

**BROKER SERVICES AGREEMENT**  
between  
**Alliant Insurance Services, Inc.**  
and  
**MT. DIABLO UNIFIED SCHOOL DISTRICT**

**I. PARTIES**

The PARTIES to this AGREEMENT are MT. DIABLO UNIFIED SCHOOL DISTRICT (CLIENT) and **Alliant Insurance Services, Inc.** (BROKER).

**II. AGREEMENT**

In consideration of the payments and agreements specified in this AGREEMENT, BROKER shall perform SERVICES pursuant to Section IV, SCOPE OF SERVICE.

**III. DEFINITIONS**

When used herein, when capitalized, whether in the singular or in the plural, the following terms shall have the following meanings:

- A. BROKER – Alliant Insurance Services, Inc.
- B. CLIENT – MT. DIABLO UNIFIED SCHOOL DISTRICT.
- C. AGREEMENT – This BROKER services agreement, including any written changes thereto, which were agreed upon by the PARTIES.
- D. COMPENSATION – Remuneration paid to BROKER as consideration within this AGREEMENT, which will be one or both of:
  - 1. FEE – Annual remuneration paid by CLIENT directly to BROKER for Services (does not include commission).
  - 2. COMMISSION – Remuneration paid by CLIENT’s insurance carriers (or excess pools) directly to BROKER.
- E. PARTY – CLIENT or BROKER
- F. PROGRAM – The lines of Insurance coverages placed on behalf of CLIENT and SERVICE provided under the scope of this AGREEMENT and listed in **Addendum A**.
- G. SERVICE – Any and all obligations of BROKER to be performed pursuant to this AGREEMENT.
- H. PERSONNEL – Those individuals on the Account Service Team responsible for the BROKER role provided for under Section IV, SCOPE OF SERVICE.

**IV. SCOPE OF SERVICE**

BROKER shall, as respects the categories of risk and insurance identified in **Addendum A** attached hereto, at CLIENT’s request, perform the following SERVICES:

- A. Develop and recommend to CLIENT insurance and other risk financing or loss funding PROGRAMS, techniques and methods whenever they will benefit CLIENT.

- B. Develop underwriting information, structure offerings to insurers and secure, when reasonably available, a PROGRAM as desired by CLIENT with financially acceptable insurance companies or other pooling programs providing the balance of coverage scope, cost and services selected by the CLIENT.
- C. Design insurance wording for PROGRAM contracts to meet the specific needs of CLIENT.
- D. Review marketing plan with CLIENT prior to approaching insurers on any PROGRAM and if marketed, present all quotes to CLIENT.
- E. Review insurance policies, binders, certificates and other documents related to the PROGRAM for accuracy and obtain revisions in such documents when needed.
- F. Monitor the PROGRAM to assure its continuing balance of coverage scope, cost, service and stability.
- G. Prepare written reports to CLIENT management to include:
  - 1. 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 PROGRAM. At least ninety (90) days prior to PROGRAM anniversary, a written report stating anticipated renewal terms and conditions and other indications of market conditions, trends and anticipated changes,
  - 2. Not more than ninety (90) days after renewal, comprehensive annual summary report outlining the PROGRAM for use in the CLIENT Annual Report. Such report shall contain the following Information:
    - a) Recapitulation of PROGRAM'S cost for current and preceding years.
    - b) Summary of coverages and other PROGRAM terms and conditions.
- H. Provide additional broker services as agreed upon by the PARTIES.
- I. Evaluate the financial status and service capabilities of the insurers affording coverage or making quotations of coverage under the PROGRAM, based upon the available data. CLIENT recognizes and agrees that BROKER is not responsible for any change in the financial condition of any insurance carrier after an insurance placement is made.
- J. Deliver binders or other evidences of insurance within ten (10) calendar days after the placement of any insurance under the PROGRAM to be effective until such time as the policy or policies for the placement are received by CLIENT from the insurance carriers. Such binders shall be signed by an authorized agent or employee of the insurance carrier.
- K. The BROKER shall use best efforts to secure a correct policy or policies within sixty (60) days of placement of any insurance under the PROGRAM.
- L. The BROKER shall not be responsible for the failure of CLIENT to make premium payments.

