



TO: SOUTHERN NEVADA DISTRICT BOARD OF HEALTH

DATE: July 28, 2022

RE: Approval of insurance coverage renewal through Chubb for Southern Nevada Health District's medical/professional liability, coverage period 08/01/2022 - 08/01/2023

PETITION #02-23

That the Southern Nevada District Board of Health for coverage period 08/01/2022 – 08/01/2023 accept the Chubb option 4 renewal proposal and approve payment of premium for the Southern Nevada Health District's medical/professional liability insurance. The policy is brokered through Willis Towers Watson Insurance Services West, Inc. (Las Vegas). The premium for this coverage period is \$75,847.

PETITIONERS:

Mashawn Sandifer, Acting Controller ^{MS}
Heather Anderson-Fintak, General Counsel ^{HAF}
Fermin Leguen, MD, MPH, District Health Officer ^{CL} on behalf of FL

FUNDING:

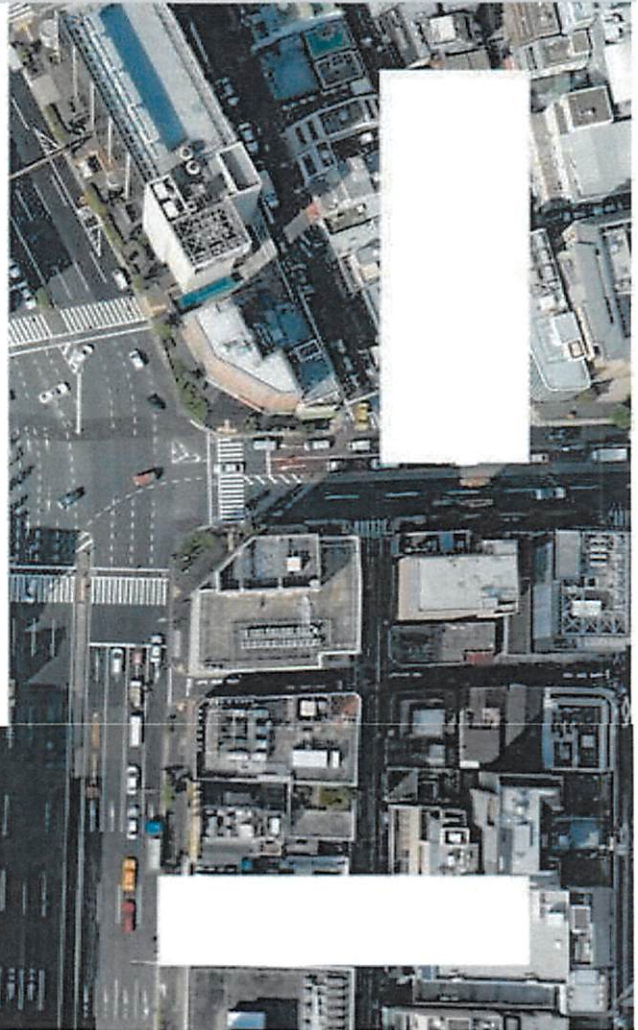
Coverage:	Medical/Professional Liability	
Limits:	Each Professional Incident:	\$1,000,000
	Professional Aggregate:	\$3,000,000
Deductibles:	Each Professional Incident:	\$50,000
	Professional Aggregate:	N/A
Annual Cost:	\$75,847	

Insurance Proposal
Prepared For

Southern Nevada Health District

Policy Term: 08/01/2022 to 08/01/2023

Presented On: 7/14/2022



Willis Towers Watson Insurance Services West, Inc.

Marketing Summary

Premium Comparison

Coverage Details & Comparison

Important Notices

Directions for Binding

Brokerage Terms, Conditions & Disclosures

Appendices

Marketing Summary

If you would like a copy of any quote received, please let us know and we will provide it to you.

These quotes expire on 8/1/2022, after which insurers may withdraw or vary them.

Line(s) of Business	Carrier	Response
Medical Professional Liability	C.N.A. (incumbent)	Quoted - \$87,395
Medical Professional Liability	Vantage Risk	Quoted - \$68,000
Medical Professional Liability	Chubb	Quoted - \$73,000
Medical Professional Liability	Beazley	Indication - \$75,000

Willis Towers Watson

Southern Nevada Health District

Premium Comparison

Coverage	Expiring	C.N.A. Option	Change	Vantage Option	Change	Chubb Option	Change
Total Medical Professional Liability Premium	\$77,980	\$87,395	12.07%	\$68,000	-12.80%	\$73,000	-6.39%
Surplus Lines Tax	\$3,041.22	\$3,408.41		\$2,652.00		\$2,847.00	
Total Program Premiums	\$81,021.22	\$90,803.41	12.07%	\$70,652.00		\$75,847.00	

