

## ORDINANCE NO. 48-16

**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH USI INSURANCE SERVICES, LLC FOR THE CITY'S PROPERTY AND GENERAL LIABILITY INSURANCE FOR THE PERIOD OF APRIL 1, 2016 THROUGH MARCH 31, 2017, AND DECLARING AN EMERGENCY.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEDINA, OHIO:**

- SEC. 1:** That the Mayor is hereby authorized and directed to enter into a contract with USI Insurance Services, LLC for the City's Property and General Liability Insurance for the period of April 1, 2016 through March 31, 2017.
- SEC. 2:** That the funds to cover this expenditure in the estimated amount of \$130,629.00 are available in each appropriate budget.
- SEC. 3:** That in accordance with Ohio Revised Code §5705.41(D), at the time that the contract or order was made and at the time of execution of the Finance Director's certificate, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance.
- SEC. 4:** That a copy of the Brokerage Agreement is marked Exhibit A, attached hereto and incorporated herein.
- SEC. 5:** That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.
- SEC. 6:** That this Ordinance shall be considered an emergency measure necessary for the immediate preservation of the public peace, health and safety, and for the further reason to renew said policy which expired April 1, 2016; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and signature by the Mayor.

**PASSED:** April 11, 2016

**SIGNED:** John M. Coyne, III  
President of Council

**ATTEST:** Kathy Patton  
Clerk of Council

**APPROVED:** April 12, 2016

**SIGNED:** Dennis Hanwell  
Mayor

**Effective date – April 1, 2016**



UNDERSTAND. SERVICE. INNOVATE.

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## INSURANCE PROPOSAL

*Prepared for:*

**City of Medina**

*Policy Period:* April 1, 2016 to April 1, 2017

*Presented by:* Robert M. Beglin, Vice President

*Date Prepared:* March 23, 2016

*This is a coverage summary, not a legal contract. This summary is provided to assist in your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage.*

*Higher limits and additional coverage may be available. Please contact us if you are interested in additional quotes.*

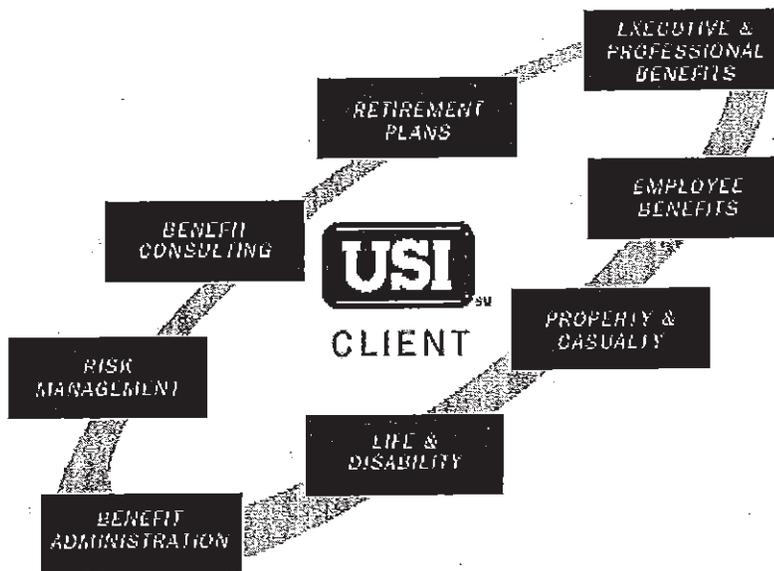
USI Insurance Services LLC · 10100 Innovation Dr., Suite 220 · Dayton, OH 45342 · 937.223.8891 · [www.usi.biz](http://www.usi.biz)

# About USI

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## THE POWER OF ONE

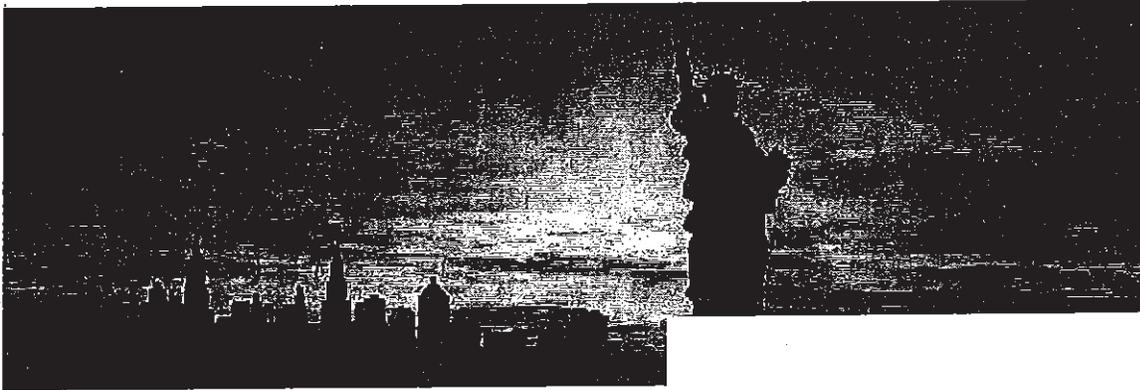
*What makes USI different from other traditional brokers and consultants?*



A single source.

One point of contact. One service administrator.  
One source for all of your insurance and financial services.

