



President
Mr. Roger Carroll
Town of Loomis

Vice President
Mr. Steve Baker
City of Yreka

Secretary
Ms. Brooke Woodcox
City of Rio Dell

Treasurer
Ms. Linda Romaine
Town of Fort Jones

**SMALL CITIES ORGANIZED RISK EFFORT
EXECUTIVE COMMITTEE
SPECIAL TELECONFERENCE MEETING AGENDA**

**Location: Teleconference
Date/Time: Thursday, December 7, 2017 at 10:00 A.M.**

In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publically accessible places, 24 hours in advance of the meeting, in each of the member agencies involved. Documents and material relating to an open session agenda item that are provided to the SCORE Board Members less than 72 hours prior to a regular meeting, will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815. Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services, in order to participate in the meeting are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 at least 24 hours in advance of the meeting.

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously**

This Meeting Agenda shall be posted at the address of the teleconference locations shown below with access for the public via phone/speaker phone.

1. Town of Fort Jones, 24540 Main Street, Foresthill, CA 95631
2. Town of Loomis, 24540 Main Street, Foresthill, CA 95631
3. City of Yreka, 701 4th Street, Yreka, CA 96097
4. City of Rio Dell, 675 Wildwood Avenue, Rio Dell, CA 95562-1597
5. City of Shasta Lake, 1650 Stanton Drive, Shasta Lake, CA 96019

PAGE A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

E. CONSENT CALENDAR

A 1

All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request any item to be considered separately.

Pg. 2 1. Executive Committee Special Meeting Minutes – December 20, 2016

Pg. 4 2. Executive Committee Special Meeting Minutes – May 11, 2017

Pg. 6 3. Executive Committee Emergency Meeting Minutes – September 11, 2017

Pg. 7 **F. ALLIANT PROGRAM ADMINISTRATION AGREEMENT**

A 1

The Executive Committee shall review the proposed Alliant Contract and may consider a recommendation to the full Board of Directors.

G. CLOSING COMMENTS

H. ADJOURNMENT



**Small Cities Organized Risk Effort (SCORE)
Special Executive Committee Teleconference Meeting Minutes
December 20, 2016**

Member Cities Present:

Roger Carroll, Town of Loomis
Brooke Woodcox, City of Rio Dell
Linda Romaine, Town of Fort Jones (arrived late)

John Duckett, City of Shasta Lake
Steve Baker, City of Yreka

Consultants & Guests

Michelle Minnick, Alliant Insurance Services
Cameron Dewey, York Risk Services

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 2:04 p.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

**MOTION: John Duckett SECOND: Brooke Woodcox MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

There were no public comments.

E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 2:05 P.M., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Liability

- a. Blakely v. Mt. Shasta**
- b. Marquez v. Biggs**



F. REPORT FROM CLOSED SESSION

The Executive Committee returned from closed session at 2:20 p.m. President Carroll announced the Committee provided direction on the claims but no reportable actions were taken.

G. CLOSING COMMENTS

Michelle Minnick thanked the Committee for being able to get this meeting together before the end of the year.

H. AJOURNMENT

The meeting was adjourned at 2:21 P.M.

NEXT MEETING DATE: January 27, 2017 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

Date

DRAFT



**Small Cities Organized Risk Effort (SCORE)
Emergency Executive Committee
Teleconference Meeting Minutes
May 11, 2017**

Member Cities Present:

Roger Carroll, Town of Loomis
Brooke Woodcox, City of Rio Dell

Linda Romaine, Town of Fort Jones
Steve Baker, City of Yreka

Member Cities Absent:

John Duckett, City of Shasta Lake

Consultants & Guests:

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services

Dori Zumwalt, York Risk Services
Ariel Leonhard, York Risk Services

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 9:05 A.M.

B. ROLL CALL

The above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Steve Baker

SECOND: Linda Romaine

**MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

There were no public comments.

E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 9:06 A.M., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.



- 1. Workers' Compensation**
 - a. SCWA-555988 v. Susanville**

F. REPORT FROM CLOSED SESSION

The Executive Committee returned from closed session at 9:16 A.M. President Carroll announced the Committee provided direction on the claims but no reportable actions were taken.

G. CLOSING COMMENTS

There were no comments.

H. AJOURNMENT

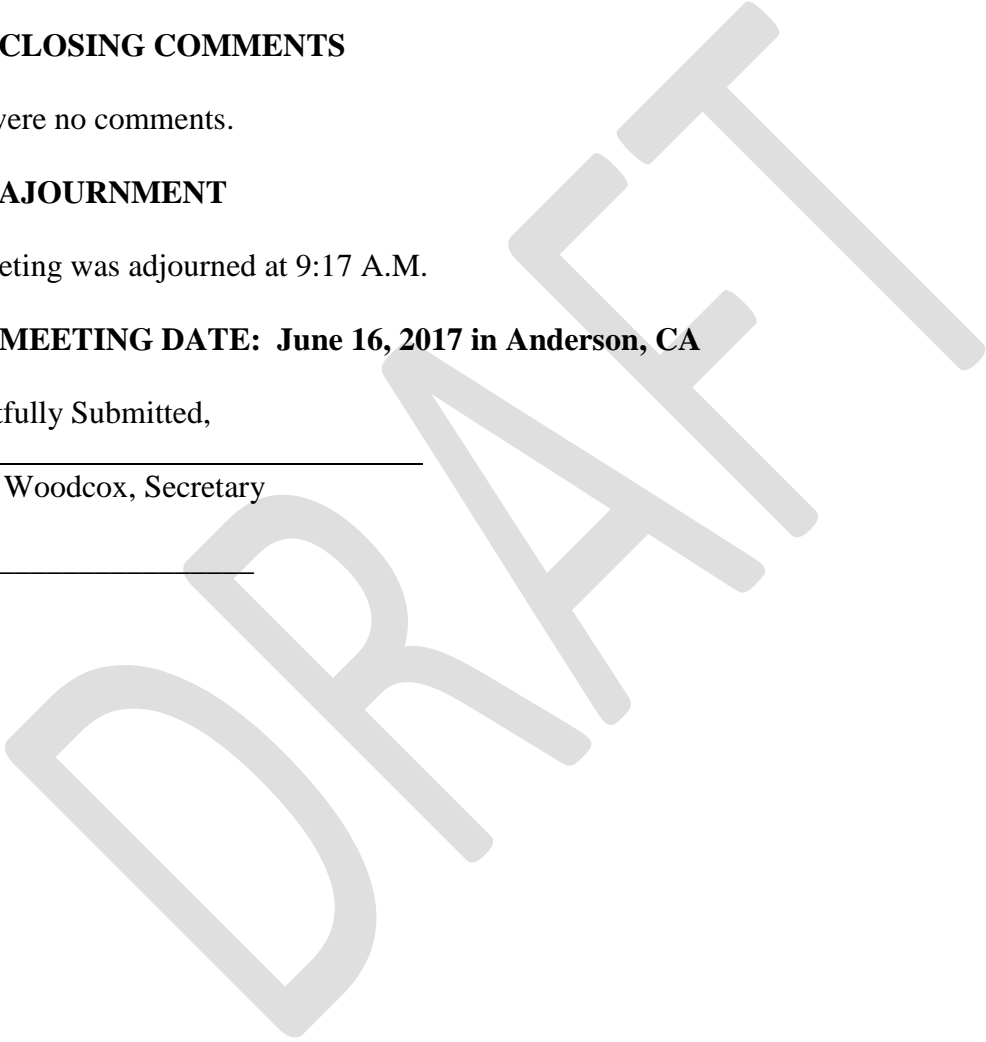
The meeting was adjourned at 9:17 A.M.