Willis Towers Watson

Southern Nevada Health District

Willis Towers Watson

Southern Nevada Health District

Medical Professional Liability

	Effective Date	08/01/2021	08/01/2022	08/01/2022	08/01/2022
	Expiration Date	08/01/2022	08/01/2023	08/01/2023	08/01/2023
	Quote Expiration Date	08/01/2022	08/01/2022	08/01/2022	08/01/2022
Coverage		Expiring	Renewal	Renewal	Renewal
			C.N.A. Option	Vantage Option	Chubb Option
General Carrier Information					
Carrier		Columbia Casualty Company	Columbia Casualty Company	Vantage Risk Specialty Insurance Company	Illinois Union Insurance Company
AM Best Rating & Date		A XV, 7/8/2021	A XV, 7/8/2021	A- XII, 12/3/2021	A++ XV, 12/10/2021
Admitted / Non-Admitted		Non-Admitted	Non-Admitted	Non-Admitted	Non-Admitted
Agency Bill/Direct Bill		Agency Bill	Agency Bill	Agency Bill	Agency Bill
Payment Plans		Annual	Annual	Annual	Annual
Commission		14.50%	15%	13.5%	12.5%
Premium and Exposures					
Total Visits		82,474	93,185	93,185	93,185
Physicians		3	1	1	1
Pharmacy Revenue		\$13,400,000	\$12,000,000	\$12,000,000	\$12,000,000
Laboratory Revenue		\$3,500,000	\$14,413,528	\$14,413,528	\$14,413,528
Premium		\$77,980	\$87,395	\$68,000	\$73,000
Surplus Lines Tax*		\$2,729.30	\$3,058.83	\$2,380.00	\$2,555.00
Surplus Lines Fee*		\$311.92	\$349.58	\$272.00	\$292.00
Minimum Earned Premium		25%	25%	35%	25%
Total Medical Professional Liability Premium		\$81,021.22	\$90,803.41	\$70,652.00	\$75,847.00
Limits of Liability and Coverage Limits					
Each Professional Incident Limit		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Professional Liability Aggregate Limits		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Terms and Conditions					
Defense Expense		In addition to Limits	In addition to Limits	In addition to Limits	In addition to Limits
Deductible applies to Damages and Defense Costs		Included	Included	Included	Included
Deductibles					
Each Professional Incident Deductible		\$50,000	\$50,000	\$50,000	\$50,000
Sublimits (Including but not limited to)					
Abuse & Molestation Aggregate Sublimit		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Abuse & Molestation Retroactive Date		8/1/2015	8/1/2015	8/1/2015	8/1/2015
Disciplinary Proceedings Per Proceeding / Maximum Aggregate Per Policy Period (excluding scheduled providers)		\$10,000 / \$10,000	\$10,000 / \$10,000	\$0	\$10,000 / \$10,000
Disciplinary Proceedings Per Proceeding / Maximum Aggregate Per Policy Period (per scheduled providers)		\$10,000 / \$10,000	\$10,000 / \$10,000	\$0	\$10,000 / \$10,000
Emergency Evacuation Expenses Per Emergency Evacuation / Maximum Aggregate Per Policy Period		\$25,000 / \$25,000	\$25,000 / \$25,000	\$0	\$25,000 / \$25,000
HIPAA Disciplinary Proceedings Per Proceeding / Maximum Aggregate Per Policy Period (excluding scheduled providers)		\$10,000 / \$10,000	\$10,000 / \$10,000	\$0	\$10,000 / \$10,000
HIPAA Disciplinary Proceedings Per Proceeding / Maximum Aggregate Per Policy Period (per scheduled providers)		\$10,000 / \$10,000	\$10,000 / \$10,000	\$0	\$10,000 / \$10,000
Media Expenses Per Adverse Event / Maximum Aggregate Per Policy Period		\$25,000 / \$25,000	\$25,000 / \$25,000	\$0	\$25,000 / \$25,000
Forms and Endorsements (Including but not limited to)					
HIPAA Proceeding Costs Supplementary Benefits Endorsement		Included	Included	Excluded	Included
Media Expenses Supplementary Benefits Endorsement		Included	Included	Excluded	Included
Disciplinary Proceedings Supplementary Benefits Endorsement		Included	Included	Excluded	Included
Abuse and Molestation Claim Sub-limit Endorsement (Defense Costs and Damages)		Included	Included	Included	Included
Amend Definition of Insured Person for Scheduled Classes Endorsement		Included	Included	Included	Included
Emergency Evacuation Expenses Endorsement		Included	Included	Excluded	Included
Service Of Suit Endorsement		Included	Included	Included	Included
Cancellation/Nonrenewal Endorsement		Included	Included	Excluded	Excluded
Amend Definition of Insured Person to Include Scheduled Provider Endorsement		Included	Included	Included	Included

*Surplus Lines Taxes and Fees are estimated as close to actual as possible.

Important Notices

SURPLUS LINES

The premium quoted for the Professional Liability insurance is subject to Surplus Lines Tax which is in addition to the premium charged.

WILLIS COMMISSION

Willis Towers Watson negotiates commission rates with certain insurers on a corporate level. If the rate on your placement is lower than the negotiated rate, Willis Towers Watson will collect the difference directly from the insurer. These payments will not increase the cost of your insurance or otherwise impact your premium or rates. Details of these arrangements where there is compensation beyond the base compensation detailed in your Quote Proposal can be found at:

http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates/.

