intent to deceive, or materially affected either the acceptance of the risk or the hazard assumed by the company.  

Signature of Applicant's Authorized Representative (President, CEO or Chief Information/Security Officer)  

Patty Hoppenstedt  
Name (Printed)  
12/29/17  
Date  

Signature of Applicant's Acting City Manager  

[Signature]  
Title
POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS.

UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage
× I hereby elect to purchase terrorism coverage for a prospective premium of $68.00
□ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant’s Signature
Patti Hoppenslott
Print Name
1/29/17
Date

Insurance Company

Policy Number

Quotation RPS-Q-50108059M/1 | Page 2 of 2

Powered by LLOYDS
POLICYHOLDER DISCLOSURE OF TERRORISM INSURANCE COVERAGE NOTICE

You are hereby notified that under the Terrorism Risk Insurance Act, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

You have a right to purchase insurance coverage for losses arising from terrorism, as defined in the Act. Unless you elect to purchase the coverage, we will attach exclusion for Acts of Terrorism, as defined in the Act, to your policy.

ACCESSION OR REJECTION OF TERRORISM INSURANCE COVERAGE

YOU HAVE Thirty (30) DAYS TO CONSIDER THIS OFFER OF COVERAGE FOR ACTS OF TERRORISM, AS DEFINED IN THE ACT. FAILURE TO RETURN THIS SIGNED FORM INDICATING AN ELECTION TO PURCHASE TERRORISM COVERAGE, AS DEFINED IN THE ACT WILL BE DEEMED YOUR REJECTION OF TERRORISM COVERAGE, AS DEFINED IN THE ACT.

Acceptance or Rejection of Terrorism Insurance

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
<td>I hereby elect to purchase terrorism coverage for a prospective premium of $1,100,000.</td>
</tr>
<tr>
<td>☐</td>
<td>I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.</td>
</tr>
</tbody>
</table>

Policyholder/Applicant's Signature: [Signature]
Print Name: [Name]
Date: 12/29/17

QBE INSURANCE CORPORATION
Insurance Company
100009554
Policy Number

QBAV-7000 (02-15)  Page 1 of 2
This Renewal Application is for a policy providing coverage on a claims made and reported basis. Payment of defense costs may erode the limits of liability depending upon the coverage listed and provided in the Declarations.

Instructions
- Please print clearly or type.
- Answer all questions completely.
- If any question(s) does not apply, enter "N/A" in the space provided.
- If additional space is needed to answer any question, attach details on a separate sheet using the first Named Insured's letterhead and reference the applicable section number.
- This application must be signed and dated by an authorized Owner, Principal, Partner, Director or Risk Manager of the first Named Insured.

Please submit the following information in addition to this application.
- Any environmental surveys; assessments; audits; storage tank inspections performed at any of the locations to be considered.
- Any maintenance records for the locations and or storage tank systems.
- Recent storage tank testing records for the tanks and lines.
- If requesting a retention amount greater than $25,000, submit the past two years of complete financial statements.

Named Insured: City of DeKalb

Telephone Number: 815-748-2385
FEIN: 36-6005843
Expiration Policy Number: CST201613110

Fax Number: 815-748-2304
Email: Carri.parker@cityofdekalb.com
Policy Expiration Date: 12/31/2017

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Location and Storage Tank System(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☒</td>
<td>1. Are there any new location(s) and/or storage tank system(s) that need to be added to your policy? If Yes, complete and submit a new Berkley TankAdvantage Application for the new location(s) and/or storage tank system(s).</td>
</tr>
<tr>
<td>☐</td>
<td>☒</td>
<td>2. Are there any location(s) and/or storage tank system(s) that you would like to be removed from your policy? If Yes, indicate which location(s) and/or storage tank system(s) should be removed and why.</td>
</tr>
<tr>
<td>☐</td>
<td>☒</td>
<td>3. Have you sold or abandoned any location(s) and/or storage tank system(s)? If Yes, indicate which location(s) and/or storage tank system(s) have been sold or abandoned.</td>
</tr>
<tr>
<td>☐</td>
<td>☒</td>
<td>4. Have you leased or subleased any of your location(s) and/or storage tank system(s)? If Yes, indicate (1) which location(s) and/or storage tank system(s) have been leased or subleased, (2) the details of the lease or sublease agreement including a list of tenants, and (3) who is responsible for location and/or storage tank system maintenance and testing activities.</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Location and Storage Tank System(s)</td>
</tr>
<tr>
<td>-----</td>
<td>----</td>
<td>-------------------------------------</td>
</tr>
</tbody>
</table>
| ☒   | ☐  | 5. At the time of signing this application, do all storage tank systems comply, at a minimum, with the United States Environmental Protection Agency's (US EPA) or local regulatory agency requirements regarding construction, overfills/spill protection and leak detection for tanks, piping and dispensing systems?  
If No, provide details. |
| ☐   | ☒  | 6. Are there any tanks at this location that are not registered with the applicable state regulatory agency or that are not included within this application?  
If Yes, provide details. |
| ☐   | ☒  | 7. Are there any temporarily out of service, empty, out of use or inactive location(s) and/or storage tank system(s)?  
If Yes, indicate which location(s) and/or storage tank system(s) to which this question applies. |
| ☐   | ☒  | 8. Do you have plans to upgrade, repair, remove or replace any of the storage tank system(s) submitted for coverage in the next twelve (12) months?  
If Yes, attach a detailed description of the planned activities with a timeline for activities to be completed. |
| ☐   | ☒  | 9. Have there been any other changes made to the location(s) and/or the storage tank system(s) that we should be made aware of?  
If Yes, describe and attach applicable documentation. |
| ☒   | ☐  | 10. Have you updated your Risk Management plan, SPCC plan, maintenance, testing, and/or inspection records for your location(s) and/or storage tank system(s)?  
If Yes, attach current documents with this application. |
| ☐   | ☒  | 11. Have there been any reportable releases and/or pollution claims for bodily injury, property damage or cleanup costs including, but not limited to, claims by private persons, public entities, governmental agencies or other third parties at the location(s)?  
If Yes, provide an explanation and attach copies of applicable reports. |
| ☐   | ☒  | 12. Have you been cited or prosecuted for any violation of any applicable environmental law and/or federal, state or local regulation arising from the release or spill of hazardous substances, hazardous waste or any other pollutants?  
If Yes, provide details. |
| ☐   | ☒  | 13. Are there any statutes, standards, or other city, state and/or federal regulations relating to the protection of the environment with which you cannot at the present comply with?  
If Yes, provide details. |
| ☐   | ☒  | 14. Are there any other changes underwriting should be made aware of such as but not limited to amendments to the named insured, additional insureds, additional named insureds, etc.?  
If Yes, provide details. |

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Future Plans</th>
</tr>
</thead>
</table>
| ☐   | ☒  | 15. Are there any future plans to lease or sublease any of your locations and/or storage tank systems?  
If Yes, provide details. |
| ☐   | ☒  | 16. Are there any future plans to sell or refinance any of your locations and/or storage tank systems?  
If Yes, provide details. |
| ☐   | ☒  | 17. Are there any plans for future development, improvement, excavation, betterment, land condemnation, demolition or plans for changes at any of your locations?  
If Yes, provide details. |
Fraud Warning

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING - It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO LOUISIANA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

NOTICE TO ALL OTHER STATE APPLICANTS: Any person who knowingly, and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or, for the purpose of misleading, conceals information concerning any fact material thereto, may commit a fraudulent insurance act which is a crime in many states.