USI's unique delivery design gives you unparalleled single-source access to a complete array of linked solutions from our nationwide network of strategic partnerships – and a corresponding, cohesive service program that is not just convenient, but responsive to your risk management profile.



## Public Entities

With a long history of partnering with public entities, USI understands that risk management in the public sector is not the same as risk management in the private sector.

Effectively managing risk in the public sector requires the assistance of a special broker who understands the distinct exposures of public entities and one who can work with you in developing a program that best meets your needs.

Making sound decisions regarding loss control and risk financing requires balancing the often-conflicting objectives of maintaining a desirable tolerance of risk while still meeting obligations to provide services, and doing so within a limited budgeting horizon and under what can sometimes be a great deal of political scrutiny.

USI is prepared to assist you with all your risk management needs whether you are a State, County, City Government, Town or Township, School District or Special Purpose District.

### PRODUCTS

- Property Insurance Coverage
- Broad Form Commercial Property Including Business Income
- Commercial Inland Marine
- Boiler and Machinery
- Commercial Crime
- Commercial Automobile
- Garage
- Ocean Marine
- Aviation

### LIABILITY INSURANCE COVERAGE

- Commercial General Liability
- Workers Compensation and Employer's Liability
- Products Liability
- Medical Professional Liability
- Environmental Impairment Liability
- Asport Liability
- Excess and Umbrella Liability

### SPECIAL LIABILITY COVERAGE

- Public Officials Liability
- Police Professionals Liability
- Educators Legal Liability
- Contracts of Suretyship
- Public Official Bonds

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## Service Team

### President

Your President is *John Jagodzinski*

Direct Number: 937-913-1327

Fax Number: 866-785-5949

E-Mail: [John.Jagodzinski@usi.biz](mailto:John.Jagodzinski@usi.biz)

### Sales Executive

Your Sales Executive is *Rob Beglin*

Direct Number: 937-913-1320

Fax Number: 866-972-7405

E-Mail: [Rob.Beglin@usi.biz](mailto:Rob.Beglin@usi.biz)

### Account Executive

Your Account Executive is *April Valenti*

Direct Number: 937-913-1329

Fax Number: 866-972-4838

E-Mail: [April.Valenti@usi.biz](mailto:April.Valenti@usi.biz)

### Assistant Account Manager

Your Assistant Account Manager is *Melinda McNabb*

Direct Number: 937-913-1324

Fax Number: 866-969-1297

E-Mail: [Melinda.McNabb@usi.biz](mailto:Melinda.McNabb@usi.biz)

## A.M. Best Rating Guide

Level	Category	Level	Category	Level	Category
A++, A+	Superior	B, B-	Fair	D	Poor
A, A-	Excellent	C++, C+	Marginal	E	Under Regulatory Supervision
B++, B+	Very Good	C, C-	Weak	F	In Liquidation
				S	Rating Suspended

**Financial Size Categories**  
(In \$000 of Reported Policyholder's Surplus Plus Conditional Reserve Funds)

FSC I		Up to	1,000	FSC IX	250,000	to	500,000
FSC II	1,000	to	2,000	FSC X	500,000	to	750,000
FSC III	2,000	to	5,000	FSC XI	750,000	to	1,000,000
FSC IV	5,000	to	10,000	FSC XII	1,000,000	to	1,250,000
FSC V	10,000	to	25,000	FSC XIII	1,250,000	to	1,500,000
FSC VI	25,000	to	50,000	FSC XIV	1,500,000	to	2,000,000
FSC VII	50,000	to	100,000	FSC XV	2,000,000	or more	
FSC VIII	100,000	to	250,000				

Copies of the Best's Insurance Reports on the Insurance companies are available upon your request.

Carrier	Coverage Quoted	A.M. Best Rating	Admitted
Argonaut Insurance Company	Package	A:XII	Admitted

A Non-Admitted Carrier indicates the carrier is doing business in the state as a surplus lines or non-admitted carrier.  
As such, this carrier is not subject to the same regulation which apply to an admitted carrier.

## Property

Description	Limit	Deductible
Blanket Building & Contents Limit	\$54,726,384	\$5,000
Earthquake Limit	\$5,000,000	\$50,000
Flood Limit	\$5,000,000	\$50,000
Accounts Receivable	\$250,000	\$5,000
Arson Reward	\$7,500	S/A
Building Ordinance or Law	Building Limit	S/A
Building Under Construction	\$100,000	S/A
Loss to Undamaged Portion of Building	Building Limit	S/A
Crime Rewards	\$1,000/\$5,000	S/A
Debris Removal	25% of loss	S/A
Detached Signs	\$25,000	S/A
Extra Expense/Business Income	\$500,000	\$5,000
Fine Arts	\$50,000	\$5,000
Fire Department Service Charge	\$5,000	\$5,000
Fire Equipment Recharge	Included	S/A
Flagpoles	\$5,000	S/A
Foundations	Included	S/A
Newly Acquired or Constructed Property	\$1,000,000 bldg \$500,000 contents	S/A
Outdoor Property	\$1,000/\$50,000	S/A
Paved Services	Included	S/A
Property Off Premises	\$250,000	S/A
Personal Property of employees or volunteers	\$1,500/\$50,000	S/A
Property in transit	\$100,000	\$5,000
Pollutant Clean up and Removal	\$25,000	\$5,000