WILLIS BROKERAGE TERMS, CONDITIONS & DISCLOSURES

An order to bind the coverage presented in this proposal shall be deemed an acceptance and agreement that this proposal is subject to Willis Towers Watson's Brokerage Terms, Conditions, and Disclosures "Brokerage Terms" that are incorporated as part of this proposal and available at:

<https://www.willistowerswatson.com/-/media/WTW/Notices/Brokerage-Terms-Conditions-Disclosures.pdf>. If

you would like a hard copy of the Brokerage Terms, please contact any member of your Willis Towers Watson service team. If you have received a hard copy of this proposal, a hard copy of the Brokerage Terms is included for your convenience.

Direction for Binding

Please review this proposal and advise of any changes or questions you may have. To request the binding of coverage, please complete and sign the following or contact me with your binding instructions.

Please bind the coverage:

Bind	Coverage	Carrier	Premium*	Policy Fee
<input type="checkbox"/>	Medical Professional Liability	Vantage RisK	\$70,652	\$0
<input type="checkbox"/>	Medical Professional Liability	Chubb	\$75,847	\$0
<input type="checkbox"/>	Medical Professional Liability	Columbia Casualty Company	\$90,803	\$0

SUBJECTIVITIES	
Policy	
Vantage: Medical Professional Liability	Name and email address of the person we should send deductible invoices to in the event of a claim

PAYMENT PLANS	
Policy	Plan
Medical Professional Liability	Agency Bill - Annual Payment

*Surplus Lines Taxes and Fees are estimated as close to actual as possible.

Southern Nevada Health District

Signature

Date

Title

Printed Name

Brokerage Terms, Conditions & Disclosures



Corporate Risk & Broking Brokerage Terms, Conditions & Disclosures

A Client's decision to purchase insurance coverages, products, and/or services through a WTW company is subject to the following terms and conditions (the "Brokerage Terms").

1. General Terms and Conditions

- 1.1. **Fees and Expenses.** WTW will submit invoices for the services provided and expenses incurred. Invoices will be paid within 30 days of receipt. In the event that invoices are not paid within that time, we will be entitled to charge a late payment fee of the lesser of 1.0% per month or the maximum allowed by law.

Any fees or rates quoted or estimated will be exclusive of income tax or of any sales, ad valorem, value added tax or any similar tax unless such tax is required to be included pursuant to a statutory requirement. If required, WTW will add the relevant tax to the invoice, separately stated, and remit such tax to the appropriate authority.

- 1.2. **Our Responsibilities.** WTW will provide the services in a professional manner with reasonable skill and care and in accordance with all laws and regulations applicable to us. WTW will assign to the project team, members of our staff with adequate education, training and experience to perform the tasks assigned to them. WTW will use reasonable endeavors to meet any agreed timetable.

The work product WTW produces in the course of providing the services (the "Work Product") will not infringe any intellectual property right of any third party. Unless otherwise expressly agreed in writing, WTW does not accept any fiduciary or trust responsibilities or related liability in connection with the performance of the services. WTW does not provide legal, accounting or tax advice.

- 1.3. **Your Responsibilities.** Client will provide WTW, in a timely manner, with all documentation, information, access to your personnel, access to your premises (if applicable) and cooperation reasonably required to provide the services. Any delay or failure to provide such documentation, information, access to your personnel or cooperation may result in: (a) a revision to any agreed timetable; and (b) if WTW is required to perform any additional work as a result, in additional fees being charged. WTW will rely on the documentation and information provided by you or your representatives and WTW does not take responsibility for verifying the accuracy or completeness of it. Client may rely only upon WTW's final Work Product and not on any drafts or oral statements made by us in the course of performing the services.

Client represents that it is in compliance, and will continue to comply, with all laws, rules, regulations or government authority guidance applicable to it. If WTW determines that the services WTW performs for Client relate to operations or activities prohibited by or inconsistent with any applicable law, rule, regulation or government authority guidance, it reserves the right to immediately terminate the master services agreement or similar agreement outlining the general terms between the parties ("MSA") and/or any signed statement of work or similar agreement between the parties which incorporates these Brokerage Terms by reference or which governs the same services as these Brokerage Terms ("SOW") in their entirety and/or decline to provide certain services.

- 1.4. **Intellectual Property Rights and Work Product.** Client will retain ownership of all original data and materials provided to us by you or your representatives, and the intellectual property rights in that data and materials. Client will have the right to use, reproduce and adapt the copies of the Work Product for internal purposes within your organization. WTW will retain the intellectual property rights in the Work Product, and the skills, know-how and methodologies used or acquired by us during the course of providing any of the services.

The services, including the Work Product, are provided solely for the intended purpose, and may not be referenced or distributed to any other party without our prior written consent. Client may distribute the Work Product to its affiliates, provided that Client ensures that each such affiliate complies with these Terms, Conditions, & Disclosures, as if it were a party to them, and Client remains responsible for such compliance.