Notice to Applicant

The applicant represents that the above statements and facts are true and that no material facts have been suppressed or misstated. Completion of this form does not bind coverage. Applicant’s acceptance of the company’s quotation is required prior to binding coverage and policy issuance. The coverage applied for is solely as stated in the policy and any endorsement thereto, which provides coverage for cleanup costs, bodily injury and property damage liability coverage for claims first made against the insured and reported to the insurer, in writing, during the policy period. All written statements and materials furnished to the company in conjunction with this application are hereby incorporated by reference into this application and made a part hereof. The applicant further acknowledges that the answers provided herein are based on a reasonable inquiry and/or investigation.

Applicant Signature

Printed Name

Title

Date
Additional Information

Click here to enter text.
POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, (the "Act"), you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage under your policy may be affected as follows:

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JUNE 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2010 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

<table>
<thead>
<tr>
<th>Acceptance or Rejection of Terrorism Insurance Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Checkmark] I hereby elect to purchase terrorism coverage, subject to the limitations of the Act, for acts of terrorism as defined in the Act, for a prospective premium of $ 93 (Quote No. 597969-1 Option 1).</td>
</tr>
<tr>
<td>![Checkmark] I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.</td>
</tr>
</tbody>
</table>

Policyholder/Applicant’s Signature
Nautilus Insurance Company
Insurance Company

Print Name
Policy Number

Date

Includes copyright material of the National Association of Insurance Commissioners, used by permission.
SERVICE AGREEMENT BETWEEN
CITY OF DEKALB AND
CANNON COCHRAN MANAGEMENT SERVICES, INC.

THIS SERVICE AGREEMENT is made and entered into this 1ST day of January, 2018, by and between City of DeKalb (the "Client"), an authorized self-insured entity, and Cannon Cochran Management Services, Inc. ("CCMSI"), a Delaware corporation. It is agreed between the parties hereto as follows:

A. APPOINTMENT OF CCMSI. The Client hereby appoints CCMSI, and CCMSI hereby agrees to serve, as Third Party Administrator ("Administrator") of the Client’s self-insurance program created and existing under the State of Illinois ("State") Self-Insurance Regulations.

B. FUNCTIONS OF CCMSI. During the term of this Agreement, the regular functions of CCMSI as the Client’s Administrator shall include the following:

1. Claim Administration.
   
   (a) Claim Management and Administration. In compliance with its Best Practices, CCMSI will manage and administer all claims of the Client that occur during the period of this Agreement. All claim payments shall be made with Client funds. CCMSI will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.

   (b) Claim Settlement. CCMSI will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.

   (c) Claim Reserves. CCMSI will recommend reserves for unpaid reported claims and unpaid claim expenses.

   (d) Allocated Claim Expenses. CCMSI will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client’s program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by CCMSI. Allocated Claim Expenses will include, but not be limited to, charges for:

   1) Independent medical examinations of claimants;

   2) Managed care expenses, which include the services provided by comp mc™, CCMSI’s proprietary managed care program. Examples of managed care expenses includes but is not limited to state fee schedule, PPO net works, utilization review, nurse case management, medical bill audits and medical bill review;

   3) Fraud detection expenses, such as surveillance, which include the services provided by FIRE, CCMSI’s proprietary Special Investigation Unit (SIU), and other related
expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;

4) Attorneys, experts and special process servers;

5) Court costs, fees, interest and expenses;

6) Depositions, court reporters and recorded statements;

7) Independent adjusters and appraisers;

8) Index bureau and OFAC (Office of Foreign Assets Control) charges;

9) MMSEA/SCHIP compliance charges;

10) Electronic Data Interchanges, EDI, charges if required by State law;

11) CCMSI personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;

12) Actual reasonable expenses incurred by CCMSI employees outside the State for meals, travel, and lodging in conjunction with claim management;

13) Police, weather and fire report charges that are related to claims being administered under Client’s program;

14) Charges associated with accident reconstruction, cause and origin investigations, etc.;

15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client’s program;

16) Charges associated with Medicare Set-Aside Allocations; and

17) Other expenses normally recognized as ALAE by industry standards.

(e) **Subrogation.** CCMSI will monitor claims for subrogation

(f) **Provision of Reports.** CCMSI agrees to provide reports to the Client as specified in the Schedule of Reports attached hereto as Exhibit A.

2. **Risk Management Services.** CCMSI will provide the Client with additional Risk Management Services not contemplated in the Agreement upon mutual agreement of the parties. The Schedule of additional Risk Management Services to be provided is attached hereto as Exhibit B.

3. **Loss Control Services.** CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of
its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client. The Schedule of Loss Control Services to be provided is attached hereto as Exhibit C.

4. Managed Care Services. CCMSI will provide the Client with managed care services (comp mc™) upon mutual agreement of the parties. The Schedule of Managed Care Services to be provided is attached hereto as Exhibit D.

C. CLIENT RESPONSIBILITIES. Client agrees to:

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.

2. Reasonably cooperate in the disposition of all claims.

3. Provide adequate funds to pay all claims and expenses in a timely manner.

4. Respond to reasonable information requests in a timely manner.

5. Identify in writing all insurance carriers applicable to CCMSI’s claim handling responsibilities contemplated in this Service Agreement that CCMSI will have claim or data reporting requirements. In this regard, Client agrees to provide CCMSI with a complete copy of the current excess or other insurance policies, including applicable endorsements and audits, applicable to Clients insurance program and this Service Agreement. CCMSI assumes no responsibility of any kind for not reporting an otherwise reportable claim to any carrier that Client has failed to disclose to CCMSI and / or provide CCMSI with a copy of the applicable insurance policy and reporting instructions relative to that carrier.

6. Pay any fees or costs charged by any carrier or prior TPA of Client for the conversion of data associated with CCMSI handling run off claims for Client, or for the general transfer of data to CCMSI’s operating systems.

7. Promptly pay CCMSI’s fees.

D. OPERATING EXPENSES. The Client agrees to be responsible for and pay all of its own operating expenses other than service obligations of CCMSI. Such operating expenses shall include but not be limited to charges for the following:

1. All costs associated with Client meeting its State security and licensing requirements;

2. Certified Public Accountants
3. Attorneys, other than provided for in Section B.1. (d) 3) and B.1. (d) 4) of this Agreement;

4. Outside consultants, actuarial services or studies and State audits;

5. Independent payroll audits;

6. Allocated Claims Expenses incurred pursuant to Section B. 1. (d) of this Agreement;

7. All applicable regulatory fees and taxes;

8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies and extraordinary postage, such as bulk mailing, express mail or messenger service.


