

BROKERAGE SERVICE FEE AGREEMENT

THIS AGREEMENT, effective as of April 19, 2023, is by and between Town of Wilton (“Client”), located at 238 Danbury Road, Wilton CT 06897 and USI Insurance Services, LLC (“USI”), located at 530 Preston Ave., Meriden, CT 06450.

WHEREAS, Client has appointed USI as its broker of record for Client’s 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. Advise as to appropriate insurance coverages, appropriate coverage limits and pros and cons of prospective insurance companies.
2. Negotiate coverage terms, premiums, and the placement of coverage with insurers, for Client’s Commercial Property/Casualty insurance program.
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.
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 or falls 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 and offer comments as respects the loss control assistance provided by Client's insurers, evaluate the recommendations submitted by the insurers and negotiate changes, as requested and as appropriate.
2. Provide detailed loss data to Client, directly from the insurers on a periodic basis.
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 the provision of assistance regarding the submission of claims to insurers and regarding the interpretation of insurance policies.
5. Attend claims review meetings convened by Client's insurer as requested by Client.
6. Analyze reserve amounts allocated for claims at certain values and notify Client as appropriate.
7. Monitor problematic claims on an ongoing basis.
8. Conduct loss control surveys at the Client's facilities as agreed in writing by Client and USI.

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.

2. BASIS OF COMPENSATION

In consideration of the services provided by USI, Client will pay USI an annual fee of \$50,000 in lieu of commissions. Per the RFQ, if a policy does not offer net of commission, the commissions by USI will be disclosed. In addition, if Client directs USI to place new coverages beyond what is included in the previous renewal, USI may collect commissions for the first year only.

Payments of such fee will be due on the first day of April 2023, and every year after this Agreement is in effect.

In the event of a merger, acquisition, 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 consider 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, including, without limitation, providing assistance in transferring data to a new insurance broker. Claims and premium or other adjustments may arise after our relationship ends, and USI has no responsibility to handle these things after termination of the Agreement. Such items are normally handled by the insurance broker serving a client 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, USI 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. 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.

7. 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, representatives of USI and Client shall meet and discuss in good faith what steps need to be undertaken with respect to the services and the provision thereof by USI.

8. 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 Client pays through USI and any funds which USI receives from insurers or intermediaries for payment or return to Client 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 USI receives the funds until USI pays them to the insurers or their intermediaries, or until USI returns them to Client after USI receives such funds.

9. 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. USI 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 USI places 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 USI uses to place the Client's insurance. Such agreements do not affect or modify in any way USI's responsibilities to the Client. Prior to placing any insurance coverage on Client's behalf, USI shall disclose all pertinent 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.

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. USI shall disclose to

Client the contingent compensation that USI will receive from each prospective insurance carrier prior to placement of coverage.

USI DOES NOT RECEIVE ANY COMMISSION OR CONTINGENT COMPENSATION FROM CIRMA.

10. 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.

11. INSURER SOLVENCY

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

12. 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.

13. AGREEMENT CONSTRUED UNDER STATE LAWS

This Agreement is to be executed and performed in the State of Connecticut and shall be construed in accordance with the laws of such State. The parties consent to jurisdiction and venue in the Superior Court of the State of Connecticut over any dispute arising between them.

14. CHANGES TO BE IN WRITING

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

15. 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.

16. 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.

17. 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.

18. INDEPENDENT CONTRACTOR

USI represents and agrees that: (a) USI is an independent contractor and not an employee or agent of the Client; (b) USI shall have the sole obligation and responsibility to pay any and all federal, state and local taxes, including wage withholding, payroll, unemployment insurance, Social Security, and sales and income taxes, associated with any payments or other compensation USI directly or indirectly receives from the Client; and (c) neither USI nor any employees or other personnel of USI are entitled to receive or are eligible for any benefits which accrue to employees of the Client, including, without limitation, such benefits as health insurance and retirement benefits. Without the express prior written approval of the Client, neither USI nor any employees or other personnel of USI will do or perform any act or make any representation, promise or commitment which purports in any way to bind the Client.