Client will not refer to WTW or include any of the Work Product in any shareholder communication or in any offering materials (or fairness opinion provided by Client's professional advisers) prepared in connection with the public offering or private placement of any security, unless otherwise agreed in writing.

- 1.5. **Confidentiality and Data Privacy.** Each party (the "Recipient") will protect all confidential information which the other party (the "Discloser") provides to it (whether orally, in writing or in any other form) ("Confidential Information") using the same standards as the Recipient applies to its own comparable confidential information, but in no event less than reasonable measures. Confidential Information will not include information that is: (a) already known to the Recipient at the time of disclosure; (b) in the public domain or publicly available; (c) provided to it by a third party who is under no such obligation of confidentiality; (d) independently developed by it; or (e) is required to be disclosed by court order, regulatory authority or other legal process, provided that prior to disclosing any Confidential Information, the Recipient will, if permitted by law, notify, and cooperate with the Discloser, at Discloser's expense, to lawfully limit and/or obtain appropriate protective orders with respect to such portion(s) of the Confidential Information which is the subject of any such required disclosure. Each party may disclose Confidential Information to its legal advisers to protect its own legitimate interests or to comply with any legal or regulatory requirements.

In the course of providing the services, the parties acknowledge that Client may provide WTW with information about an identifiable individual or information which relates to a natural person and allows that person to be identified, including Client's customer or employee information ("Personal Data"). It is further acknowledged that WTW is a global business and that WTW may transmit Client's information, including Personal Data, within WTW's global network of offices to our affiliates and providers of IT outsourcing who will be subject to appropriate data protection standards. Client represents that WTW is authorized to receive and possess any such Personal Data and that Client has obtained any necessary consents from third parties, including the individual to which such Personal Data relates, that may be required for WTW to use the Personal Data for the purposes of providing the services. Irrespective of where WTW receives or holds Personal Data on Client's behalf, WTW will take appropriate technical, physical and organizational/administrative measures to protect it against accidental or unlawful destruction or accidental loss or unauthorized alteration, disclosure or access. Each party will comply with the provisions and obligations imposed on it by applicable data privacy legislation and regulations.

Client agrees that WTW may maintain, process and transfer Client's Confidential Information and Personal Data in order to perform the services, and for other reasonable ancillary purposes, unless Client instructs otherwise. WTW may retain such information and data as may be required by applicable law, regulation, or our record retention and business continuity policies and procedures.

In addition, Client hereby grants WTW permission to use data WTW receives from Client or its representatives in the course of the services for use in industry benchmarking studies, trend analyses and research. WTW may use the results of these studies, analyses and research for various purposes, including articles and studies for distribution to WTW's other clients and prospects. Any such articles or studies will not disclose your participation or mention the inclusion of your information to any other party. Any findings from these studies that may show individual participant results will be on a blinded basis, and not attribute any finding to a specific participant.

1.6. **Limitation of Liability.**

- 1.6.1. If the services do not conform to the requirements agreed between the parties, Client will notify WTW promptly and WTW will re-perform any non-conforming services at no additional charge or, at WTW's option, refund the portion of the fees paid with respect to such non-conforming services. The re-performance of the services or refund of the applicable fees is intended to provide an adequate remedy for any failure on WTW's part to adhere to the requirements agreed between the parties for the performance of services

- 1.6.2. In no event shall WTW or any of its affiliates and WTW's and affiliates' respective employees, directors, officers, agents and subcontractors (the "Related Persons") be liable for any incidental, special, punitive, or consequential damages of any kind (including, without limitation, loss of income, loss of profits, or other pecuniary loss), except to the extent such liability may not be excluded as a matter of law.



- 1.6.3. Where WTW is jointly liable to Client with another party, WTW will to the extent permitted by law only be liable for those losses that correspond directly with WTW's share of responsibility for the losses in question.
- 1.7. **Third Parties.** For the avoidance of doubt, Section 1.6 confers rights on the Related Persons which may be enforced by any of them. Otherwise, no person who is not a party to these Brokerage Terms, any MSA, or any SOW shall have the right to enforce any of these Brokerage Terms, MSA terms, or SOW terms. WTW accepts no responsibility for any consequences arising from any third party relying on the Work Product. If WTW agrees to provide the Work Product to a third party, Client is responsible for ensuring that the third party is made aware of the fact that they are not entitled to rely upon it. Client agrees to reimburse WTW for all costs (including reasonable legal fees) that WTW incurs in responding to any requests or demands from third parties in connection with a matter to which WTW is not a party, pursuant to legal process or otherwise, for data or information related to the services.
- 1.8. **Force Majeure.** Neither party will be liable for any delay or non-performance of its obligations caused by an event beyond its control (a "**Force Majeure Event**") provided that the party affected gives prompt notice in writing to the other party of such Force Majeure Event and uses all reasonable endeavors to continue to perform its obligations. Unless otherwise provided in the applicable Statement of Work, either party may terminate any SOW by written notice to the other with immediate effect if such Force Majeure Event continues for more than 3 months.
- 1.9. **Miscellaneous.** These Brokerage Terms, together with any MSA or SOW, set out the complete and exclusive statement of agreement and understanding between the parties, which supersedes and excludes all prior or contemporaneous proposals, understandings, agreements or representations, whether oral or written, with respect to your purchase of insurance. To the extent there is a conflict between these Brokerage Terms, and an MSA and/or SOW, the relevant portions of the Brokerage Terms and/or SOW will control. Any modifications of or amendments to any MSA, SOW, or a change to the services must be in writing and agreed by the parties. Should any provisions of a MSA, SOW, or any of the Brokerage Terms be declared void, illegal or otherwise unenforceable, the remainder will survive unaffected.