NEXT MEETING DATE: June 16, 2017 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

Date





**Small Cities Organized Risk Effort (SCORE)
Emergency Executive Committee
Teleconference Meeting Minutes
September 11, 2017**

Member Cities Present:

Roger Carroll, Town of Loomis
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake

Linda Romaine, Town of Fort Jones
Steve Baker, City of Yreka

Consultants & Guests:

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services

Dori Zumwalt, York Risk Services
Ariel Leonhard, York Risk Services

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 9:31 A.M.

B. ROLL CALL

The above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: John Duckett

SECOND: Brooke Woodcox

**MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

There were no public comments.

E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 9:32 A.M., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Workers' Compensation

- a. SCWA-555854 v. Mt. Shasta**



F. REPORT FROM CLOSED SESSION

The Executive Committee returned from closed session at 9:35 A.M. President Carroll announced the Committee provided direction on the claims but no reportable actions were taken.

G. CLOSING COMMENTS

There were no comments.

H. AJOURNMENT

The meeting was adjourned at 9:35 A.M.

NEXT MEETING DATE: October 26, 2017 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

Date

DRAFT



**Small Cities Organized Risk Effort
Executive Committee Meeting
December 7, 2017**

Agenda Item F.

ALLIANT PROGRAM ADMINISTRATION AGREEMENT

ACTION ITEM

ISSUE: Alliant’s current service Agreement renews July 1, 2018. We are requesting consideration of a new five-year Agreement for Pool Administration, Risk Management and Brokerage services. The *chart directly below captures the figures from 2013* when the prior contract was extensively reviewed and negotiated with an ad Hoc committee. Note that Year #1 included a 7.5% "bump" in the Program Administration Fee portion from the prior contract to re-set the cost factors, but this translated into an *overall account increase of 6.06%* when including commissions and the contract had an *average annual increase of 2.95%*. Our goal is to follow the same process this time and achieve similar results.

ALLIANT SERVICES FOR SCORE - Proposed Pricing

Prior 2013 Agreement

<u>ANNUAL % INCREASE (on Prog. Admin):</u>			7.50%	2.50%	2.50%	2.50%	2.50%	
	Mini Cites	YR:	1	2	3	4	5	
		FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	
Contract Revenue #								
Liability	19	\$159,752	\$171,733	\$176,027	\$180,427	\$184,938	\$189,562	
WC	7 10	\$54,998	\$59,123	\$60,601	\$62,116	\$63,669	\$65,261	
Misc. Lines (1)		\$31,230	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	
		\$245,980	\$261,856	\$267,628	\$273,543	\$279,607	\$285,822	Annual Average
		<u>OVERALL ACCOUNT INCREASE:</u>	6.06%	2.16%	2.16%	2.17%	2.17%	2.95%

(1) Includes Commission on Insurance: Property 11%, Mobile Eq. 13.5%, Fidelity 20%, and Pollution 20%

Alliant is requesting a similar structure for the upcoming July 1, 2018 five-year contract renewal:

1. A 7.5% program admin fee increase for Year #1,
2. Program Administration increases of 2% for each of the following four years;
3. Commission estimated to be \$45,000 and Capped at \$50,000 as a Maximum.

Creating an average annual increase of 2.93% over the five years of the contract.

This approach accomplishes “resetting” our Year #1 compensation to approximate what we believe commitment hours will be in 2018. This reset is important to reflect the changing nature and extent of Alliant’s program management since the last renewal in order to maintain the level



**Small Cities Organized Risk Effort
Executive Committee Meeting
December 7, 2017**

of service SCORE desires. The time commitment necessary to service all aspects of SCORE programs is *more than one FTE, at approximately 2000 hours a year*. Although each year varies, this has been consistent for some time. That information is found in the lower boxes of the attached chart that show projected historical hours, the total overall budget by projected hours per colleague, and the amount of the total dedicated to insurance placements.

We broke out the amount dedicated to insurance placements to highlight the work performed in providing brokerage services and as a result are requesting a change in the way commissions are treated. Rather than the current approach that provides for a Fee Credit based on total compensation, we are proposing a cap to any commissions earned in excess of \$50,000 per year. This more accurately reflects the work dedicated to brokerage services and provides for easier accounting of any credit due SCORE. Note SCORE is due a Fee Credit of \$4,650 for prior commissions earned excess of the Total Compensation allowed.