19. INSURANCE

(a) USI shall, at its own expense and cost, obtain and keep in force during the entire duration of the Agreement the following insurance coverages covering USI and all of its agents, employees, consultants and other providers of all or part of the Services and shall name Town of Wilton as Additional Insured on a primary and non-contributory basis to USI's Commercial General Liability insurance policy. All insurance shall be written with insurance carriers approved by the Client and licensed to do business in the State of Connecticut. All insurance coverages shall be purchased from a company or companies with an A.M./Best rating of A-(VII) or better. Minimum limits and requirements are as follows.

The Firm shall purchase from and maintain, for the life of the contract, in a company or companies with an A.M. Best rating of A- (VII) or better, such insurance as specified below which will protect the Client from claims set forth below which may arise out of or result from the Firm's obligations under the contract, whether such obligations are the Firm's or a subcontractor or any person or entity directly or indirectly employed by the Firm or by anyone for whose acts the Firm may be liable.

i. Workers' Compensation

Workers' compensation insurance required by law with employer's liability limits for at least the amounts of liability for bodily injury by accident of \$500,000 each

accident and bodily injury by disease of \$500,000 including a waiver of subrogation.

ii. Commercial General Liability

Commercial general liability insurance including products and completed operations and not excluding-XCU coverage if applicable. Limits shall be at least: bodily injury & property damage coverage with an occurrence limit of \$1,000,000; personal & advertising injury limit of \$1,000,000 per occurrence; General aggregate limit of \$2,000,000 (other than products and completed operations); Products and completed operations aggregate limit of \$2,000,000. Coverage will continue three years after the completion of the work.

- The policy shall name the Client as an additional insured and include ISO Form CG 2010 and CG 2037 or equivalent.
- The coverage will be provided on an occurrence basis and shall be primary and shall no contribute in any way to any insurance or self-insured retention carried by the Client.
- The policy shall contain a waiver of subrogation in favor of the Client.
- Deductible and self-insured retentions shall be declared and are subject to the approval of the Client.

iii. Commercial Automobile

Commercial automobile insurance for any owned, non-owned or hired autos, in the amount of \$1,000,000 each accident covering bodily injury and property damage on a combined single limit basis. The policy shall name the Client as an additional insured and provide a waiver of subrogation.

iv. Umbrella or Excess Liability

Umbrella or excess liability policy in excess (without restriction or limitation) of those limits and coverages described in items (1) through (3) above. The policy shall contain limits of liability in the amount of \$5,000,000 each occurrence and \$ 5,000,000 in the aggregate.

v. Errors & Omissions

Errors & omissions insurance for liability resulting from the negligent performance of professional duties or operations. The policy shall contain limits of liability in the amount of \$5,000,000 each claim and \$20,000,000 in the aggregate. The policy shall provide a waiver of subrogation.

(b) The insurance policies described in Section 19(a) are referred to herein as the “Policies”. Each of the Policies shall be underwritten by an insurance company licensed in the State of Connecticut to underwrite that particular form of insurance. Upon execution of this Agreement and, upon request of the Client, at every date for renewal of the Policies, USI shall cause a Certificate of Insurance to be issued by an insurance agent licensed in the State of Connecticut. Each of the Policies shall incorporate a provision requiring written notice to the Client at least

thirty (30) days prior to any cancellation, nonrenewal or reduction in limits of the Policy.

20. CONFIDENTIALITY

USI shall keep strictly confidential and shall not disclose to anyone outside of USI's organization all discussions, oral and written communications and elections regarding pending and threatened claims, settlement negotiations and terms of claims settlements unless disclosure is required by order of a court of competent jurisdiction or becomes publicly available through no fault of USI.

21. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which when taken together shall constitute one and the same Agreement. The parties agree that this Agreement may be transmitted between them by facsimile or electronic mail and, upon evidence of receipt of same, shall constitute delivery of this Agreement. The parties intend that faxed or electronic signatures constitute original signatures and that an Agreement containing the signatures (original, facsimile or electronic) of all the parties is binding on the parties once sent via facsimile or via electronic mail or delivered to the other party.

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

Town of Wilton

BY: _____

Name: Lynne Vanderslice

Title: First Selectwoman

USI Insurance Services, LLC

BY: _____

Name: Jason Guerrero, SVP

Title: Authorized Representative

{Signature page to Brokerage Service Fee Agreement}