Neither party may assign or delegate any of its rights or obligations to any third party without the prior written consent of the other party. Notwithstanding the foregoing, either party may assign or delegate any of its rights and obligations to an affiliate. WTW reserves the right to employ subcontractors to assist in providing services and to pass to them any information and materials they need to perform their work. Where WTW uses affiliates or subcontractors to provide the services, WTW will remain ultimately responsible for the provision of the services.

Neither party will have any liability in respect of any statement (except in the case of fraud where the liability of each party to the other will be unlimited) made by such party or on its behalf to the other party which is not contained in an applicable MSA, SOW, or these Brokerage Terms and each party acknowledges that it has not entered into an any MSA, or SOW or will enter into a MSA or SOW, in reliance on any representation by the other party which is not contained in the MSA, the applicable SOW, or these Brokerage Terms.

WTW does not tolerate unethical behavior either in WTW's own activities or in those with whom WTW seeks to do business. WTW will comply with applicable laws, regulations, and rules.

- 1.10. **Sanctions and Export Control.** Sanctions and export control laws from Canada, the EU, United States, and other government authorities prohibit companies, including WTW, from conducting business in certain jurisdictions or with certain individuals. The restrictions may differ based on Client's business activity, ownership structure, and the location or nationality of Client's employees. Please inform WTW of any insurance or service requirements Client has which touch upon goods, countries, entities or individuals subject to any sanctions or export controls. WTW will comply with all applicable sanctions and export control laws, and WTW is not responsible for actions taken by third parties based on their own sanctions or export control constraints.
- 1.11. **Dispute Resolution and Governing Law.** The parties agree to work in good faith to resolve any disputes arising out of or in connection with the services provided under these Brokerage Terms. If a dispute cannot be resolved it will be submitted to non-binding mediation to be conducted by (in the US) Judicial Arbitration and Mediation Services (JAMS) or (in Canada) the National Mediation Rules of the ADR Institute of Canada then in force before either party pursues other remedies hereunder. If the mediation does not resolve the



dispute and a party or both parties wish to pursue other remedies, the parties agree that their legal dispute will be resolved without a jury trial and agree not to request or demand a jury trial. To the fullest extent permitted by applicable law, the parties hereby irrevocably waive any right they may have to demand a jury trial. Any controversy, dispute or claim of any kind between the Parties shall be governed by and interpreted in accordance with the laws of the State of New York, without regard to New York's provisions governing conflicts of laws.

To the extent the foregoing jury trial waiver is not enforceable under the governing law, except as provided below, any dispute arising out of or in connection with these Brokerage Terms which the parties are unable to resolve between themselves or through mediation as provided above, will be resolved by binding arbitration in the state or province as provided for in Section 1.14 below, or other mutually agreed location, before a panel of three arbitrators in accordance with the (in the US) Commercial Arbitration Rules of the American Arbitration Association or (in Canada) the Canadian Arbitration Rules of the ICDR Canada. Under these circumstances, the arbitration proceeding will be the sole and exclusive means for resolving any dispute between the parties, except for any dispute involving the ownership or use of work product or intellectual property, provided that either party may seek an injunction or other equitable relief if such action is necessary to avoid irreparable damage or to preserve the status quo. Each party will have the right to select one of the arbitrators and the two arbitrators so selected will agree on the choice of the third arbitrator. Each party will bear the expenses of the arbitrator it selects and one-half of the expenses of the third arbitrator and other costs related to the arbitration. Judgment on the award rendered by the arbitrators will be final and binding, and may be entered in any court having jurisdiction thereof. The arbitration proceeding will be confidential.