We have also attached a Draft Agreement that has a few clerical changes, with any important material changes tracked for review and discussion. We will review the changes with the Committee during the meeting.

RECOMMENDATION: Review and discuss the fees and draft agreement to be able to bring a recommendation to the Board at the January 19th meeting.

FISCAL IMPACT: The reset for the *Year #1 administration* costs results in an increase of 7.5%, from \$244,845 to \$263,208, with 2% annual increases thereafter. The total annual average increase is 2.93%, just under the current contract's annual average of 2.95%.

BACKGROUND: Alliant has provided brokerage, risk management and Pool Administration Services to SCORE since its formation in 1986. For the past 31 years we have acted in the role of contract Program Administrators, helping to grow the pool with two self-funded plans, several pooled purchasing programs, and a variety of risk management services. Alliant continues to assist in the management of the organization in a most cost-effective way, while providing high-quality and appropriate services at a variety of staffing levels.

Alliant works in a similar capacity with seven other California Pools – an important component of our Northern California operations. We strive to provide quality services at a cost that allows our clients to place emphasis on funding their liabilities, rather than the administrative budget, so we provide an Agreement on an annual Fixed Cost basis rather than Time and Expense.

Although we understand that in any one year more time and effort may need to be concentrated on one client rather than another, over time the overall Pool Management Practice needs to balance and each pool needs to be profitable to attract the talented staff necessary to assist you.

ATTACHMENTS:

-) Alliant Pool Administration Services Proposed Pricing for Five Years
-) Brokerage, Risk Management and Pool Administration Agreement
-) Highlights and Accomplishments 2014-17

ALLIANT SERVICES FOR SCORE - Proposed Pricing Beginning 7/1/2018

ANNUAL % INCREASE (on Program Admin. Fees):

7.50% 2.00% 2.00% 2.00% 2.00%

	# of Members	# Mini Cities	<u>Scheduled</u>	<u>Actual</u>	<u>Year #1</u>	<u>Year #2</u>	<u>Year #3</u>	<u>Year #4</u>	<u>Year #5</u>
			FY 17/18	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Contract Revenue									
Liability	18		\$ 189,999	\$ 179,584	\$193,053	\$196,914	\$200,852	\$204,869	\$208,967
WC	10	7	\$ 65,000	\$ 65,261	\$70,156	\$71,559	\$72,990	\$74,450	\$75,939
Program Admin Total			\$ 254,999	\$ 244,845	\$ 263,208	\$ 268,473	\$ 273,842	\$ 279,319	\$ 284,905
Misc. Lines (1)			\$ 31,000	\$ 45,803	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000

Fee Credit: \$ (4,650)

GRAND TOTAL	\$ 285,999	\$ 285,998	\$ 308,208	\$ 313,473	\$ 318,842	\$ 324,319	\$ 329,905
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Annual Average
2.93%

OVERALL ACCOUNT INCREASE: 7.77% 1.71% 1.71% 1.72% 1.72%

(1) Includes Commission on Insurance: Property 11%, Mobile Eq. 16%, Fidelity 20%, and Pollution 20%

Projected Historical Hours			Total Overall Budget			
2015	2016	2017 Est.	2018 Projected	Rate	Total	
320	372	238	Mike Simmons	195	\$209	\$40,755
439	428	407	Marcus Beverly	414	\$196	\$81,144
1,183	1,017	1,223	Michelle Minnick	1,267	\$138	\$174,846
99	176	115	Misc.	198	\$93	\$18,414
<u>2,041</u>	<u>1,993</u>	<u>1,983</u>	Total:	2,074	\$152	\$315,159

Insurance Placements		
Hours	Rate	Total
7	\$209	\$1,463
28	\$196	\$5,488
284	\$138	\$39,192
126	\$93	\$11,718
<u>445</u>		\$57,861

**BROKERAGE, RISK MANAGEMENT AND
POOL ADMINISTRATION AGREEMENT**

This Agreement, made and entered into effective July 1, ~~2013~~2018, between Small Cities Organized Risk Effort, hereinafter referred to as SCORE, and Alliant Insurance Services, Inc., hereinafter referred to as “Pool Administrator.”

WITNESSETH

WHEREAS, this Agreement supersedes all previous Agreements between SCORE and the Pool Administrator, and

WHEREAS, SCORE requires Insurance Brokerage, Risk Management and Pool Administration Services, and

WHEREAS, the Pool Administrator specializes in Public Entity Risk Management and Program Administration Services, and

WHEREAS, SCORE desires to engage the Pool Administrator to administer SCORE’s Programs.

NOW THEREFORE, the Parties hereto, for and in consideration of the promises and covenants hereinafter contained to be kept and performed do agree as follows:

A. POOL ADMINISTRATION SERVICES:

Pool Administrator agrees to provide the following Services to the satisfaction of the SCORE Board of Directors:

1. Act as “key contact” for all SCORE Members. Act upon request as a liaison for communications among or between all Parties involved in the Programs including SCORE, its participating Members, Insurance Carriers and others;
2. Provide to the Members ongoing review of coverages provided by SCORE, the California Joint Powers Risk Management Authority (CJPRMA), Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX), Employment Risk Management Authority (ERMA) and Insurance Carriers or other risk financing vehicles;
3. Meet with Members as requested and necessary;
4. Issue, modify as directed, and maintain Memorandum of Coverage and Policy forms;