10. Excess and other insurance premiums;

11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any State or regulatory authority having jurisdiction over Client;

12. Other operating costs as normally incurred by the Client.

E. BOOKS AND RECORDS.

1. (a) CCMSI shall maintain all claim information relating specifically to the Client which is necessary to the performance of CCMSI's obligations under this Agreement (the "Records"). The Records shall remain at all times the sole property of the Client.

(b) The Records shall not include any manuals, forms, files and reports, documents, customer lists, rights to solicit renewals, computer records and tapes, financial and strategic data, or information which documents CCMSI's processes, procedures and methods, or which CCMSI employs to administer programs other than the Client. The items specified in this Paragraph E. 1. (b) shall at all times be and remain the sole and exclusive property of CCMSI, and the Client shall not have any ownership, interest, right to duplicate or right to utilize these items except for the above documentation or information that relates solely to Client's Program.

2. During the term of this Agreement, CCMSI shall provide the Client with copies of the Records, if so requested by the Client. Any reasonable costs of reproduction of the Records shall be borne by the Client.

3. CCMSI shall make the Records available for inspection by any duly authorized representative of the Client, or any governmental or regulatory authority having jurisdiction over CCMSI or the Client.
F. **NON-SOLICITATION OF EMPLOYEES.** During the term of the Agreement and for two (2) years thereafter, the Client and CCMSI mutually agree not to recruit, solicit or hire any employee of the other without written permission.

G. **OTHER INSURANCE.** If CCMSI places any specific or aggregate excess insurance, reinsurance, or other insurance product associated with this Agreement, then customary commissions and fees will be retained by CCMSI.

H. **TERM AND TERMINATION.**

1. **Term of Agreement.** The first term of this Agreement shall be for one (1) year beginning on January 1, 2018 and terminating on December 31, 2018. This Agreement terminates upon the conclusion of the term of the agreement unless the parties mutually agree to extend. At least ninety (90) days prior to the expiration of each one (1) year term of this Agreement, the parties shall enter into good-faith negotiations regarding any proposed change in Agreement terms or fees.

2. **Termination of Agreement.** This Agreement may be terminated:

   (a) By mutual agreement of the parties hereto;

   (b) Upon expiration of the current term of this Agreement if either party has given the other at least ninety (90) days written notice of its intention to terminate as set forth in paragraph H. 1.;

   (c) Upon dissolution of the Client’s self-insurance program whether voluntary or due to cessation of Client’s authority to self-insure;

   (d) Upon dissolution of the Client’s self-insurance program due to Client insolvency or bankruptcy;

   (e) Upon ninety (90) days written notice by either party if the other party is in material breach of any term, covenant or condition contained herein; provided, however, that as a condition precedent to termination under this Section H. 2. (e), the terminating party shall give written notice to the other party, who shall have sixty (60) days from the date of such notice to cure or correct the grounds for termination. If the grounds of termination are not corrected or cured during the sixty (60) day period, this Agreement may be terminated on the termination date specified in the notice, but not prior to the expiration of the ninety (90) day period described herein.

   (f) Upon ninety (90) days written notice by either party, for convenience.

3. **Services Following Termination of Agreement.** Should this Agreement be terminated or non-renewed for any reason, CCMSI will cease providing services, turn over to the Client all Client files in CCMSI’s possession, which shall include all open and closed files.
Upon the Client’s request and subject to agreement by CCMSI, CCMSI will be paid a reasonable negotiated fee to:

(a) Provide for continued administration of the open claim files;

(b) Cooperate with any successor administrator in the orderly transfer of all functions, including providing a runoff listing of open claim files if desired by the Client and any other records reasonable and necessary for a successor administrator; and

(c) Provide an electronic transfer of data, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of $2,500.

I. SERVICE FEE PAYMENTS. The Client shall pay to CCMSI a service fee as outlined in the Fee and Payment Schedule attached hereto as Exhibit E.

J. ARBITRATION. If an irreconcilable difference of opinion or claim should arise between the Client and CCMSI as the interpreters of any matter relating to this Agreement, such matter will be submitted to mediation or arbitration as the sole remedy available to both parties. Any such mediation or arbitration will take place in the City of DeKalb, Illinois and will be conducted in accordance with the then-current rules of the American Arbitration Association.

K. RELATIONSHIP OF PARTIES. With respect to the services provided by CCMSI in this Agreement, CCMSI is considered an independent contractor. Nothing in this Agreement shall be construed to create a relationship of employer/employee, partners or joint ventures between the Client and CCMSI. This Agreement is non-exclusive, and CCMSI shall have the right to perform services on behalf of other individuals, firms, corporations and entities.

L. INDEMNIFICATION.

1. Indemnification by Client. The Client agrees that it will indemnify and hold harmless CCMSI and CCMSI’s directors, officers, employees, agents, shareholders, subsidiaries and other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney’s fees incurred by CCMSI as a result of breach of this Agreement by the Client, or alleged misconduct, error or omissions by the Client, or by any of the Client’s trustees, directors, officers, employees, agents, shareholders, subsidiaries, or other affiliates in connection with the performance of this Agreement.

2. Indemnification by CCMSI. CCMSI agrees that it will indemnify and hold harmless the Client and the Client’s trustees, directors, officers, employees, agents, shareholders, subsidiaries, members, or other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney’s fees incurred by the Client as the result of breach of this Agreement by CCMSI or alleged misconduct, error or omissions by CCMSI, or by any of CCMSI’s directors, officers, employees, agents, shareholders, subsidiaries or other affiliates in connection with the performance of this Agreement.
M. CHANGE IN CIRCUMSTANCES. In the event the adoption of any statute, rule or regulation materially changes the nature of the relationship between the parties hereto or the legal or economic premises upon which this Agreement is based, the parties hereto shall undertake good faith negotiations to amend the terms of this Agreement to account for such changes in a reasonable manner.

N. SOFTWARE ACCESS. The Client may be provided with the right to use one or more CCMSI Applications in connection with the services provided by CCMSI in this Agreement. CCMSI Applications include iCE, MyReports, Loss Control ASAP, Loss Control Resources and iCEBAR. The right to use CCMSI Applications is non-exclusive, limited to the term of this Agreement per paragraph H.1., non-transferable and is solely for the internal business use of Client.

CCMSI owns and reserves all rights, title, and interest in and to the CCMSI Applications. Client has no right to receive a copy of the object code or source code to the CCMSI Applications. Client may not attempt to:

1. License, sell, lease or otherwise make the CCMSI Applications available to any other party. Client will not provide any access, passwords or other information regarding the CCMSI Applications to any third parties and/or competitors of CCMSI without the prior written consent of CCMSI;
2. Use the CCMSI Applications in any way that violates any law, regulation or mandate, or the term of this Agreement; or
3. Take any action that jeopardizes confidential or proprietary information held by CCMSI.