## Property - continued

Description	Limit	Deductible
Sewer Backup (insured's property)	Included	\$5,000
Valuable Papers	\$250,000	\$5,000

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Boiler & Machinery

Description	Limit	Deductible
Property	\$54,726,384	\$5,000
Expediting Expense	\$100,000	\$5,000
Hazardous Substances	\$100,000	\$5,000
Computer Equipment	\$100,000	\$5,000
Data Restoration	\$100,000	\$5,000
Spoilage	\$100,000	\$5,000
Service Interruption		24 Hour
Demolition & ICC	\$500,000	\$5,000

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Inland Marine

Description	Limit	Deductible
Miscellaneous Unscheduled Equipment/ ACV	\$1,175,000	\$1,000
Miscellaneous Scheduled Equipment / RC	\$1,369,020	\$1,000
Communications Equipment/ ACV	\$282,000	\$1,000
Computer Equipment / ACV	\$300,000	\$1,000
Hired, Leased, Borrowed Equipment/RC	\$250,000	\$1,000

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Liability

Description	Limit	Deductible
Each Occurrence Limit	\$1,000,000	Nil
General Liability – Aggregate	\$3,000,000	
Damage to Premises Rented to You	\$1,000,000	
Employee Benefits Limit	\$1,000,000	\$1,000
Employer Liability (Ohio Stop Gap)	\$1,000,000	\$1,000
Law Enforcement Liability – Each Occurrence	\$1,000,000	\$10,000
Law Enforcement Liability - Aggregate	\$3,000,000	
Public Official Liability	\$1,000,000	\$10,000
Public Official Liability Aggregate	\$3,000,000	
Employment Practice Liability	\$1,000,000	\$10,000
Employment Practice Liability Aggregate	\$3,000,000	

Retro Date: 4/1/1997

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Automobile

Description	Limit	Deductible
Automobile Liability	\$1,000,000	None
Uninsured/Underinsured Motorists Liability	\$100,000/\$100,000	None
Medical Payments	\$5,000	None
Comprehensive		\$500
Collision		\$500
Non-Owned Liability	Included	None
Hired Car Liability	Included	None
Hired Car Physical Damage	\$50,000	\$1,000

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Excess

Description	Limit	Deductible
Excess Liability Each Occurrence	\$10,000,000	None
Excess Liability Silo Aggregates	\$10,000,000	
Follow form over:		
General Liability		
Ohio Stop Gap Liability		
Law Enforcement Liability		
Public Official Liability		
Employee Benefits Liability		
Employment Practice Liability		
Automobile Liability		

**Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.**

## Premium Summary

Coverage	Proposed Premium
Property	Included
Boiler & Machinery	Included
Inland Marine	Included
Crime	Included
General Liability	Included
Employee Benefits Liability	Included
Ohio Stop Gap Liability	Included
Public Official Liability	Included
Employment Practice Liability	Included
Law Enforcement Liability	Included
Automobile Liability	Included
Automobile Physical Damage	Included
\$10MM Excess Liability	Included
Terrorism Coverage	Excluded
<b>Policy Annual Premium</b>	<b>\$120,129</b>
<b>Broker Fee</b>	<b>\$10,500</b>
<b>Total Annual Premium Payable to USI Insurance</b>	<b>\$130,629</b>

**Payment Terms:**

- Annual Payment
- 25% Minimum earned premium
- Premium due upon receipt of invoice

**Binding Requirements:**

- "Client Authorization To Bind" signed by the insured

**Note:** This is a coverage summary, not a legal contract. This summary is provided to assist in your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage.

In evaluating your exposure to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operation, hiring employees in new states, buying additional property, etc., please let us know so proper coverage(s) can be discussed.

Higher limits may be available. Please contact us if you would like a quote for higher limits.

## Coverage Endorsements and Exclusions Section

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### PROPERTY COVERAGE ENDORSEMENTS:

- Replacement Cost
- Margin Clause applicable 125%
- 0% Coinsurance
- 360 –Additional Coverage Modifications
- Liberalization Clause broadens the coverage provided under property section or the policy without additional premium within 45 days prior to or during the policy period.
- Loss Payable Clause
- Newly Acquired – automatic up to 120 days for date of acquisition, real or personal property and business interruption. Flood and earthquake are excluded.
- Personal Property of officers and employees of the insured, other than motor vehicles.
- Policy Territory includes the United States of America (its territories and possessions), Puerto Rico and Canada.
- 30 Days Notice of Cancellation – non-renewal or material change.
- 10 Days Notice of Cancellation – non-payment

### PROPERTY COVERAGE EXCLUSIONS:

- Broad Form Nuclear Contamination
- Acts of Terrorism unless other wised purchased.
- Delay or loss or market, or any other consequential or remote loss of any kind.
- Dishonest criminal acts by you, your partners, employees, directors or anyone to whom you entrust the property for any purpose.
- Earth Movement unless purchased
- Errors in Machine Programming or Instructions to Machines.
- Land
- Loss or damage as a result of insects, vermin, birds, or other animals.
- Loss of Earnings to Finished Stock, including time required to reproduce.
- Retaining wall that are not part of a building
- Underground pipes, flues or drains
- Water/Flood Damage unless purchased
- Unexplained or Mysterious Disappearance