5. Develop, issue, and maintain Certificates of Coverage/Insurance on behalf of SCORE. Deliver binders and other evidence of insurance within ten (10) calendar days after the placement of any insurance under the Programs to be effective until such time as the policy or policies for the placement are received by SCORE from the Insurance Carriers. Such binders shall be signed by an Authorized Agent or employee of the Insurance Carrier. The Pool Administrator shall use best efforts to secure a correct policy or policies within ninety (90) days of Placement of any Insurance under the Programs. The Pool Administrator shall not be responsible for the failure of Members of SCORE to make premium payments;
6. Provide ongoing information on the status of the insurance industry and other public entity risk management providers;
7. Prepare agendas, arrange for meetings and other general administration functions;
8. Attend Board of Director and Committee meetings;
9. Record and distribute minutes of Board or Committee meetings;
10. Maintain the SCORE Program Manual;
11. Act as a central “clearing house” for dissemination of information;
12. Request, when appropriate, and maintain copies of, Conflict of Interest Form 700’s from the Directors and Alternates of SCORE and any other consultants required to file such forms;
13. Assist Members in use the of the Insurance Requirements in Contracts manual;
14. Coordinate claims administration with SCORE and Third Party Administrators. Assist SCORE and, where applicable, SCORE’s Third Party Administrator in settlement issues with excess pools or insurance carriers. However, it is understood and agreed that the Pool Administrator is not providing claims management services under this Agreement;
15. Assist, as may be required, with annual financial audits;
16. Monitor loss runs of SCORE Programs;
17. Coordinate risk management activities and the development of loss prevention materials. Identify, review and comment on risk management activities;
18. Assist in development of new Programs, but limited to Pool Administrator’s expertise and resources;
19. Develop and provide regular Board meeting training at four meetings a year.

20. Develop and maintain the SCORE Website. (Non direct Labor Costs including Hosting and Domain charges are the responsibility of the Pool).
21. Perform underwriting evaluations and recommendations on cities applying for Membership to SCORE; and
22. Prepare an annual report of services.

B. BROKERAGE SERVICES:

SCORE hereby engages and designates Pool Administrator to act as SCORE's Insurance Broker and perform all customary duties of an Insurance Broker for SCORE's Programs including without limitation:

1. Review marketing plan with SCORE prior to approaching carriers on Programs, and provide SCORE with results of all marketing efforts, including the names of the carriers contacted and quotations received.
 - a. Reports as needed of pending rate, coverage, or renewal problems including significant changes in the financial status of major insurers, reinsurers, and other entities providing services for Programs. At least ninety (90) days prior to Program anniversary, prepare a written report stating anticipated renewal terms and conditions, and other indications of market conditions, trends, and anticipated changes.
 - b. Provide a review of loss exposure, and identify and advise on potential risk of loss as needed.
2. Marketing the Programs to insurance carriers and/or other coverage providers;
 - a. Develop marketing specifications based upon an evaluation of SCORE's loss exposures and which address such exposures;
 - b. Evaluate quotations as to the adequacy of coverage, appropriate retention levels, restrictions in coverage, the existence of warranties, concurrency of coverage, and suitability of forms;
 - c. Evaluate the financial status and service capabilities of insurers providing quotations of coverage under the Programs, based upon available data. SCORE recognizes and agrees that Pool Administrator is not responsible for any change in the financial condition of any insurance carrier or Joint Powers Authority after an insurance placement is made;
 - d. Pool Administrator's goal is to procure insurance coverages for SCORE with underwriters possessing the financial strength to perform. To that end, Pool Administrator regularly reviews publicly available information concerning an

underwriter's financial condition. Pool Administrator does not, however, guarantee the solvency of any underwriters with which reinsurance is placed and SCORE recognizes and agrees that Pool Administrator maintains no responsibility for any loss or damage occasioned by reason of the financial failure or insolvency of any reinsurer. Pool Administrator encourages SCORE to review the publicly available information collected by Pool Administrator to enable SCORE to make the ultimate decision of accepting or rejecting a particular underwriter.

e. Deliver binders or other evidences of coverage under the Program to be effective until such time as the policy or policies for the placement are received by SCORE from the insurance carriers. Such binders shall be signed by an authorized agent or employee of carriers.

f. Pool Administrator shall use best efforts to secure a correct policy or policies of any reinsurance under the Programs.

g. Pool Administrator shall not be responsible for the failure of SCORE to make premium payments.

C. PERFORMANCE MEASURES:

The Pool Administrator agrees to be evaluated by the Performance measures as developed by the Board of Directors annually.

D. KEY PERSONNEL:

Pool Administrator agrees key personnel will be responsible for performance of the designated functions for SCORE as delineated in **Addendum B**. Should such personnel become unavailable to perform Services for SCORE, Pool Administrator agrees to replace, as soon as practical, such personnel with personnel of comparable skills and experience as determined by SCORE'S evaluation and subject to SCORE's right of refusal for any reason.

E. COMPENSATION:

1. Fee and Commissions.

SCORE shall pay annual Compensation to Pool Administrator for Services rendered under **Section A; Pool Administration Services**. ~~Except as otherwise expressly provided in this Section D, the~~ Compensation payable during the first year of the five-year term of this Agreement shall be in accordance with the provisions of **Addendum A** to this Agreement. For the remaining four years of this Agreement, the Fee portion of this Compensation (designated as "Part #1") shall be increase by two ~~and a half~~ percent (2.05%) per year. The Commission portion is detailed in **Addendum A**; (designated as "Part #2"). If at any time during this Agreement, new Programs are developed and implemented, Pool Administrator's Compensation shall be adjusted in an equitable manner to reflect Pool Administrators' Services for those Programs.

2. Changes in Services.

The Fee is subject to adjustment if SCORE creates a new Program other than those listed in **Addendum A**, discontinues or deletes a Program, requests a change in Services or if SCORE's size or organization changes to alter the time involved in providing the Services.

3. Early Cancellation.

If this Agreement is terminated or canceled mid-year, and within the first three hundred (300) days of the Program year, then the Fee portion shall be prorated with a minimum of fifty percent (50%) deemed earned. The Fee portion shall be deemed fully earned if termination occurs after three hundred one (301) days of the Program year. In the event of a mid-Program year termination of this Agreement by either Party, all excess Compensation will be paid to SCORE within sixty (60) days of the date of termination. All Commissions will be deemed fully earned unless insurance coverage is canceled.