2. Brokerage Terms and Conditions

- 2.1. The services WTW provides to Client will rely in significant part on the facts, information and direction provided by Client or Client's authorized representatives. In order to make our relationship work, WTW and Client must each provide the other with accurate and timely facts, information and direction as is reasonably required. Client must provide WTW with complete and accurate information regarding Client's loss experience, risk exposures, and changes in the analysis or scope of Client's risk exposures and any other information reasonably requested by WTW or insurers. It is important that Client advise WTW of any changes in Client's business operations that may affect WTW's services or Client's insurance coverages. Therefore, all information which is material to Client's coverage requirements or which might influence insurers in deciding to accept Client's business, finalizing the terms to apply and/or the cost of cover, or deciding to pay a claim, must be disclosed. Failure to make full disclosure of material facts might potentially allow insurers to avoid liability for a particular claim or to void the policy. This duty of disclosure applies equally at renewal or modification of Client's existing coverage and upon placement of new lines of coverage. Client agrees that WTW will not be responsible for any consequences arising from any delayed, inaccurate or incomplete information.
- 2.2. An insurer quote is an offer to provide coverage. Offers can be modified or withdrawn prior to Client's acceptance through Client's order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should Client choose to bind coverage, WTW will secure a formal commitment, typically in the form of a binder on a form issued or approved by the insurer(s) at issue. The quotes WTW will provide to Client are based upon the information that Client has provided to WTW. If Client discovers that previously submitted information is inaccurate or incomplete, please advise WTW immediately so that WTW can attempt to revalidate terms with insurers.
- 2.3. At the time of binding, WTW reviews the financial soundness of the insurers WTW recommends to provide Client's coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, WTW will provide Client with WTW's analysis of such insurers. WTW does not guarantee or warrant the solvency of any insurer or any intermediary that WTW may use to place your coverage.
- 2.4. If Client has a multi-year policy, it is important that Client understands the limitations associated with the coverage options and the possibility that the financial strength of the insurer may change throughout the term of the policy. WTW recommends that Client review the insurer's ratings for any downgrades during the term of this multi-year policy.
- 2.5. The final decisions with respect to all matters relating to Client's insurance coverages, risk management, and loss control needs and activities are Client's. WTW will procure the insurance coverage chosen by



Client, including the limits Client chooses, prepare or forward insurance binders, if applicable, and review and transmit policies to Client.

- 2.6. WTW will review all binders, policies and endorsements to confirm their accuracy and conformity to negotiated specifications and Client's instructions and advise Client of any errors in, or recommended changes to, such documents. Client agrees that it will also review all such documents and promptly advise WTW of any questions Client has or of any document or provision which Client believes may not be in accordance with Client's instructions as soon as possible, and in no event longer than two weeks, after Client receives them. Client's coverage is defined by the terms and conditions detailed in Client's insurance policies and endorsements. Client's review of these documents, and any review Client may seek from outside legal counsel or insurance consultants, is expected and essential.
- 2.7. WTW will inform Client of the reporting requirements for claims, including where claims should be reported and the method of reporting to be used, if applicable. Please carefully review any claims-reporting instructions or information WTW provides. Failure to timely and properly report a claim may jeopardize coverage for the claim. In addition, Client should retain copies of all insurance policies and coverage documents as well as claims-reporting instructions after termination of the policies because in some cases Client may need to report claims after termination of a policy.
- 2.8. WTW's compensation may be revised if Client requests a change in the coverages and/or services WTW provides under the SOW or these Brokerage Terms and WTW enters into a written agreement documenting any change in coverages, services and compensation. If WTW is compensated by commissions paid by insurers, WTW will be entitled to retain the commissions for new coverages, revised coverages, or other material change in coverages.
- 2.9. If Client's insurance risks are in more than one jurisdiction, WTW, where required, will work with Client and insurers to determine the allocation of premium between applicable jurisdictions, and the amount of insurance premium tax payable in each jurisdiction. In providing such services, WTW is acting in its capacity as an insurance broker, not as Client's tax advisor. Client should seek its own advice in relation to such tax laws where Client considers it necessary. WTW will not be liable to Client should the apportionment of premium or amount of tax payable under the policy be challenged by any tax authority. In addition, WTW will not be liable to Client should the insurers fail, or refuse, to collect and pay such insurance premium tax to the relevant authorities.
- 2.10. Client will provide immediately available funds to pay premiums by the 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 the insurer. Client agrees that WTW is not responsible for any consequences arising from any delay or failure by Client to pay the amount due by the indicated date.
- 2.11. Client may use a premium finance company, property appraiser, structured settlement firm or other similar service provider in connection with the insurance coverages WTW places for Client. Premium finance options are not always available, but where they are, WTW currently works with industry leading finance providers for this service. Where permitted by law, WTW receives a fee for the services WTW provides those companies. These services include, but are not limited to, processing the premium finance applications and marketing and sales support they do not have. If Client would like more information about the fee WTW receives, please let us know.
- 2.12. WTW will handle any premiums Client pays through WTW and any funds which WTW receives from insurers or intermediaries for payment or return to Client in accordance with applicable province/territory, state and federal insurance laws and regulations and province/territory and state unclaimed property laws. WTW may transfer Client's funds directly to insurers or to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents to carry out transactions for Client.
- 2.13. Where WTW collects funds from Client, Client agrees that WTW may receive and retain interest on such funds from the date WTW receives the funds until WTW pays them to the insurers, intermediaries, or other third parties in the course of providing services, or until WTW returns them to Client after WTW receives such funds.
- 2.14. Unless otherwise provided in writing, Client agrees that WTW may use Client's company name and logo in marketing materials and for internal WTW use.