Client is responsible for any confidential or proprietary information accessed or downloaded by Client from the CCMSI Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Agreement, CCMSI Applications are provided “as-is”. CCMSI disclaims all other warranties, express, implied, or statutory, including the implied warranties or merchantability, satisfactory quality, title, fitness for a particular purpose, non-infringement, compatibility, security, quiet enjoyment, or accuracy. Without limiting the foregoing, CCMSI does not warrant that access to or use of the CCMSI Applications will be uninterrupted or error-free. CCMSI will provide support for the CCMSI Applications in the two most recent two versions of the Internet Explorer, Chrome, Firefox and Safari browsers.

O. MISCELLANEOUS.

1. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of law.

2. Timing of Services. CCMSI may exercise its own reasonable judgment, within the parameters set forth herein and in compliance with State regulations, as to the time and manner in which it performs the services required hereunder. Additionally, CCMSI will be held to a standard of like administrators performing like services for customers such as Client.

3. Successors in Interest. This Agreement shall be binding upon, and inure to the benefit of, the successors in interest and permitted assigns of the parties hereto.
4. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision had been revised to the minimum extent necessary to make it valid and fully enforceable under applicable law.

5. **Paragraph Headings.** All paragraph headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6. **Waiver.** The failure of any party to enforce any provisions of this Agreement shall not constitute a waiver by such party of any provision. A past waiver of a provision by either party shall not constitute a course of conduct or a waiver in the future with respect to that same provision.

7. **Notice Provision.** All notices, requests and other communications required under this Agreement shall be in writing and delivered by hand or mailed, registered or certified, return receipt requested, postage paid, or sent via a nationally recognized overnight courier to the other party at the following address:

   **Client:**
   Patty Hoppenstedt  
   Assistant City Manager  
   City of DeKalb  
   200 South Fourth Street  
   DeKalb, IL 60115  
   815-748-2393  
   patty.hoppenstedt@cityofdekab.com

   **CCMSI:**  
   Cannon Cochran Management Services, Inc.  
   2 E. Main St.  
   Danville, IL 61832  
   Attn: Chief Operating Officer

8. **File Destruction Policy.** CCMSI will maintain electronic claim file records or hard copy files (where applicable) on all closed files on behalf of Client for a period of fifteen (15) years after the month of closure, or for as long as necessary to protect the applicable statute of limitations, whichever is longer. It is the sole responsibility of Client to advise CCMSI if files are not to be destroyed per this policy.

9. **Insurance.** CCMSI will purchase and maintain insurance coverages for its performance of the services contemplated in this Agreement. Minimum policy limits are as follows:

   Workers Compensation – Statutory  
   Professional - $5,000,000  
   General Liability - $1,000,000 / $2,000,000  
   Umbrella - $5,000,000
10. **Escheatment.** CCMSI will monitor all outstanding checks issued on CCMSI escrow accounts for escheatment. Information necessary for escheatment filings and funds to cover those amounts will be provided to Client no less than 90 days prior to the applicable filing date. Client is solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.

11. **Confidential Information.** Confidential Information includes nonpublic information that is exchanged between the Client and CCMSI, including, without limitation, information relating to the business, financials, personnel, customer data and operating procedures. Confidential Information includes information whether in written, electronic, or oral form created related to services provide under the Agreement. All Confidential Information is proprietary. Client and CCMSI may use the other party’s Confidential Information only for the purpose of this Agreement and will limit its disclosure to only those persons reasonably necessary to perform under the Agreement. CCMSI will share nonpersonal bulk claim data with the IDS National Database unless the Client directs otherwise.

12. **Information Security.** CCMSI is responsible for the protection of the confidentiality, availability, privacy and integrity of Client information in our custody. CCMSI has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all CCMSI personnel, including temporary employees, independent contractors and vendors with access to CCMSI systems.

13. **Entire Agreement/Amendment.** This Agreement sets forth the full and final understanding of the parties hereto with respect to the matters described herein, and supersedes any and all prior agreements and understandings between them, whether written or oral. This Agreement may be amended only by written document executed by the Client and CCMSI.

Executed this 3rd day of January, 2017

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By: [Signature]

[Name]

Its: Chief Operating Officer/Executive Vice President

CITY OF DEKALB

By: [Signature]

[Name]

Its: Acting City Manager

CCMSI
EXHIBIT A

SCHEDULE OF REPORTS

1. A detailed listing of all claims broken down by location, policy year and line of coverage. (MONTHLY)

2. A summary of all claims broken down by location, policy year and line of coverage. (MONTHLY)

3. A check register listing all checks issued during a reporting period. (MONTHLY)
EXHIBIT B

SCHEDULE OF RISK MANAGEMENT SERVICES

None to be provided.
EXHIBIT C

SCHEDULE OF LOSS CONTROL SERVICES

CCMSI will provide five (5) days of loss control services to the City of DeKalb.

The fee for the above services is $5,000. Additional services are available at the rate of $125 per hour subject to ¾ day minimum of $500.

Note: Inspections and recommendations made by CCMSI are advisory and designated to assist the Client in the establishment and maintenance of their own safety activities. CCMSI assumes no responsibility for the management or control of these activities, nor for the correction of the conditions pointed out herein.

CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client.
## EXHIBIT D

**SCHEDULE OF SERVICES AND FEES**

**Provider Bill Re-pricing**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usual and Customary re-pricing</td>
<td>$9.00 per bill</td>
</tr>
<tr>
<td>Fee Schedule state re-pricing</td>
<td>$9.00 per bill</td>
</tr>
<tr>
<td>Medical Bill State Reporting for applicable medical bills to reportable state</td>
<td>$1.50 per reportable bill</td>
</tr>
</tbody>
</table>

**PPO Re-pricing**

PPO re-pricing is billed at 33% of savings

**Pharmacy Network Services**

Pharmacy Network services are priced at 33% of savings.
## FEE AND PAYMENT SCHEDULE

**Service Agreement Term:** 1/1/18 – 12/31/18 (1 Year)  
**Claims Administration (minimum annual):**  

<table>
<thead>
<tr>
<th>Line of Coverage</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability – Bodily Injury</td>
<td>$725</td>
</tr>
<tr>
<td>General Liability – Property Damage</td>
<td>$475</td>
</tr>
<tr>
<td>Auto Liability – Bodily Injury</td>
<td>$725</td>
</tr>
<tr>
<td>Auto Liability – Property Damage</td>
<td>$475</td>
</tr>
<tr>
<td>Collision/Comprehensive</td>
<td>$334</td>
</tr>
<tr>
<td>Errors &amp; Omissions</td>
<td>$1275</td>
</tr>
<tr>
<td>Law Enforcement Legal</td>
<td>$1275</td>
</tr>
<tr>
<td>Employment Practices</td>
<td>$1275</td>
</tr>
<tr>
<td>Property</td>
<td>$636***</td>
</tr>
<tr>
<td>*** Claims over $100,000</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Internet Claims Reporting</td>
<td>Included</td>
</tr>
<tr>
<td>800# Reporting (Optional)</td>
<td>$20 per Claim</td>
</tr>
</tbody>
</table>

**Note:** Any additional charges over the estimated claim fee will be billed at the expiration of the policy term and quarterly thereafter.