### BOILER COVERAGE ENDORSEMENTS:

- Equipment Breakdown coverage
- Jurisdictional Inspection

### BOILER COVERAGE EXCLUSIONS:

- Corrosion, Erosion, Wear & Tear Exclusion
- EDP Media Exclusion – defect, virus, loss of data or other situation
- Fines

## Coverage Endorsements and Exclusions Section - continued

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### GENERAL LIABILITY COVERAGE ENDORSEMENTS:

- **Aggregates Limits of insurance**
- **Legal Liability**
- **Blanket Additional Insureds Endorsement**
- **Broadened Named Insureds**
- **Contractual Liability**
- **Employees as Insured**
- **Host Liquor Liability**
- **Limited Pollution coverage**
- **Knowledge of Occurrence**
- **Newly Acquired**
- **Non-Owned Watercraft – less than 51 feet long**
- **Volunteers as Insureds**
- **30 Days Notice of Cancellation Non-Renewal or Material Change**
- **10 Days Notice of Cancellation Non-Payment**
- **Includes coverage for:**
  - **EMT's/Fire Department**
  - **Swimming Pools/Waterslides**
  - **Special Events/Parks & Playgrounds/Skateboard Activities**
  - **Chemical Spraying/Cemeteries**
  - **Sewer/Water Utilities**
  - **Rifle Ranges**
  - **Fireworks/Special Events**

### GENERAL LIABILITY COVERAGE EXCLUSIONS:

- **Asbestos Exclusion**
- **Aircraft, auto**
- **Bodily injury to any insured**
- **Bodily injury to any person injured while taking part in athletics**
- **Damage to Property of others**
- **Nuclear Energy Liability Exclusion**
- **Pollution Exclusion – except for hostile fire**
- **Professional Services Exclusion**
- **Workers Compensation**
- **War**
- **Watercraft over 26'**

## Coverage Endorsements and Exclusions Section - continued

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### **PUBLIC OFFICIAL LIABILITY COVERAGE ENDORSEMENTS:**

- Broad Named insured includes past, present and future officials
- Zoning
- Land Use
- Permits
- Liable / Slander / Defamation / Wrongful Eviction

### **PUBLIC OFFICIAL LIABILITY COVERAGE EXCLUSIONS:**

- War
- Bodily injury to employee
- Issuance of bonds/ tax assessment or valuations of properties/tax collection
- Criminal Acts-applies only to individual(s) who committed act
- Civil or criminal fines or penalties
- Prior or pending litigation
- Employment liability claims
- Collective bargaining agreement; lockout, strike, labor disputes or labor negotiations,
- union grievances
- Claim for equitable or injunctive relief initiated by a governmental entity

### **EMPLOYMENT PRACTICE LIABILITY ENDORSEMENTS:**

- Broad named insured
- EEOC Defense \$10,000/\$50,000 -\$5,000 deductible
- Back wages \$50,000 aggregate -\$10,000 deductible
- Non – monetary defense for lawsuit (\$50,000 aggregate)

### **EMPLOYMENT PRACTICE LIABILITY EXCLUSIONS:**

- Collective bargaining agreement
- lockout, strike, labor disputes or labor negotiations, union grievances
- FLSA/MLRA/WARN/COBRA/ERISA/PBA/OSHA
- Criminal Acts- applies only to individuals(s) who committed act
- Claim for equitable or injunctive relief initiated by a governmental entity

## Coverage Endorsements and Exclusions Section - continued

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### LAW ENFORCEMENT LIABILITY COVERAGE ENDORSEMENTS:

- Departmental authorized moonlighting
- Civil Rights violations
- Intentional Acts
- Vehicular Hot Pursuit

### LAW ENFORCEMENT LIABILITY COVERAGE EXCLUSIONS:

- War
- Bodily injury to employee
- Employment liability claims
- Criminal Acts-applies only to individual(s) who committed act
- Collective bargaining agreement; lockout, strike, labor disputes or labor negotiations, union grievances

### AUTOMOBILE COVERAGE ENDORSEMENTS:

- Additional Insured Lessors
- Broad Named Insured
- Bodily Injury Redefined
- Communication Equipment Coverage – permanently installed
- Emergency Equipment attached to vehicles
- Employees as Insured
- Fleet Coverage Endorsement
- Hired Autos specified as Covered Autos
- Knowledge of Occurrence
- Loss Payable Clause
- Mandatory State Endorsements
- Notice of Occurrence
- Waiver of Subrogation
- 30 Day Notice of Cancellation Non-Renewal or Material Change
- 10 Day Notice of Cancellation Non-Payment
- Freezing coverage applies for Fire, Ambulance & Rescue vehicles
- One deductible applies for auto physical damage in conjunction with a property or equipment claim
- Hired, borrowed or commandeered vehicles include physical damage coverage
- Fleet Automatic Coverage (no additional premium charged during policy year to add & delete vehicles)

### AUTOMOBILE COVERAGE EXCLUSIONS:

- War /Nuclear Energy
- Pollution

## Coverage Endorsements and Exclusions Section - continued

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### EXCESS COVERAGE ENDORSEMENTS:

- **Defense and Supplementary Payments** – in addition to applicable limits
- **Drop Down Clause** – reduced or exhausted underlying limits
- **Employees as Insured**
- **Hostile Fire Pollution Coverage**
- **Named Insured Endorsement** – follows underlying policies
- **Notice of Occurrence**
- **Pay on Behalf Insuring Agreement**
- **30 Days Notice of Cancellation Non-Renewal or Material Change**
- **10 Days Notice of Cancellation Non-Payment**
- **Silo Aggregate** – individual excess limit over each underlying coverage

### EXCESS COVERAGE EXCLUSIONS:

- **Asbestos Liability Exclusion**
- **Care, Custody & Control Exclusion** – Real and Personal Property
- **Cross Suits Exclusion**
- **ERISA Exclusion**
- **Insolvency Drop Down Exclusion**
- **Nuclear Energy Liability**
- **Underlying Policy Exclusions** – included
- **Uninsured/Underinsured Motorists Exclusion**
- **Workers Compensation / Unemployment Compensation Exclusion**

## Coverage Endorsements and Exclusions Section - continued

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### CRIME COVERAGE ENDORSEMENTS:

- 30 Days Notice of Cancellation Non-Renewal or Material Change
- Loss caused by employee dishonesty
- Loss caused by Theft, Disappearance or Destruction of Money and/or securities
- Checks, drafts, promissory notes, or similar written promises to pay a sum certain in money made or drawn upon you

### CRIME COVERAGE EXCLUSIONS:

- Nuclear, War or Similar Actions
- Employee required by law to be individually bonded

### INLAND MARINE COVERAGE ENDORSEMENTS:

- 30 Days Notice of Cancellation Non-Renewal or Material Change
- New acquisitions – 90 day automatic coverage
- Rental Expense Reimbursement

### INLAND MARINE COVERAGE EXCLUSIONS:

- Vehicles
- Real property & buildings
- Aircraft
- Wear & tear, inherent vice, freezing
- Mysterious disappearance or shortage disclosed by taking inventory
- Flood, surface water

### GENERAL COVERAGE ENDORSEMENTS / EXCLUSIONS:

- Notice of Occurrence
- Unintentional Errors & Omissions
- Sovereign Immunity non-waiver
- One deductible for two or more coverage parts included in loss
- Asbestos Exclusion

## Recommendations

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- Trident can provide \$1,000,000 Cyber Liability limit for approximately \$6,000. In order to obtain a firm quote, we will need to complete an application.
- Review of current safety programs and training

## USI Disclosures

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**INFORMATION CONCERNING OUR FEES:** As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. Our compensation for placement of insurance coverage, unless otherwise specifically negotiated and agreed to with our client, is customarily based on commission calculated as a percentage of the premium collected by the insurer and is paid to us by the insurer. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

# USI Privacy Notice

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## ***Our Privacy Promise to You***

USI provides this notice to you, our customer, so that you will know what we will do with the personal information, personal financial and health information (collectively referred to as the "protected information") that we may receive from you directly or receive from your health care provider or receive from another source that you have authorized to send us your protected information. We at USI are concerned about your privacy and assure you that we will do what is required of us to safeguard your protected information.

## ***What types of information will we be collecting?***

USI collects information from you required both for our business and pursuant to regulatory requirements. Without it, we cannot provide our products and services for you. We will be collected protected information about you from:

- Applications or other forms, such as name, address, Social Security number, assets and income, employment status and dependent information;
- Your transactions with us or your transactions with others, such as account activity, payment history, and products and services purchased;
- Consumer reporting agencies, such as credit relationships and credit history. These agencies may retain their reports and share them with others who use their services;
- Other individuals, businesses and agencies, such as medical and demographic information; and
- Visitors to our websites, such as information from on-line forms, site visitorship data and on-line information collection devices, commonly called "cookies."

## ***What will we do with your protected information?***

The information USI gathers is shared within our company to help us maximize the services we can provide to our customers. We will only disclose your protected information as is necessary for us to provide the insurance products and services you expect from us. USI does not sell your protected information to third parties, nor does it sell or share customer lists.

We may also disclose all of the information described above to third parties with which we contract for services. In addition, we may disclose your protected information to medical care institutions or medical professionals, insurance regulatory authorities, law enforcement or other government authorities, or to affiliated or nonaffiliated third parties as is reasonably necessary to conduct our business or as otherwise permitted by law.

## ***Our Security Procedures***

At USI, we have put in place the highest measures to ensure the security and confidentiality of customer information. We will handle the protected information we receive by restricting access to the protected information about you to those employees and agents of ours who need to know that information to provide you with our products or services or to otherwise conduct our business, including actuarial or research studies. Our computer database has multiple levels of security to protect against threats or hazards to the integrity of customer records, and to protect against unauthorized access to records that may harm or inconvenience our customers. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to safeguard all of your protected information.

## ***Our Legal Use of Information***

We retain the right to use ideas, concepts, know-how, or techniques contained in any nonpublic personal information you provide to us for our own purposes, including developing and marketing products and services.

## ***Your Right to Review Your Records***

You have the right to review the protected information about you relating to any insurance or annuity product issued by us that we could reasonably locate and retrieve. You may also request that we correct, amend or delete any inaccurate information by writing to us at the above address.



# PROPERTY/CASUALTY BROKERAGE SERVICE FEE AGREEMENT

This template agreement can be modified to fill in the blanks for a particular transaction; however, ANY SUBSTANTIVE DEVIATION from the provisions of this template agreement shall require approval the Regional CEO, the Regional CFO, and the USI Legal Department.