~~4. Fee Credit.~~

~~During this Agreement, Pool Administrator shall disclose, in writing, any Commissions received in connection with any insurance placements on behalf of SCORE ("SCORE Placements"). The Fee for the operative Program year shall be reduced by the amount of any Commissions received by Pool Administrator for SCORE Placements made during that year. In the event such Commissions, plus Fees pre-paid by SCORE exceed the total Fee for the Program year, Pool Administrator shall reimburse SCORE for the excess payment it made. Alternatively, at SCORE's request, any excess Fee paid by SCORE during a Program year may be carried forward and applied against any future Fee due to Pool Administrator by SCORE during any subsequent periods that this Agreement is in effect.~~

5.4. Payment.

The Fee shall be paid annually within thirty (30) days of the Anniversary Date of this Agreement and, if necessary, adjusted thirty (30) days prior to the Anniversary Date.

6.5. Commissions.

Commissions shall be collected as agreed by both Parties in writing.

7.6. Disclosures.

a. Exclusions.

Commissions for Special Events, Notary Bonds and Vendor/Contractor Liability Programs are not included in the annual Fee or Compensation, as coverage is provided to Third Party Individuals.

b. Transparency and Disclosure.

During the time of this Agreement, Pool Administrator will annually disclose any Commissions received by Pool Administrator or any affiliated company in connection with any insurance placements on behalf of SCORE under Alliant's "Transparency and Disclosure" Policy, a copy of which is made available upon

request. Pursuant to its Policy, Alliant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of SCORE. In addition, Alliant's Conflict of Interest Policy precludes it from accepting any form of Broker incentives that would result in business being placed with carriers in conflict with Alliant's and/or SCORE's interests.

c. Other Alliant Services.

In addition to the Compensation that Pool Administrator receives, its related entity, Alliant Specialty Insurance Services ("ASIS") and its Underwriting operations, Alliant Underwriting Services ("AUS") may receive Compensation from Pool Administration and/or a carrier involved in underwriting services. The financial impact of the Compensation received by AUS and/or ASIS is a cost included in the premium. Compensation received by AUS and/or ASIS will be disclosed in writing to SCORE and is agreed to by SCORE as part of the premium. SCORE further acknowledges that Pool Administrator and ASIS maintain an arm's length relationship. SCORE understands that while Pool Administrator represents SCORE as an individual entity, AUS and/or ASIS independently administers its Programs as a whole, and not on behalf of any particular Member.

Additionally, the related entities of Alliant Business Services (ABS) ~~and/or Strategic HR~~ may receive Compensation from Pool Administrator and/or a carrier for providing designated, Value-Added Services. Services contracted for by SCORE directly will be invoiced accordingly.

F. TAXES & FEES, THIRD PARTY BROKERS AND INDIRECT INCOME:

1. Surplus Lines Fees and Taxes.

In certain circumstances, placement of insurance services made by Pool Administrator on behalf of SCORE, with the prior approval of SCORE, may require the payment of Surplus Lines Assessments, Taxes, and/or Fees to state regulators, Boards, and Associations. Such Assessments, Taxes, and/or Fees will be charged to SCORE and identified separately on invoices covering these placements. SCORE shall be responsible for all such Assessments, Taxes, and Fees, whether or not separately invoiced. Pool Administrator shall not be responsible for the Payment of any such Fees, Taxes, or Assessments, except to the extent such Fees, Taxes or Assessments have already been collected from SCORE.

2. Third Party Brokers.

~~Pool Administrator may determine from time to time that it is necessary or appropriate to utilize the services of third party brokers (such as surplus lines brokers, underwriting managers, London market brokers, and reinsurance brokers) to assist in marketing the SCORE insurance Programs. These Third Party Brokers may be affiliates of Broker (e.g., other companies of Pool Administrator Insurance Services, Inc. that provide services other than those included within the scope of Services of this Agreement), or may be unrelated third party brokers. Compensation of such Third Party Brokers will be paid by the insurance company out of paid insurance premiums. Where a placement through such Third Party Brokers will result in any compensation to a Pool Administrator affiliate, Pool Administrator will fully disclose in writing to SCORE its relationship to the affiliate, the reason(s) for the placement of coverage through the affiliate, and why such placement is in the best interest of the SCORE, and an estimate of the amount of compensation received by the Broker, affiliate, and/or third party brokers. Should Pool Administrator determine, subsequent to a placement of SCORE's business, that one or more affiliates and/or intermediaries of Broker received compensation for the placement of SCORE's business, Pool Administrator shall promptly disclose this information to SCORE in writing. Pool Administrator may determine from time to time that it is necessary or appropriate to utilize the Services of Third Party Brokers (such as Surplus Lines Brokers, Underwriting Managers, London Market Brokers, and Reinsurance Brokers) to assist in Marketing the SCORE Insurance Program. Subject to the Provisions herein, these Third Party Brokers may be Affiliates of Pool Administrator (e.g., other companies of Pool Administrator that provide Services other than those included within the Scope of Services of this Agreement), or may be unrelated Third Party Brokers. Compensation to such Third Party Brokers will be paid by the Insurance Company out of paid Insurance Premiums. Any such Compensation to Affiliates shall be disclosed in writing to SCORE and is agreed to by SCORE as part of the Premium.~~

3. Indirect Income.

“Indirect Income” includes such items as insurance carrier contingency arrangements. Pool Administrator will not accept these compensation incentives from insurers, including contingent commissions, Market Service Agreements (MSA), volume-based commissions, incentives and rebates on business placed on behalf of SCORE within the ~~Scope of Services~~ of this Agreement.

G. TERMS:

The Term of this Agreement shall be five years and commence on July 1, ~~2013-2018~~ and Terminate on June 30, ~~2018~~ 2023.

H. OBLIGATIONS OF SCORE:

SCORE Agrees to cooperate with Pool Administrator in the performance of Pool Administrator's Services by providing Pool Administrator, upon request, with reasonable access to SCORE's personnel and information, including providing complete and accurate information as to SCORE's loss experience, risk exposures and any other pertinent information that Pool Administrator requests. In addition, when known, SCORE shall have

the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to Pool Administrator. This reporting must be memorialized in writing and delivered to Alliant in accordance with the Notice Provisions below.