### The flat rate unit prices quoted includes:
- Prompt and courteous customer service
- Timely investigation and determination of liability in accordance with CCMSI Best Practices
- Strict adherence to state and federal statutes and regulations, attendance at hearings, as required
- Preparation for and compliance with and response to regulatory audits
- Timely payment of all legitimate claims
- Fraud detection and prevention
- Litigation Management

### Carrier Fees:
If applicable, Client will be responsible for payment of any carrier fees associated with the transition of claim handling responsibilities to CCMSI.

(1) These prices do not include those costs typically identified and expense as allocated loss expenses. Please see the attached roster that details those typical allocated loss expense items. (ex. Field investigation & adjusting)
(2) Claim charges are quoted on a per claim, not per occurrence basis

(3) All injury claims will be submitted to CMS for Medicare eligibility
CCMSI / Gould & Lamb, LLC will report all claims meeting the CMS reporting guidelines

Any occurrence resulting in 10 or more claims will be considered a catastrophic claim. All resulting claims will be handled on a time and expense basis. Any claim which falls under the catastrophic definition in the reinsurance contract, e.g., brain damage, death, etc., will also be handled on a time and expense basis.

<table>
<thead>
<tr>
<th>Annual Administration</th>
<th>$1500</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Account Management Fee Includes:</strong></td>
<td></td>
</tr>
<tr>
<td>• Designated Account Manager</td>
<td></td>
</tr>
<tr>
<td>• Preparation and participation in Semi-Annual claims reviews</td>
<td></td>
</tr>
<tr>
<td>• Risk Management Information System (ICE) cost to include: 2 User IDs; Internet access to your adjusters claim files; the ability to email your adjuster and Account Manager; access to our library of template risk management reports together with initial training and ongoing support</td>
<td></td>
</tr>
<tr>
<td>• Maintenance of the loss fund account</td>
<td></td>
</tr>
<tr>
<td>• Monthly loss runs and loss fund activities reports</td>
<td></td>
</tr>
<tr>
<td>• Filing of all required state forms including state mandated assessments</td>
<td></td>
</tr>
<tr>
<td>• If Client has directed CCMSI to utilize a third party vendor selected by Client for the provision of services then such assistance will be the responsibility of the third party vendor</td>
<td></td>
</tr>
<tr>
<td>• Reporting to excess/fronting carrier</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loss Control Services</th>
<th>See Detail</th>
</tr>
</thead>
</table>

CCMSI will provide five (5) days of loss control services to the City of DeKalb.

The fee for the above services is $5,000. Additional services are available at the rate of $125 per hour subject to ½ day minimum of $500.

**Note:** Inspections and recommendations made by CCMSI are advisory and designated to assist the Client in the establishment and maintenance of their own safety activities. CCMSI assumes no responsibility for the management or control of these activities, nor for the correction of the conditions pointed out herein.

CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client.
**Special System Reports**

<table>
<thead>
<tr>
<th></th>
<th>$125 an hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCMSI will provide special reports, (reports not currently programmed or written) for a fee of $125 per hour for system programming time. CCMSI will provide an estimate of charges before any work will be done.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Index Bureau</strong></th>
<th>$12.30/Index</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>MMSEA Section 111 Reporting</strong></th>
<th>$25/Per Claim Hit</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCMSI in conjunction with our reporting agent will comply with MMSEA Section 111 Reporting on behalf of client.</td>
<td></td>
</tr>
<tr>
<td>- All injury claims will be queried to CMS for Medicare eligibility (no charge).</td>
<td></td>
</tr>
<tr>
<td>- CCMSI will collect additional mandatory data on claims where Medicare eligibility has been verified. CCMSI along with our reporting agent will report all claims meeting the reporting guidelines as set forth by CMS. (one-time $25 per claim fee)</td>
<td></td>
</tr>
</tbody>
</table>

| **Grand Total**                      | $11,500       |

<table>
<thead>
<tr>
<th><strong>Fee &amp; Payment Schedule</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The quarterly installments of $2,875 will be due on January 1, 2018, April 1, 2018, July 1, 2018 and October 1, 2018.</td>
<td></td>
</tr>
</tbody>
</table>

Executed this **3** day of **January** 2017.

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

By: [Signature]

Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

**CITY OF DEKALB**

By: [Signature]

Its: Acting City Manager
SERVICE AGREEMENT BETWEEN
CITY OF DEKALB AND
CANNON COCHRAN MANAGEMENT SERVICES, INC.

THIS SERVICE AGREEMENT is made and entered into this 1st day of January, 2018, by and between City of DeKalb (the "Client"), an authorized self-insured entity, and Cannon Cochran Management Services, Inc. ("CCMSI"), a Delaware corporation. It is agreed between the parties hereto as follows:

A. APPOINTMENT OF CCMSI. The Client hereby appoints CCMSI, and CCMSI hereby agrees to serve, as Third Party Administrator ("Administrator") of the Client’s self-insurance program created and existing under the State of Illinois ("State") Self-Insurance Regulations.

B. FUNCTIONS OF CCMSI. During the term of this Agreement, the regular functions of CCMSI as the Client’s Administrator shall include the following:

1. Claim Administration.
   
   (a) Claim Management and Administration. In compliance with its Best Practices, CCMSI will manage and administer all claims of the Client that occur during the period of this Agreement. All claim payments shall be made with Client funds. CCMSI will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.
   
   (b) Claim Settlement. CCMSI will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.
   
   (c) Claim Reserves. CCMSI will recommend reserves for unpaid reported claims and unpaid claim expenses.
   
   (d) Allocated Claim Expenses. CCMSI will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client’s program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by CCMSI. Allocated Claim Expenses will include, but not be limited to, charges for:

   1) Independent medical examinations of claimants;

   2) Managed care expenses, which include the services provided by comp mc™, CCMSI’s proprietary managed care program. Examples of managed care expenses includes but is not limited to state fee schedule, PPO net works, utilization review, nurse case management, medical bill audits and medical bill review;

   3) Fraud detection expenses, such as surveillance, which include the services provided by FIRE, CCMSI’s proprietary Special Investigation Unit (SIU), and other related
expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;

4) Attorneys, experts and special process servers;

5) Court costs, fees, interest and expenses;

6) Depositions, court reporters and recorded statements;

7) Independent adjusters and appraisers;

8) Index bureau and OFAC (Office of Foreign Assets Control) charges;

9) MMSEA/SCHIP compliance charges;

10) Electronic Data Interchanges, EDI, charges if required by State law;

11) CCMSI personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;

12) Actual reasonable expenses incurred by CCMSI employees outside the State for meals, travel, and lodging in conjunction with claim management;

13) Police, weather and fire report charges that are related to claims being administered under Client’s program;

14) Charges associated with accident reconstruction, cause and origin investigations, etc.;

15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client’s program;

16) Charges associated with Medicare Set-Aside Allocations; and

17) Other expenses normally recognized as ALAE by industry standards.

(e) **Subrogation.** CCMSI will monitor claims for subrogation

(f) **Provision of Reports.** CCMSI agrees to provide reports to the Client as specified in the Schedule of Reports attached hereto as Exhibit A.