## INSTRUCTIONS:

### SECTION 2:

OPTION A - IS MANDATORY IN ALL TRANSACTIONS.

OPTION B - MAY BE USED ONLY UPON THE EXPRESS WRITTEN APPROVAL OF A REGIONAL CEO FOLLOWING NOTIFICATION TO USI LEGAL DEPARTMENT

OPTION C - MAY BE USED WHEN USI WILL EARN COMMISSION ON LINES OF COVERAGE NOT INCLUDED IN THE FEE OR WHEN THE USI LEGAL DEPARTMENT CONFIRMS APPLICABLE STATE LAW PERMITS BROKER TO RECEIVE FEE AND COMMISSIONS

Please forward all questions to:

Terry L Burston

Assistant General Counsel

914-749-8541 | [terry.burston@usi.biz](mailto:terry.burston@usi.biz)

**BROKERAGE SERVICE FEE AGREEMENT**

THIS AGREEMENT, effective as of 01/01/2016, is by and between City of Medina ("Client"), located at 132 N. Elmwood Avenue, Medina, Ohio 44256 and ("USI"), located at 10100 Innovation Dr., Suite 220, Dayton, OH 45342.

WHEREAS, Client has appointed USI as its broker of record for City of Medina' insurance program described below, and

NOW, THEREFORE, in consideration of the following, Client agrees to engage USI, and USI hereby agrees to perform the services described below.

1. SCOPE OF SERVICES

A) *Risk Management*

1. Negotiate coverage terms, premiums, and the placement of coverage with insurers, for Client's insurance program described as follows: **Property, General Liability, Inland Marine, Commercial Auto, Law Enforcement Liability, Public Officials Liability, Employment Practices and Excess Liability coverages.**
2. Review insurance policies for conformity with the insurers' proposals and obtain necessary revisions.
3. Obtain from the insurers and promptly deliver to Client the requested insurance policies, endorsements, and related documentation on the understanding that Client will also review all such documents delivered to Client and promptly advise USI of any revisions that may be needed;
4. Verify the accuracy of each binder, certificate, endorsement, premium audit, and premium adjustment, and other documents received from Client's insurer(s), and obtain revisions from insurers when needed.
5. Prepare certificates of insurance as requested by Client and as appropriate.
6. Prepare a schedule of Client's insurance policies, including the names of the insurers, policy numbers, term, limits of liability, deductibles, retentions, payment plans and the estimated annual premium.
7. Monitor the financial strength of the insurer(s) providing Client's coverages, and inform Client in the event that the A.M. Best rating of such insurer(s) is reduced below "A-".
8. Assist Client in developing and maintaining the underwriting-related information required to obtain insurance coverage, relying on the information provided by Client on the understanding that Client shall be responsible for the accuracy such information.
9. Furnish continuing advice, technical assistance and counsel to Client, as requested by Client.

10. Provide periodic forecasts of ultimate losses to Client in reliance on information provided by insurers and Client.

*B) Claims, Loss Control & Engineering*

1. Monitor the loss control assistance provided by Client's insurers, evaluate the insurers' recommendations submitted and attempt to negotiate amendments where requested by Client and as appropriate.
2. Provide detailed loss data to Client on a periodic basis, based on data from the insurers or, if available, from USI's databases.
3. Analyze Client's loss data to determine trends in causes and sites of incidents, and provide the data analysis to Client on a periodic basis.
4. Monitor the claim services provided by Client's insurers, including assistance with claims submission interpretation of insurance policies.
5. Attend claims review meetings convened by Client's insurers as requested by Client.
6. Analyze reserve amounts allocated for claims by insurers and notify Client as to increases.
7. Monitor problematic claims regularly.
8. Conduct loss control surveys at the Client's facilities as agreed in writing by Client and USI.

USI reserves the right to re-negotiate this Agreement in the event that the hours of service provided by USI exceed the fees set forth in Section 2. However, no renegotiation shall be valid until both parties sign a written memorandum specifying the additional compensation.

As respects all Loss Control and Engineering services described above, USI does not offer any warranty, either express or implied, that such services shall result in either monetary savings or claim payments by insurers to Client. In addition, Client acknowledges that USI, in performing a Loss Control analysis, cannot identify or detect every possible hazard, risk or legal violation that may be present in Client's operation or premises.

*C) Existing Insurance Policies*

The services to be provided by USI hereunder are provided for the exclusive benefit of Client. The services, recommendations, proposals and information provided by USI are not to be distributed to, used by or relied upon by other parties. Furthermore, if the services to be provided by USI hereunder shall be deemed by Client to apply to any insurance policy/policies that was in effect prior to the effective date of this Agreement, then USI's services shall not be assumed by Client to remedy or resolve any deficiencies in such policy/policies. USI will neither assume nor accept liability for any deficiencies, errors or oversights inherent in such policy/policies until such time as USI has had

adequate opportunity to review such policy/policies and to provide recommendations to Client concerning same.

*D) Additional Services*

The services described above are the only services to be provided by USI to Client under this Agreement. Any additional services requested by Client, and any related compensation, shall be separately negotiated by USI and Client and described in an amendment to this Agreement.