SCORE shall promptly review coverage documents delivered by Pool Administrator for consistency with SCORE's specifications, and shall designate one or more Officers or Committees of SCORE to receive and evaluate recommendations to the Officer(s) or Committee(s) of SCORE having ultimate decision-making authority on such matters.

I. NON-ASSIGNABILITY:

Both Parties hereto recognize that this Agreement is one for personal services and cannot be assigned in whole or in part by either Party without the prior written consent of the other Party. Prior to a change in Key Personnel assigned to provide Service to SCORE in Program Administration, the Pool Administrator shall endeavor to provide 45 days written notice to Members. SCORE shall retain the right to reject the assignment of new Key Personnel.

J. NOTICES:

All notices hereunder shall be given in writing and mailed, postage prepaid, Certified Mail, addressed as follows:

TO SCORE: The Then Current President of SCORE
(at the address on file with SCORE)

TO PROGRAM ADMINISTRATOR: Marcus Beverly, Pool Manager
Alliant Insurance Services, Inc.
2180 Harvard Street, Suite 460
Sacramento, CA 95815

K. COST AND ATTORNEY FEES:

The prevailing Party in any action brought to enforce the terms of this Agreement, or arising out of this Agreement, may recover its reasonable costs and attorney's fees expended in connection with such action from the other Party to such action.

L. ENTIRE AGREEMENT; MODIFICATION; INTERPRETATION:

This Agreement sets forth the full and final understanding of the Parties as respects the matters described herein, and supersedes any and all prior Agreements and understandings between them, whether written or oral with respect to the subject matter hereof. This Agreement may be amended but then only in a written Addendum to this Agreement

executed by the Parties. This Agreement shall be governed by the law of the State of California. If any term of this Agreement is rendered invalid or unenforceable by Judicial, Legislative or Administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Nothing in this Agreement is intended or shall be construed to confer upon or to give any person, firm or corporation other than the Parties hereto, their parents, subsidiaries, successors and assigns, any rights or remedies by reason of this Agreement.

M. DISASTER RECOVERY; CONTINUITY:

Pool Administrator agrees that it has a disaster recovery plan in place that is intended to secure, and if necessary, restore information, physical and electronic data, affected by a security breach, force majeure or natural disaster. In addition, Pool Administrator will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this Agreement including in the event of a force majeure, natural disaster, or pandemic.

N. SEVERABILITY:

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

O. MATERIAL CHANGE

In the event that SCORE operations materially change, thus changing the scope and nature of exposures, losses, and/or insurance Programs(s), the PARTIES will negotiate in good faith to revise this AGREEMENT'S compensation arrangement as appropriate. It is agreed and understood that a material change shall include a change in existing coverage or limits, and/or lines of coverage.

Ø.P. APPLICABLE LAW:

This Agreement has been executed and delivered in the State of California, and the validity, enforceability, and interpretation of any of its provisions shall be determined and governed by the applicable Laws of this State.

P.Q. DISPUTE RESOLUTION:

Any dispute arising under the terms of this Agreement that is not resolved within a reasonable period of time by authorized representatives of the Parties shall be brought to the attention of the Chief Executive Officer (or designated Representative) of the Pool Administrator and the Chair (or Designee) of SCORE for joint resolution. At the request of either Party, SCORE shall provide a forum for discussion of the disputed item(s). If resolution of the

dispute through these means is pursued without success and upon the parties' mutual agreement, such dispute may be submitted to final and binding arbitration, or either Party may elect to and pursue any rights and remedies by legal action. Such arbitration shall be conducted under the auspices of, and in accordance with the procedures and rules of the California Arbitration Act (Code of Civil Procedure Sections 1280 through 1294). In any dispute arising out of or under the terms of this Agreement, the prevailing Party shall be entitled to recover its legal fees and costs from the other Party to the extent allowed by applicable law. Any such arbitration or legal action shall be venued in Sacramento, California, unless the Parties mutually agree in writing to another location. Despite an unresolved dispute, the Pool Administrator shall continue without delay to perform its responsibilities under this Agreement. The Pool Administrator shall keep accurate records of its Services in order to document the extent of its Services under this Agreement.

Q.R. NON-SOLICITATION:

Pool Administrator agrees that, during the Term of this Agreement, Pool Administrator's personnel shall not purposely solicit SCORE Members from Programs or lines of coverage, on which they work or have worked. SCORE understands and agrees that Pool Administrator has offices, staff, clients, (and prospects nationwide) and nothing in this paragraph shall restrict it from responding to any Request for Proposal with notice to SCORE, or from otherwise providing Services or Products when asked by a SCORE Member after receiving permission from SCORE. In addition, this paragraph shall not prohibit Pool Administrator from engaging in general advertising, or marketing campaigns. Nothing in this paragraph shall be applied in a manner that violates any State or Federal Law or Regulation.

R.S. RELATIONSHIP OF THE PARTIES:

At all times and for all purposes, the relationship between the parties is intended to be that of independent contractors and there is no intent to create a joint venture relationship, and any person representing Pool Administrator, shall be an independent contractor to SCORE, and the Agreement shall not in any way be construed as a contract of employment between SCORE and Pool Administrator's agents. In addition, the Parties agree that, except as otherwise provided herein, SCORE shall not be obligated for any expense incurred by Pool Administrator in rendering Services, or by engaging in any other transaction or conduct arising out of this Agreement.

S.T. TERMINATION OF CONTRACT:

SCORE or the Pool Administrator can terminate this Agreement at any time by giving the other Party 90 days written notice. Should this Agreement be terminated pursuant to this section prior to the end of this Agreement's Term, the Pool Administrator shall be entitled to retain as earned Compensation for its Program Services, a prorated portion of the Fees paid by SCORE. These percentages apply only to the Per-Agency Fees and Pooled Deposit Fees earned by the Pool Administrator from the Pooled Liability Program and Workers' Compensation Program. Fees and Commissions charged by the Pool Administrator for all other Compensation shall be considered fully earned upon Termination of the Agreement.