2. **Risk Management Services.** CCMSI will provide the Client with additional Risk Management Services not contemplated in the Agreement upon mutual agreement of the parties. The Schedule of additional Risk Management Services to be provided is attached hereto as Exhibit B.

3. **Loss Control Services.** CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of
its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client. The Schedule of Loss Control Services to be provided is attached hereto as Exhibit C.

4. **Managed Care Services.** CCMSI will provide the Client with managed care services (comp mc™) upon mutual agreement of the parties. The Schedule of Managed Care Services to be provided is attached hereto as Exhibit D.

C. **CLIENT RESPONSIBILITIES.** Client agrees to:

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.

2. Reasonably cooperate in the disposition of all claims.

3. Provide adequate funds to pay all claims and expenses in a timely manner.

4. Respond to reasonable information requests in a timely manner.

5. Identify in writing all insurance carriers applicable to CCMSI's claim handling responsibilities contemplated in this Service Agreement that CCMSI will have claim or data reporting requirements. In this regard, Client agrees to provide CCMSI with a complete copy of the current excess or other insurance policies, including applicable endorsements and audits, applicable to Clients insurance program and this Service Agreement. CCMSI assumes no responsibility of any kind for not reporting an otherwise reportable claim to any carrier that Client has failed to disclose to CCMSI and / or provide CCMSI with a copy of the applicable insurance policy and reporting instructions relative to that carrier.

6. Pay any fees or costs charged by any carrier or prior TPA of Client for the conversion of data associated with CCMSI handling run off claims for Client, or for the general transfer of data to CCMSI's operating systems.

7. Promptly pay CCMSI's fees.

D. **OPERATING EXPENSES.** The Client agrees to be responsible for and pay all of its own operating expenses other than service obligations of CCMSI. Such operating expenses shall include but not be limited to charges for the following:

1. All costs associated with Client meeting its State security and licensing requirements;

2. Certified Public Accountants
3. Attorneys, other than provided for in Section B.1. (d) 3) and B.1. (d) 4) of this Agreement;

4. Outside consultants, actuarial services or studies and State audits;

5. Independent payroll audits;

6. Allocated Claims Expenses incurred pursuant to Section B. 1. (d) of this Agreement;

7. All applicable regulatory fees and taxes;

8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies and extraordinary postage, such as bulk mailing, express mail or messenger service.


10. Excess and other insurance premiums;

11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any State or regulatory authority having jurisdiction over Client;

12. Other operating costs as normally incurred by the Client.

E. BOOKS AND RECORDS.

1. (a) CCMSI shall maintain all claim information relating specifically to the Client which is necessary to the performance of CCMSI's obligations under this Agreement (the "Records"). The Records shall remain at all times the sole property of the Client.

   (b) The Records shall not include any manuals, forms, files and reports, documents, customer lists, rights to solicit renewals, computer records and tapes, financial and strategic data, or information which documents CCMSI's processes, procedures and methods, or which CCMSI employs to administer programs other than the Client. The items specified in this Paragraph E. 1. (b) shall at all times be and remain the sole and exclusive property of CCMSI, and the Client shall not have any ownership, interest, right to duplicate or right to utilize these items except for the above documentation or information that relates solely to Client's Program.

2. During the term of this Agreement, CCMSI shall provide the Client with copies of the Records, if so requested by the Client. Any reasonable costs of reproduction of the Records shall be borne by the Client.

3. CCMSI shall make the Records available for inspection by any duly authorized representative of the Client, or any governmental or regulatory authority having jurisdiction over CCMSI or the Client.
F. **NON-SOLICITATION OF EMPLOYEES.** During the term of the Agreement and for two (2) years thereafter, the Client and CCMSI mutually agree not to recruit, solicit or hire any employee of the other without written permission.

G. **OTHER INSURANCE.** If CCMSI places any specific or aggregate excess insurance, reinsurance, or other insurance product associated with this Agreement, then customary commissions and fees will be retained by CCMSI.

H. **TERM AND TERMINATION.**

1. **Term of Agreement.** The first term of this Agreement shall be for one (1) year beginning on January 1, 2018 and terminating on December 31, 2018. Unless the Agreement is terminated as set forth in paragraph H. 2., it will automatically renew for successive one (1) year terms. At least ninety (90) days prior to the expiration of each one (1) year term of this Agreement, the parties shall enter into good-faith negotiations regarding any proposed change in Agreement terms or fees. If there are no changes requested by either party, then the Agreement will automatically renew under the same terms and fee arrangement as the prior term.

2. **Termination of Agreement.** This Agreement may be terminated:

   (a) By mutual agreement of the parties hereto;

   (b) Upon expiration of the current term of this Agreement if either party has given the other at least ninety (90) days written notice of its intention to terminate as set forth in paragraph H. 1.;

   (c) Upon dissolution of the Client’s self-insurance program whether voluntary or due to cessation of Client’s authority to self-insure;

   (d) Upon dissolution of the Client’s self-insurance program due to Client insolvency or bankruptcy;

   (e) Upon ninety (90) days written notice by either party if the other party is in material breach of any term, covenant or condition contained herein; provided, however, that as a condition precedent to termination under this Section H. 2. (e), the terminating party shall give written notice to the other party, who shall have sixty (60) days from the date of such notice to cure or correct the grounds for termination. If the grounds of termination are not corrected or cured during the sixty (60) day period, this Agreement may be terminated on the termination date specified in the notice, but not prior to the expiration of the ninety (90) day period described herein.

   (f) Upon ninety (90) days written notice by either party, for convenience.

3. **Services Following Termination of Agreement.** Should this Agreement be terminated or non-renewed for any reason, CCMSI will cease providing services, turn over to the Client all Client files in CCMSI’s possession, which shall include all open and closed files.
Upon the Client’s request and subject to agreement by CCMSI, CCMSI will be paid a reasonable negotiated fee to:

(a) Provide for continued administration of the open claim files;

(b) Cooperate with any successor administrator in the orderly transfer of all functions, including providing a runoff listing of open claim files if desired by the Client and any other records reasonable and necessary for a successor administrator; and

(c) Provide an electronic transfer of data, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of $2,500.

I. SERVICE FEE PAYMENTS. The Client shall pay to CCMSI a service fee as outlined in the Fee and Payment Schedule attached hereto as Exhibit E.

J. ARBITRATION. If an irreconcilable difference of opinion or claim should arise between the Client and CCMSI as the interpreters of any matter relating to this Agreement, such matter will be submitted to mediation or arbitration as the sole remedy available to both parties. Any such mediation or arbitration will take place in the City of DeKalb, Illinois and will be conducted in accordance with the then-current rules of the American Arbitration Association.

K. RELATIONSHIP OF PARTIES. With respect to the services provided by CCMSI in this Agreement, CCMSI is considered an independent contractor. Nothing in this Agreement shall be construed to create a relationship of employer/employee, partners or joint ventures between the Client and CCMSI. This Agreement is non-exclusive, and CCMSI shall have the right to perform services on behalf of other individuals, firms, corporations and entities.