- 2.15. Unless otherwise agreed in writing, in the event of termination, WTW will be entitled to receive and retain any commissions payable under the terms of WTW's commission agreements with the insurers in relation to policies placed by WTW, whether or not the commissions have been received by us.
- 2.16. WTW's obligation to render services to Client ceases on: (a) the effective date of termination of the SOW, or (b) if Client has not entered into a SOW, the earlier of: (i) 60 days prior written notice by either party terminating the services, or (ii) with respect to any coverage subject to these Brokerage Terms, the effective date of a change in Client's broker of record for that coverage (the "Termination Date"). Nevertheless, WTW will take reasonable steps to assist in the orderly transition of matters to Client or to a new insurance broker. Claims and premium or other adjustments may arise after the Termination Date, and WTW has no responsibility to handle these things after WTW's relationship with Client ends. Such items are normally handled by the insurance broker serving Client at the time the claim or adjustment arises. However, WTW will consider providing such services after the Termination Date for mutually agreed additional compensation. Nevertheless, WTW will process all remaining deposit premium installments on the policy(ies) in effect on the Termination Date.
- 2.17. The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, WTW will promptly inform Client and withdraw from the engagement, unless Client wishes WTW to continue to provide the services and provide Client's written consent. Please let WTW know in writing if Client has concerns or WTW will assume that Client understands and consents to WTW's providing its services pursuant to these Brokerage Terms.
- 2.18. In addition to any other terms governing the use of Client's information as provided herein or in any other MSA, SOW, or other agreement, Client agrees that WTW may use Client's information and, if applicable, receive remuneration for such use, as described below. WTW may:
 - 2.18.1. aggregate and anonymise Client's information and may disclose to third parties certain anonymized or industry-wide statistics or other information which may include information relating to Client, but that WTW will not, without Client's consent, reveal any information specific to Client other than on an aggregated and anonymized basis and as part of an industry or sector-wide comparison;
 - 2.18.2. use Client's information to engage certain insurers in periodic discussions to gauge insurers' capabilities and interest in potentially quoting Client's business at a future date. Such discussions could be specific to Client's account or part of a discussion about a portfolio of accounts and typically increase the effectiveness and efficiency of WTW's future marketing efforts on Client's behalf when Client desires alternative bids;
 - 2.18.3. share information concerning Client's insurance arrangement with insurers or their agents where this is necessary to enable insurers to decide whether to participate in insuring Client's risk or to participate in any arrangement made by WTW whereby participating insurers agree to insure (wholly or partly) a portfolio of risks without necessarily making underwriting decisions on a case by case basis for individual risks within such portfolio;
 - 2.18.4. use any information Client provides, without further notice to Client, for the purpose of: (1) prospecting facultative reinsurance business from prospective insurer clients; (2) placing facultative reinsurance on behalf of WTW's insurer clients; (3) marketing facultative reinsurance with prospective reinsurers on behalf of WTW's insurer clients.

3. Brokerage Disclosures

- 3.1. If a WTW affiliate or office located outside of Canada or the United States serves as an intermediary in the placement of Client's coverages, it will also earn and retain compensation for providing those services, which compensation may not be included in the fee.
- 3.2. To the extent WTW is compensated by commissions paid to WTW by insurers, they will be earned for the entire policy period at the time WTW places policies for Client. WTW will be paid the commission percentage stated for the placement of Client's insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless a different commission percentage is disclosed to Client, or unless the insurer changes its commission rates, in which case the new commission rate will be disclosed to Client before placement of the policy.



- 3.3. The compensation that will be paid to WTW will vary based on the insurance contract it sells. Depending on the insurer and insurance contract Client selects, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may be contingent and may vary depending on a number of factors, including the insurance contract and insurer Client selects. In some cases, other factors such as the volume of business WTW provides to the insurer or the profitability of insurance contracts WTW provides to the insurer also may affect compensation. WTW may accept this compensation in locations where it is legally permissible, and meets standards and controls to address conflicts of interest. Whether or how much insurers may pay in such compensation does not play any role in WTW's placement recommendations on behalf of its clients. If Client prefers that WTW not accept this compensation related to Client's policy, please notify WTW in writing and WTW will request that Client's insurer(s) exclude Client's business from their payment calculations.
- 3.4. Upon request, WTW will provide Client with additional information about the compensation WTW expects to receive based in whole or in part on Client's purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to Client.
- 3.5. WTW may place Client's insurance or other business with members of a panel of insurers or other vendors. WTW develops panels of insurers and vendors in certain market segments. Participating insurers and vendors are reviewed on a variety of factors. Commission or fee rates on panel placements may be higher than rates paid on business placed outside of the panel process. WTW discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers or vendors pay an administration or management fee to participate in the panel process or for additional reporting. In some instances, WTW may earn a referral fee for referring Client's business to certain vendors.
- 3.6. In some cases the use of a wholesale broker may be beneficial to Client. WTW will not directly or indirectly place or renew Client's insurance business through a wholesale broker unless WTW first discloses to Client in writing any compensation WTW or WTW's corporate parents, subsidiaries or affiliates will receive as a result.
- 3.7. If wholesalers, underwriting managers or managing general agents have a role in providing insurance products and services to Client, they will also earn and retain compensation for their role in providing those products and services. If any such parties are corporate parents, subsidiaries or affiliates of WTW's, any compensation WTW or WTW's corporate parents, subsidiaries or affiliates will receive will be included in the total compensation WTW discloses to Client. If such parties are not affiliated with WTW, and if Client desires more information regarding the compensation those parties will receive, please contact WTW and WTW will assist Client in obtaining this information.
- 3.8. Commission schedules and other compensation arrangements related to WTW's services on Client's behalf may change over time and may not always be congruent with Client's specific policy period. WTW will provide Client with accurate information to the best of WTW's knowledge when information is presented to Client, but it is possible that compensation arrangements may change over time. WTW will update Client on any changes to WTW's compensation prior to Client's renewal, and will do so at any time upon Client's request.
- 3.9. As an insurance intermediary, WTW normally acts for Client. However, WTW or WTW's corporate parents, subsidiaries or affiliates may also provide services to insurers for which WTW may earn compensation. These services may include, for example, (a) acting as a managing general agent, program manager or in other similar capacities which give WTW binding authority enabling WTW to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; (c) managing lineslips for insurers; or (d) providing third party administration and other services to insurers. Contracts with these insurers may grant WTW certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers. WTW may place Client's insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when WTW reasonably considers that these match Client's insurance requirements/instructions. When WTW intends to do so, WTW will inform Client and disclose that WTW will receive compensation related to these services. In addition, these services may include providing services to insurers as a client. For example, WTW or they may provide consulting, brokerage, outsourced administration, or reinsurance services to insurer clients. In such cases, WTW or they will be compensated separately for the services provided to those insurer clients. Some of these insurer clients may happen to be insurers with whom WTW places Client's insurance coverages. The services provided to Client and the