Except for this transition assistance, Pool Administrator's obligation to provide Services to SCORE will cease at 12:01 a.m. upon the effective date of termination or expiration.

F.U. ETHICS AND CONFLICT OF INTEREST STATEMENT:

The Pool Administrator understands and agrees that SCORE desires to compare the cost of obtaining Services or insurance products from Pool Administrator against other viable and competitive options and expects that the Pool Administrator will make its compensation agreements and revenue streams known to SCORE, so as to provide SCORE with a clear accounting of the costs of the placement of insurance services and products. The Pool Administrator shall conduct its business so as to fulfill all legal and ethical requirements, and standards of the industry and the applicable State(s) in which Services are rendered, and shall place the best interests of SCORE ahead of any other concerns in the placement of insurance services and products. To this end, Pool Administrator:

1. Warrants that it will adhere to its ethical obligations to SCORE to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, services, or coverages, and to provide access to an open, fair, and competitive insurance marketplace;
2. Shall exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each line of coverage, including the date and time of contact and the name, address, phone number and, to the extent available, email address of the individual contact for each market;
3. Shall make every good faith attempt to avoid even the appearance of a conflict of interest between the Pool Administrator, SCORE, and any provider of any insurance product or service, and will promptly notify SCORE of any real or potential conflict of interest;
4. Agrees to include a copy of Pool Administrator's own ethics statement or code, or Pool Administrator's compliance statement available on the Pool Administrator's website; and,
5. Shall request that all insurance carriers show any Commission rates on their insurance policies and will otherwise ensure those rates are known to SCORE.
6. Acknowledges the mutual trust and confidence by both Parties, and that all actions of the Pool Administrator shall be for the specific benefit of SCORE and its Programs as a whole.

V. ENTIRE AGREEMENT MODIFICATION

This Agreement contains the entire agreement between the Parties and supersedes and replaces all previous agreements or contracts on the subject matter described herein. The Agreement can be modified only by a written amendment signed by both Parties. This Agreement shall be governed by the laws of the State of California without regard to any conflict of law provisions.

W. HEADINGS AND CONSTRUCTION

The Parties agree that the headings and sections of this Agreement are used for convenience only and shall not be used to interpret the provisions herein. The Parties also agree that the terms of this Agreement were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this Agreement.

U.X. OWNERSHIP OF BOOKS AND RECORDS:

The Parties shall each maintain normal business records related to all business generated under this Agreement. Upon reasonable request, and subject to the confidentiality provisions set forth herein, the Parties may each obtain from the other copies of all policyholder documents, including but not limited to policies, binders, certificates, endorsements, underwriting data, loss data, and other statistical information in the other's possession, custody, or control with respect to all business generated under this Agreement.

V.Y. INDEMNIFICATION:

1. In the event that Pool Administrator, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, any provision of the Agreement, or any written rule, regulation, policy, procedure or similar instruction under the Program, Pool Administrator shall indemnify, defend, and hold SCORE harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by SCORE in connection with such conduct.
2. In the event that SCORE, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, or any provision of the Agreement, SCORE shall indemnify, defend, and hold Pool Administrator harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by Pool Administrator in connection with such conduct.

W.Z. WAIVER:

No provision of this Agreement shall be considered waived, unless such waiver is in writing and signed by the Party that benefits from the enforcement of such provision. No waiver of any provision in this Agreement, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this Agreement shall not in any way affect, limit, or waive a Party's right under this Agreement at any time to enforce strict compliance thereafter with every term and condition of this Agreement.

X.AA. INSURANCE REQUIREMENTS:

1. Coverage and Limits.

During the Term of this Agreement, Pool Administrator shall maintain the following insurance coverage and limits or the equivalent self-insurance coverage:

a. Professional Liability insurance with minimum limits of \$1 million per claim providing coverage for any errors and omissions that Pool Administrator or its agents may make resulting in financial loss to SCORE;

b. Commercial General and Automobile Liability insurance with limits of at least \$1 million combined single limit per occurrence and in the aggregate for bodily injury and property damage.

c. Workers' Compensation coverage in compliance with applicable law, and Employers' Liability insurance in the amount of at least \$1 million per accident or aggregate.

a.d. Excess Liability of at least \$4 million per occurrence (and in the aggregate) coverage over General Liability, Professional Liability, and Auto primary coverage.

b.e. For any covered claims related to this Agreement, the Pool Administrator's insurance coverage shall be primary insurance as respects SCORE, its Trustees, Officers, Employees, or Volunteers. Any insurance or self-insurance maintained by SCORE, or any of its Members, shall be excess to the Pool Administrator's Insurance and shall not contribute with it.

f. Carrier Rating. All insurance carriers providing the coverages required by this section shall have a financial rating of at least an "A-" published A.M. Best, or an equivalent financial rating firm. Published reports will be used to confirm the insurance carriers' rating, unless Pool Administrator has obtained the SCORE'S written acknowledgment that an insurance carrier with a lower financial rating is permitted.

g. Certificates of Insurance/Endorsements. Upon request, Pool Administrator shall also provide to SCORE certificates of insurance and copies of applicable endorsements evidencing the above coverages and limits, and will maintain these coverages during the term of this AGREEMENT.

h. Ongoing Obligation. The failure of Pool Administrator to procure and maintain this required insurance does not negate its obligation under this Agreement to do so.