Notwithstanding the foregoing, to the extent that state law prohibits value added services that are unrelated to the insurance products being sold, this Agreement may be modified so that the scope of services and the corresponding compensation therefore is compliant under state law.

2. BASIS OF COMPENSATION

In consideration of the services provided by USI, Client will pay USI an annual fee of **\$10,500**, to be fully earned and payable at the time of the execution of this Agreement.

If USI is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time USI places the coverage. USI will be paid the commission percentage stated for the placement of your insurance as indicated, and will earn and retain the same commission percentage for all subsequent renewals of this policy unless a different commission percentage is agreed to in writing.

USI's compensation for the services excludes federal, state and local sales, use, excise, receipts, gross income and other similar taxes or governmental charges which may be imposed. Client is responsible for paying any such taxes or charges (except for taxes imposed on the net income of USI) now imposed or becoming effective during the term of this Agreement. In addition to the premium and our compensation, USI may invoice Client for any federal, state and local sales, use, excise or other similar taxes, unless Client provides USI with a valid tax exemption acceptable to us.

Neither state law nor any insurance company requires USI to charge a fee. Ohio law permits such fees but provides that the fees may not be refunded, forgiven, waived, offset or reduced by any commissions earned or received by USI.

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In the event of the renewal of this Agreement, payments of such fee installments shall continue to be made on the annual anniversaries of these payment dates.

In the event of mergers, acquisitions, or other substantial changes in Client's business which result in a material increase in the work required of USI under this Agreement, the fee set forth above shall be subject to good faith re-negotiation. However, no renegotiation shall be valid until the Client signs a written memorandum specifying the additional compensation. In the event that Client requests USI to place new lines of insurance, USI will be entitled to accept commissions on such placements, unless USI and Client modify this Agreement to take into account the additional services which will be provided to Client.

### 3. TERM OF CONTRACT

The initial term of this Agreement shall be one year from the effective date of this Agreement. This Agreement shall renew automatically, unless terminated in accordance with Section 4, Termination of Agreement, hereof.

### 4. TERMINATION OF AGREEMENT

This Agreement will renew annually after the initial term, unless either party gives written notice to the other party of non-renewal at least sixty (60) calendar days prior to the end of the initial term or any renewal term. The Client may terminate this Agreement during any renewal term, after the initial term, upon sixty (60) days' written notice to USI. In the event of any non-renewal or termination of this Agreement, the fee as set forth in Section 2 shall be deemed fully earned and payable to USI as of the beginning of the term in the year in which such non-renewal or termination occurs. All work product provided by USI to Client pursuant to this Agreement shall be the property of Client.

USI's obligation to render the services under this Agreement ends on the effective date of termination of this Agreement. USI will assist in the orderly transition of matters to Client or to a new insurance broker. Claims and premium or other adjustments may arise after our relationship ends, and we have no responsibility to handle these things after termination of the Agreement. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment arises. However, USI may provide services after the termination of this Agreement for mutually agreed additional compensation. Nevertheless, we will, process all remaining deposit premium installments on the policy(ies) in effect at the time of change.

5. ASSIGNMENT

Neither Client nor USI shall assign, solicit or transfer their rights or obligations under this Agreement without prior written consent of the other, and such consent shall not be unreasonably withheld.

6. CONFIDENTIALITY

"Confidential Information" shall mean non-public information revealed by or through a party to this agreement (a "Disclosing Party") to the other party (a "Receiving Party") including (a) information expressly or implicitly identified as originating with or belonging to third parties, or marked or disclosed as confidential, (b) information traditionally recognized as proprietary trade secrets, and (c) all forms and types of financial, business (including customer information), scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing

- A. As to any Confidential Information disclosed by the Disclosing Party to the Receiving Party, the Receiving Party will take reasonable precautions in accordance with procedures it follows with respect to its own important confidential information to prevent disclosure, directly or indirectly, of all or any portion of the Confidential Information.
- B. Except as may be required by law or legal process, the Receiving Party agrees not to otherwise use the Confidential Information obtained hereunder in the absence of a written letter agreement with Disclosing Party. The Receiving Party further agrees to return to Disclosing Party all Confidential Information received hereunder upon written request therefore.
- C. The obligations hereunder remain in full force and effect until and unless: (a) the Receiving Party can show that such Confidential Information was in the Receiving Party's possession prior to the date of the disclosure by Disclosing Party; or (b) such Confidential Information was obtained by the Receiving Party after the date of this Agreement from a party other than Disclosing Party, and the receiving party has no knowledge that said party is under an obligation of confidentiality to the Disclosing Party with respect to such information; or (c) such Confidential Information becomes generally available to the trade, or to the public, through sources other than Receiving Party; or (d) such Confidential Information is developed at any time by the Receiving Party independent of information or materials disclosed by Disclosing Party to the Receiving Party.
- D. In the event that the Receiving Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information furnished by the Disclosing Party, it is agreed that the Receiving Party will cooperate with the Disclosing Party and provide the Disclosing Party with prompt notice of such request(s) or

requirement(s) so that the Disclosing Party may seek an appropriate protective order, at its sole cost, or waive compliance by the Receiving Party with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party is nonetheless, in the opinion of the Receiving Party, legally required to disclose the Confidential Information forwarded by the Disclosing Party, the Receiving Party may disclose such information without liability hereunder, provided, however, that the Receiving Party shall disclose only that portion of such Confidential Information which it considers that it is legally required to disclose.