L. INDEMNIFICATION.

1. Indemnification by Client. The Client agrees that it will indemnify and hold harmless CCMSI and CCMSI’s directors, officers, employees, agents, shareholders, subsidiaries and other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney’s fees incurred by CCMSI as a result of breach of this Agreement by the Client, or alleged misconduct, error or omissions by the Client, or by any of the Client’s trustees, directors, officers, employees, agents, shareholders, subsidiaries, or other affiliates in connection with the performance of this Agreement.

2. Indemnification by CCMSI. CCMSI agrees that it will indemnify and hold harmless the Client and the Client’s trustees, directors, officers, employees, agents, shareholders, subsidiaries, members, or other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney’s fees incurred by the Client as the result of breach of this Agreement by CCMSI or alleged misconduct, error or omissions by CCMSI, or by any of CCMSI’s directors, officers, employees, agents, shareholders, subsidiaries or other affiliates in connection with the performance of this Agreement.
M. **CHANGE IN CIRCUMSTANCES.** In the event the adoption of any statute, rule or regulation materially changes the nature of the relationship between the parties hereto or the legal or economic premises upon which this Agreement is based, the parties hereto shall undertake good faith negotiations to amend the terms of this Agreement to account for such changes in a reasonable manner.

N. **SOFTWARE ACCESS.** The Client may be provided with the right to use one or more CCMSI Applications in connection with the services provided by CCMSI in this Agreement. CCMSI Applications include iCE, MyReports, Loss Control ASAP, Loss Control Resources and iCEBAR. The right to use CCMSI Applications is non-exclusive, limited to the term of this Agreement per paragraph H.1., non-transferable and is solely for the internal business use of Client.

CCMSI owns and reserves all rights, title, and interest in and to the CCMSI Applications. Client has no right to receive a copy of the object code or source code to the CCMSI Applications. Client may not attempt to:

1. License, sell, lease or otherwise make the CCMSI Applications available to any other party. Client will not provide any access, passwords or other information regarding the CCMSI Applications to any third parties and/or competitors of CCMSI without the prior written consent of CCMSI;
2. Use the CCMSI Applications in any way that violates any law, regulation or mandate, or the term of this Agreement; or
3. Take any action that jeopardizes confidential or proprietary information held by CCMSI.

Client is responsible for any confidential or proprietary information accessed or downloaded by Client from the CCMSI Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Agreement, CCMSI Applications are provided “as-is”. CCMSI disclaims all other warranties, express, implied, or statutory, including the implied warranties of merchantability, satisfactory quality, title, fitness for a particular purpose, non-infringement, compatibility, security, quiet enjoyment, or accuracy. Without limiting the foregoing, CCMSI does not warrant that access to or use of the CCMSI Applications will be uninterrupted or error-free. CCMSI will provide support for the CCMSI Applications in the two most recent two versions of the Internet Explorer, Chrome, Firefox and Safari browsers.

O. **MISCELLANEOUS.**

1. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of law.

2. **Timing of Services.** CCMSI may exercise its own reasonable judgment, within the parameters set forth herein and in compliance with State regulations, as to the time and manner in which it performs the services required hereunder. Additionally, CCMSI will be held to a standard of like administrators performing like services for customers such as Client.

3. **Successors in Interest.** This Agreement shall be binding upon, and inure to the benefit of, the successors in interest and permitted assigns of the parties hereto.
4. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision had been revised to the minimum extent necessary to make it valid and fully enforceable under applicable law.

5. **Paragraph Headings.** All paragraph headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6. **Waiver.** The failure of any party to enforce any provisions of this Agreement shall not constitute a waiver by such party of any provision. A past waiver of a provision by either party shall not constitute a course of conduct or a waiver in the future with respect to that same provision.

7. **Notice Provision.** All notices, requests and other communications required under this Agreement shall be in writing and delivered by hand or mailed, registered or certified, return receipt requested, postage paid, or sent via a nationally recognized overnight courier to the other party at the following address:

   **Client:**
   
   Patty Hoppenstedt  
   Assistant City Manager  
   City of DeKalb  
   200 South Fourth Street  
   DeKalb, IL 60115  
   815-748-2393  
   patty.hoppenstedt@cityofdekalb.com

   **CCMSI:**
   
   Cannon Cochran Management Services, Inc.  
   2 E. Main St.  
   Danville, IL 61832  
   Attn: Chief Operating Officer

8. **File Destruction Policy.** CCMSI will maintain electronic claim file records or hard copy files (where applicable) on all closed files on behalf of Client for a period of fifteen (15) years after the month of closure, or for as long as necessary to protect the applicable statute of limitations, whichever is longer. It is the sole responsibility of Client to advise CCMSI if files are not to be destroyed per this policy.

9. **Insurance.** CCMSI will purchase and maintain insurance coverages for its performance of the services contemplated in this Agreement. Minimum policy limits are as follows:

   - Workers Compensation – Statutory
   - Professional - $5,000,000
   - General Liability - $1,000,000 / $2,000,000
   - Umbrella - $5,000,000

10. **Escheatment.** CCMSI will monitor all outstanding checks issued on CCMSI escrow accounts for escheatment. Information necessary for escheatment filings and funds to cover those amounts
will be provided to Client no less than 90 days prior to the applicable filing date. Client is solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.

11. Confidential Information. Confidential Information includes nonpublic information that is exchanged between the Client and CCMSI, including, without limitation, information relating to the business, financials, personnel, customer data and operating procedures. Confidential Information includes information whether in written, electronic, or oral form created related to services provide under the Agreement. All Confidential Information is proprietary. Client and CCMSI may use the other party’s Confidential Information only for the purpose of this Agreement and will limit its disclosure to only those persons reasonably necessary to perform under the Agreement. CCMSI will share nonpersonal bulk claim data with the IDS National Database unless the Client directs otherwise.

12. Information Security. CCMSI is responsible for the protection of the confidentiality, availability, privacy and integrity of Client information in our custody. CCMSI has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all CCMSI personnel, including temporary employees, independent contractors and vendors with access to CCMSI systems.

13. Entire Agreement/Amendment. This Agreement sets forth the full and final understanding of the parties hereto with respect to the matters described herein, and supersedes any and all prior agreements and understandings between them, whether written or oral. This Agreement may be amended only by written document executed by the Client and CCMSI.

Executed this 3 day of January, 2017

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By: ____________________________

Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

CITY OF DEKALB

By: ____________________________

__________________________

Its: Acting city manager
EXHIBIT A

SCHEDULE OF REPORTS

1. A detailed listing of all claims broken down by location, policy year and line of coverage. (MONTHLY)

2. A summary of all claims broken down by location, policy year and line of coverage. (MONTHLY)

3. A check register listing all checks issued during a reporting period. (MONTHLY)
EXHIBIT B

SCHEDULE OF RISK MANAGEMENT SERVICES

None to be provided.
EXHIBIT C

SCHEDULE OF LOSS CONTROL SERVICES

CCMSI will provide five (5) days of loss control services to the City of DeKalb.

The fee for the above services is $5,000. Additional services are available at the rate of $125 per hour subject to ½ day minimum of $500.