~~e. Professional Liability Insurance with minimum limits of \$15 million per Claim providing Coverage for any Errors and Omissions that the Pool Administrator or its Agents may make resulting in Financial Loss to SCORE.~~

~~d. Commercial General and Automobile Liability Insurance with limits of at least \$1 million combined single limit per occurrence and, in the Aggregate, for Bodily Injury and Property damage. The Policies are to contain, or be Endorsed to contain the following Provisions:~~

~~(1) SCORE, its Trustees, Officers, Employees, and Volunteers are to be Covered as Additional Insured's with respect to Liability arising out of the work or operations performed by the Pool Administrator, or on behalf of the Pool Administrator, or "any Auto," whether Owned, Leased, Hired or Borrowed by the Pool Administrator.~~

~~d. Workers' Compensation Coverage in Compliance with applicable Law, and — Employers' Liability Insurance in the amount of at least \$1 million per Accident or Aggregate.~~

~~e. Excess Liability of at least \$4 million per occurrence (and in the Aggregate) — Coverage over General Liability and Auto Primary Coverage.~~

IN WITNESS WHEREOF, SCORE has caused this Contract to be executed by its President, and Pool Administrator has caused the same to be executed by its duly authorized Officer, all as of the day and year first above written.

SMALL CITIES ORGANIZED RISK EFFORT JOINT POWERS AUTHORITY

By: _____
Roger Carroll, President

Date: _____

ALLIANT INSURANCE SERVICES

By: _____
Michael Simmons, Vice Chair - Public Entities

Date: _____

ADDENDUM A - COMPENSATION FOR SERVICES

COMPENSATION FOR SERVICES UNDER PART #1

Effective July 1, 2018 to June 30, 2023, as Annual Compensation to the Program Administrator for the Services rendered hereunder, the Program Administrator may collect the Compensation set forth below.

POOLED LIABILITY PROGRAM

The Program Administrator shall be paid a Fee of ~~\$9,039~~ \$10,725 per Member of the Liability Program. With the ~~49-18~~ current Members, the Total Annual Fee will be ~~\$171,733~~ \$193,053. The Program Administration will be adjusted at the Per-Member Rate for any change in Membership.

WORKERS' COMPENSATION PROGRAM

The Program Administrator shall be paid a Fee of ~~\$5,906~~ \$5,846 per Member, except those participating in the Mini-Cities Pool; for these Members the Program Administrator shall be paid ~~\$1,778~~ \$1,670 per Mini-City Member.- At the current participation of ~~7-10~~ Members and ~~10-7~~ in the Mini-Cities Pool, the Total Annual Fee will be ~~\$59,123~~ \$70,156.

COMPENSATION FOR SERVICES UNDER PART #2

Commissions will be collected per below subject to a maximum annual cap of \$50,000.

PROPERTY PROGRAM

The Program Administrator shall be paid commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2., collected from the insurer for an amount to be disclosed, but in no event in excess of 11% of the Premiums.

MOBILE EQUIPMENT PROGRAM

The Program Administrator shall be paid commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2., Collected from the insurer for an amount to be disclosed, but in no event in excess of ~~13.5~~16% of the premiums.

SCORE FIDELITY POLICY

The Program Administrator shall be paid commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2., Collected from the insurer for an amount to be disclosed, but in no event in excess of 20%.

SCORE POLLUTION POLICY

The Program Administrator shall be Paid Commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2, collected from the insurer for an amount to be disclosed but in no event in excess of 20%.

ADDENDUM B

Consultant

* Michael Simmons

Pool Manager

* ~~Susan Adams~~Marcus
Beverly

Marketing and Risk Management Specialists

Conor Boughey

Claims Services:

Robert Frey

Account Management

~~Laurence Voiculescu~~
~~Johnny Yang~~
Michelle Minnick

*Denotes KEY PERSONNEL



ALLIANT HIGHLIGHTS AND ACCOMPLISHMENTS

2014 / 2017

1. 2014 – Implemented the Loss Control Grant Fund for all SCORE members
2. 2014 – Worked with accountant to develop new Dividend Assessment Plan (DAP)
3. 2015 – Program Administration began including a Glossary of Terms in Agenda Packets
4. 2015 – Revised the budget spreadsheet to make it easier to administer and for members to understand how the funding is calculated. Provided training on the budget process
5. 2016 – Worked with the Ad Hoc Committee to establish criteria for participation in the Workers’ Compensation Mini-Cities membership, provided numerous options for budgeting and funding for the members to review and agree on criteria
6. 2016 – Implemented Identity Fraud Coverage for all SCORE members and their employees
7. 2016 – SCORE renewed contract with DKF Solutions – 3-year agreement from FY 16-19
8. 2017 – Created the first Claims Reporting Manual for all SCORE lines of coverage
9. SCORE renewed contract with York Risk Services for claims management (Liability and Workers’ Compensation) – 5 year agreement from FY 17-22
10. Negotiated continued contract with TargetSolutions to maintain the “grandfathered” rate including public safety training module
11. Delivered Training sessions at Board meetings to keep members up to date of services/programs/ industry information that is pertinent to them.
12. Training on coverage programs with review of auto physical damage options, general liability coverage, employment practices and pollution.
13. CAJPA Accreditation – assisted SCORE in achieving “Accreditation with Excellence” in 2014 and again in 2017.
14. Offered and administered training programs for members – i.e., Supervisor 101 Training, Confined Spaces Training, Flagger Training, Asbestos Training, Traffic Control & Excavation Training, Policy Training, and the annual Sewer Summit Training.



15. Administrator attends other related Board/EC meetings for program SCORE participates in and provides the Board with information on those programs: LAWCX, ERMA, CJPRMA
16. Maintained Website for SCORE and creation of Alliant Connect Website for SCORE policy documents
17. Updated Loss Prevention Manual Program Reimbursement Policy to include Daily Training Bulletins
18. Issued Annual Reports for FY 16/17 and FY 17/18
19. Renewed the ACI EAP program for members – 2 year agreement FY 16-18
20. Reviewed and updated approved attorney list
21. Attended at least four claim reviews per year (2 each for WC and GL).
22. Reviewed and revised property statement of values for both the property and AMVP programs
23. Reviewed and advised members on contractual insurance requirements
24. Met with each member to review SCORE programs and services
25. Provided Risk Management Best Practices to DKF Solutions for use in assessing member programs