services provided to WTW's insurer clients are separate and any compensation earned for the services provided to insurer clients are separate from and in addition to the compensation WTW earns for the services WTW provides Client under these Brokerage Terms.

- 3.10. WTW is a member of a major international group of companies. In addition to the commissions received by WTW from insurers for placement of Client's insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by WTW's corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to Client under their separate contracts with insurers or reinsurers.
- 3.11. To comply with applicable anti-money laundering regulations there are times when WTW may ask clients to confirm (or reconfirm) their identity. WTW may need to do this at the time Client becomes a client or has been one for some time or for example, when checking details on proposal forms and transferring claims payments. This information may be shared with other subsidiaries of Willis Towers Watson PLC and where WTW deems necessary with regulatory or law enforcement bodies. Please note that WTW is prohibited from disclosing to Client any report WTW may make based on knowledge or suspicion of money laundering, including the fact that such a report has been made.

WTW has systems that protect clients and WTW against fraud and other crime and WTW may utilize the services of third parties in order to identify and verify clients. Client information can be used to prevent crime and trace those responsible. WTW may check Client's details against financial crime databanks. If false or inaccurate information is provided, WTW may be obliged to pass such details to relevant regulatory agencies that may use this information.

- 3.12. WTW negotiates commission rates with certain insurers on a corporate level. If the rate on Client's placement is lower than the negotiated rate, WTW will collect the difference directly from the insurer. These payments will not increase the cost of Client's insurance or otherwise impact Client's premium or rates. Details of these arrangements where there is compensation beyond the base compensation detailed in Client's Quote Proposal can be found at: http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates.
- 3.13. A separate business unit, FINMAR Market Services, provides a wide range of services direct to certain insurers that write business for FINEX Global clients. A separate fee is paid to FINMAR Market Services by insurers for the delivery of these services to them. This fee is calculated within a range of 2.75% and 7.5% (plus VAT, if applicable) of the overall premiums placed depending on the scale of services provided. Unless otherwise stated, premiums paid by the clients of FINEX Global will not be increased as a result of these arrangements.
- 3.14. If a surplus lines insurer (sometimes referred to as an excess lines insurer, non-admitted insurer, or non-licensed insurer) was used to quote Client's coverage, its premium rates, coverage terms and policy forms are not regulated by Client's home state, province or territory, as applicable, and Client will be required to pay an additional surplus lines premium tax which is on top of the premium. Also, in the event of the insurer's insolvency Client will not be indemnified by any government guaranty fund for unpaid claims.

4. Language

- 4.1. It is the express wish of the parties that these Brokerage Terms and any related documents be drawn up in and executed in English. Les parties souhaitent expressément que cette entente et tous les documents s'y rapportant soient rédigés et signés en anglais.

5. Inquiries and Complaints

- 5.1. Client's satisfaction is important to WTW. If Client has questions or complaints, please inform the person who handles Client's business or contact the head of WTW's office. Alternatively, Client may call toll free 1-866-704-5115.
- 5.2. The Texas Department of Insurance maintains a toll-free telephone number (1-800-252-3439) which you may call if Client has complaints regarding fees charged by any insurance producer. Client also may contact the Texas Department of Insurance at ConsumerProtection@tdi.state.tx.us. The Texas Department of



Insurance's website is www.tdi.state.tx.us and its mailing address is P.O. Box 149104, Austin, TX 78714-9104.

Renewal Quotes