Note: Inspections and recommendations made by CCMSI are advisory and designated to assist the Client in the establishment and maintenance of their own safety activities. CCMSI assumes no responsibility for the management or control of these activities, nor for the correction of the conditions pointed out herein.

CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client.
EXHIBIT D

SCHEDULE OF comp mc™ SERVICES AND FEES

**Provider Bill Re-pricing**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usual and Customary re-pricing</td>
<td>$9.00 per bill</td>
</tr>
<tr>
<td>Fee Schedule state re-pricing</td>
<td>$9.00 per bill</td>
</tr>
<tr>
<td>Medical Bill State Reporting for applicable medical bills to reportable state</td>
<td>$1.50 per reportable bill</td>
</tr>
</tbody>
</table>

**PPO Re-pricing**

PPO re-pricing is billed at 33% of savings

**Pharmacy Network Services**

Pharmacy Network services are priced at 33% of savings.
EXHIBIT E

FEE AND PAYMENT SCHEDULE

<table>
<thead>
<tr>
<th>Service Agreement Term: 1/1/18-12/31/18 (1 Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Services:</strong></td>
</tr>
<tr>
<td>Claims Administration (minimum annual)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Fees:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000*</td>
</tr>
</tbody>
</table>

CCMSI will manage all new workers’ compensation claims for Life of Agreement for the per claim fees as follows:

Claims will be analyzed by the number and type of claim on an on-going basis and priced on a per claim basis as outlined below.

<table>
<thead>
<tr>
<th>Workers Compensation/Newly Reported claims only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Line of Coverage</strong></td>
</tr>
<tr>
<td>WC- Indemnity Claims</td>
</tr>
<tr>
<td>WC - Medical Only Claims</td>
</tr>
<tr>
<td>WC – Incident Only Claims</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Internet Claims Reporting</td>
</tr>
<tr>
<td>800# Reporting (Optional)</td>
</tr>
<tr>
<td><strong>Per claim Fee</strong></td>
</tr>
<tr>
<td>$924 per claim</td>
</tr>
<tr>
<td>$151 per claim</td>
</tr>
<tr>
<td>$35 per claim</td>
</tr>
<tr>
<td>Fee</td>
</tr>
<tr>
<td>Included</td>
</tr>
<tr>
<td>$20 per Claim</td>
</tr>
</tbody>
</table>

*Note: Any additional charges over the estimated claim fee will be billed at the expiration of the policy term and quarterly thereafter.

**The flat rate unit prices quoted includes:**
- Prompt and courteous customer service
- Timely investigation and determination of liability in accordance with CCMSI Best Practices
- Strict adherence to state and federal statutes and regulations, attendance at hearings, as required.
- Preparation for and compliance with and response to regulatory audits
- Timely payment of all legitimate claims
- Fraud detection and prevention
- Litigation Management
- Quarterly Claim Reviews

**Carrier Fees:**
If applicable, Client will be responsible for payment of any carrier fees associated with the transition of claim handling responsibilities to CCMSI.

(1) These prices do not include those costs typically identified and expense as allocated loss expenses. Please see the attached roster that details those typical allocated loss expense items. (ex. Field investigation & adjusting)

(2) Claim charges are quoted on a per claim, not per occurrence basis
(3) All injury claims will be submitted to CMS for Medicare eligibility. CCMSI / Gould & Lamb, LLC will report all claims meeting the CMS reporting guidelines.

Any occurrence resulting in 10 or more claims will be considered a catastrophic claim. All resulting claims will be handled on a time and expense basis. Any claim which falls under the catastrophic definition in the reinsurance contract, e.g., brain damage, death, etc., will also be handled on a time and expense basis.

**Workers' Compensation Claim Definitions**

- **Indemnity Claims** — Claims involving lost-time, questionable compensability, legal involvement, subrogation, second injury fund, probable permanent impairment/disability, jurisdictional issues, coverage issues or claims involving complex issues that are assigned or transferred to the indemnity adjuster for claims handling.

- **Medical Only Claims** — Claims which have no issues of lost time, no evidence of other indemnity benefit exposure, no obvious question of compensability, no evidence of potential subrogation or second injury fund recovery, no evidence of problematic medical issues and no requirement or need for any formal statements.

- **Report Only/Incident Only Claims** — Reported claims which require only input into RMIS system and requires no claims management activity.

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<table>
<thead>
<tr>
<th>Annual Administration</th>
<th>Included</th>
</tr>
</thead>
</table>

**Annual Account Management Fee includes:**

- Designated Account Manager
- Preparation and participation in Semi-Annual claims reviews
- Risk Management Information System (ICE) cost to include: 2 User IDs; Internet access to your adjusters claim files; the ability to email your adjuster and Account Manager; access to our library of template risk management reports together with initial training and ongoing support
- Maintenance of the loss fund account
- Monthly loss runs and loss fund activities reports
- Filing of all required state forms including state mandated assessments
  - If Client has directed CCMSI to utilize a third party vendor selected by Client for the provision of services then such assistance will be the responsibility of the third party vendor
- Reporting to excess/froniting carrier
CITY OF DEKALB - SERVICE AGREEMENT
Page 16 of 17

<table>
<thead>
<tr>
<th>Loss Control Services</th>
<th>5 Days</th>
<th>Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCMSI will provide five (5) days of loss control services to the City of DeKalb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The fee for the above services is $5,000. Additional services are available at the rate of $125 per hour subject to 1/3 day minimum of $500.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note**: Inspections and recommendations made by CCMSI are advisory and designated to assist the client in the establishment and maintenance of their own safety activities. CCMSI assumes no responsibility for the management or control of these activities, nor for the correction of the conditions pointed out herein.

<table>
<thead>
<tr>
<th>Managed Care Service</th>
<th>See Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provider Bill Re-pricing</strong></td>
<td></td>
</tr>
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| **PPO Re-pricing** |
| PPO re-pricing is billed at 33% of savings |

| **Pharmacy Network Services** |
| Pharmacy Network services are priced at 33% of savings. |

| **Special System Reports** | $125 an hour |
| CCMSI will provide special reports, (reports not currently programmed or written) for a fee of $125 per hour for system programming time. CCMSI will provide an estimate of charges before any work will be done. |

| **Index Bureau** | $12.30/Index |

| **MMSEA Section 111 Reporting** | $25/Per Claim Hit |
| CCMSI in conjunction with our reporting agent will comply with MMSEA Section 111 Reporting on behalf of client. |
| * All injury claims will be queried to CMS for Medicare eligibility (no charge). |
| * CCMSI will collect additional mandatory data on claims where Medicare eligibility has been verified. CCMSI along with our reporting agent will report all claims meeting the reporting guidelines as set forth by CMS. (one-time $25 per claim fee) |

| **Grand Total** | $25,000 |

| **Fee & Payment Schedule** |
| The quarterly installments of $6,250 will be due on January 1, 2018, April 1, 2018, July 1, 2018 and October 1, 2018. |
CITY OF DEKALB - SERVICE AGREEMENT

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Executed this 3 day of January, 2017

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By: Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

CITY OF DEKALB

By: C. Hoppelett

Its: Acting City Manager