E. Upon termination of this Agreement, or upon Disclosing Party's earlier request, Receiving Party shall promptly deliver to Disclosing Party all Confidential Information and any other material which Disclosing Party furnishes to Receiving Party in connection with this Agreement.

F. **INCLUDE THE FOLLOWING ONLY WHEN USI WILL RECEIVE PERSONAL INFORMATION OF A MASSACHUSETTS RESIDENT.** USI represents and warrants that, with respect to the personal information of any Massachusetts resident (1) it has and is capable of maintaining appropriate security measures to protect Personal Information consistent with 201 CMR 17.00 and any applicable federal regulations; and (2) as of the date of this Agreement, it has and will at all times during the term of this Agreement, maintain a comprehensive written information security program that complies with applicable privacy and data security laws. The USI information security program maintains, at minimum the following standards:

- Reasonable restrictions upon physical access to records containing personal information and storage of such records and data in locked facilities, storage areas or counters.
- Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.
- Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.
- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices related to protection of personal information.

7. INTELLECTUAL PROPERTY

USI shall retain all title, copyright, patent, trademark, and all other intellectual property rights to all USI developed computer programs models and tools and to their output and to all USI developed methodologies and documents used in performance of the services under this agreement.

8. CONFLICTS OF INTEREST

USI shall report immediately to Client any circumstance in which USI is in a conflict-of-interest and cannot provide the services in accordance with the terms of this Agreement. Promptly thereafter, we shall meet and discuss in good faith what steps need to be undertaken with respect to the services and the provision thereof by USI.

9. PREMIUM /HANDLING OF FUNDS

Client shall provide immediately available funds for payment of premium by the payment dates specified in the insurance policies, invoices, or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by insurers.

USI will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with the requirements or restrictions of applicable state and federal laws and regulations.

In the ordinary course of business USI will receive and retain interest on premiums paid by Client from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to Client after we receive such funds.

10. SURPLUS LINES TAXES AND OTHER FEES

In the event that USI or a USI affiliate procures coverages for Client from a surplus lines insurance company, Client will be responsible for payment of surplus lines taxes on such coverage. Client will also be responsible for payment of fees or surcharges required by law. In all such cases, USI will endeavor to identify such taxes and fees to Client, but the liability for payment of these taxes, fees and surcharges is assumed by Client. USI will not under any circumstances pay, transmit or be responsible for the payment of any surplus lines tax or fee.

11. USI'S POLICY REGARDING COMPENSATION FROM INSURERS AND INTERMEDIARIES

As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. The Client agrees to pay compensation to USI for the placement of insurance pursuant to this written agreement.

We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom the Client's insurance is placed, or with the insurance intermediary we use to place the Client's insurance. Such agreements do not affect or modify in any way USI's responsibilities to the Client. The Client may obtain information about the nature and source of such compensation expected to be received by USI, and, if applicable, compensation expected to be received on any alternative quotes pertinent to the Client's placement upon Client's request.

Generally speaking, USI will annually receive from the various insurers with which it places risks about 1% to 1.5% of its total annual premium placements as contingent compensation. Historically, such compensation has been computed based upon a variety of factors and variables, including but not limited to the loss history of Client's coverages, the volume of total coverages placed by USI with the insurer, the period of time over which the coverages were placed with the insurer, and other considerations. In any event, the Client is invited to obtain as much detail as it wishes from USI on the computation of the particular contingent compensation applicable to its placement.

12. REPORTING CHANGES IN EXPOSURE

Client shall promptly notify USI with respect to all material changes in exposure and all changes in loss-related information. USI shall promptly notify the affected insurance companies of such changes.

13. INSURER SOLVENCY

USI does not guarantee the solvency of any insurer with which it places Client's risks.

14. SEVERABILITY

If any part, term, or provision of this Agreement shall be found by a court to be legally invalid or unenforceable, then such provision or portion thereof shall be performed in accordance with applicable laws. The invalidity or unenforceability of any provision or portion of any contract document shall not affect the validity of any other provisions or portion of this Agreement.

15. AGREEMENT CONSTRUED UNDER STATE LAWS

This Agreement is to be executed and performed in the State of **Ohio** and shall be construed in accordance with the laws of such State.

16. CHANGES TO BE IN WRITING

This Agreement may be amended only by a written agreement executed by both USI and Client.

17. WAIVERS

The failure of USI or Client to insist on strict compliance with this Agreement, or to exercise any right(s) hereunder shall not be construed as a waiver of any of the rights or privileges contained herein.

18. ENTIRE AGREEMENT

This Agreement contains the entire understanding of the parties with respect to its subject matter. This Agreement supersedes all prior agreements, arrangements and understandings between the parties, whether oral or written, with respect to its subject matter.

19. RECORD RETENTION

USI will retain its records of all matters relating to this Agreement in accordance with USI's record retention policy, (a copy of which will be made available to Client upon request), and all applicable laws and regulations.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day and year first above written.

City of Medina

BY: *Dennis Harwell*  
Name: *Dennis Harwell* *4-12-16*  
Title: Authorized Representative *Dennis Harwell, Mayor*

USI Insurance Services, LLC

BY: \_\_\_\_\_  
Name: John Jagodzinski  
Title: President