## **V. COMPENSATION**

With respect to the categories of risk and insurance identified in Addendum A and the SERVICES specified in Section IV, SCOPE OF SERVICE, it is agreed that BROKER shall receive a FEE as follows:

\$150,000 annually for July 1, 2017 – July 1, 2020

This amount is subject to adjustment annually if CLIENT creates a new PROGRAM other than those listed in **Addendum A**, requests a change in SERVICE or if the CLIENT's size or organization changes to alter the time involved in the SERVICE.

With respect to insurance and other coverage placed by the BROKER acting as CLIENT's insurance broker, and as a part of BROKER's compensation under this Agreement, BROKER shall, to the extent it is legally entitled to do so, endeavor to collect commissions and placing fees from insurers and other coverage providers with whom BROKER places CLIENT's insurance and/or other forms of coverage.

During the time of this AGREEMENT, BROKER will disclose in writing any COMMISSIONS received by BROKER in connection with any insurance placements on behalf of CLIENT.

**“Transparency and Disclosure** – Alliant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of our brokerage clients. We adhere to an established conflict of interest code that rejects any form of broker incentives that would result in business being placed with carriers in conflict with our clients' interests. We operate with full transparency and disclosure and regard all aspects of our broker services and compensation arrangements to be appropriate topics for discussion. Clients are encouraged to contact us with any questions regarding our policies and practices.”

In addition to the compensation that broker receives, its related entity, Alliant Underwriting Services (“AUS”) may receive compensation from broker and/or a carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services and/or Strategic HR may receive compensation from broker and/or a carrier for providing designated, value-added services. Services contracted for by the client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of broker and/or the carrier.

## **VI. TAXES & FEES, THIRD PARTY BROKERS AND INDIRECT INCOME**

### **A. Surplus Lines Fees and Taxes**

In certain circumstances, placement of insurance services made by BROKER on behalf of CLIENT, with the prior approval of CLIENT, 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 CLIENT and identified separately on invoices covering these placements. CLIENT shall be responsible for all such assessments, taxes and fees, whether or not separately invoiced. BROKER 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 CLIENT.

**B. Third Party Brokers**

BROKER 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 CLIENT insurance PROGRAM. Subject to the provisions herein, these third party brokers may be affiliates of BROKER, (other companies of BROKER 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.

**C. Indirect Income**

INDIRECT INCOME means insurance carrier contingency arrangements. BROKER will accept these compensation incentives from insurers, if any, including contingent commissions, market service agreements (MSA), volume-based commission incentives and rebates on business placed on behalf of CLIENT within the SCOPE OF SERVICE of this Agreement

**VII. PERSONNEL**

BROKER agrees PERSONNEL will be responsible for performance of the SERVICES described herein. Should such personnel become unavailable to perform SERVICES for CLIENT, BROKER/CONSULTANT agrees to replace, as soon as practical, such personnel with personnel of comparable skills and experience subject to CLIENT's right of refusal for any reason.

**VIII. TERM**

The term of this AGREEMENT shall be effective from July 1, 2017 and ending June 30, 2020 unless cancelled pursuant to Section X, TERMINATION. CLIENT shall have an option to extend this AGREEMENT for two additional one-year periods, exercisable by CLIENT by notifying BROKER of such extension prior to the anniversary date. This AGREEMENT shall have an anniversary date each July 1st, for the purpose of reviewing COMPENSATION and optional extensions. This AGREEMENT supersedes and replaces all previous Agreements or contracts.

**IX. NONASSIGNABLE**

This AGREEMENT is binding upon the PARTIES hereto and their respective successors by merger, sale, consolidation or reorganization. This AGREEMENT is otherwise personal to the PARTIES and cannot be assigned or delegated without prior written consent of the other PARTY.

## **X. TERMINATION**

This AGREEMENT may be cancelled by either PARTY any time upon ninety (90) days advance written notice delivered or mailed to the other PARTY. In the event of termination or expiration of this AGREEMENT, BROKER will assist CLIENT in arranging a smooth transition to another broker, including, but not limited to, providing CLIENT with copies of all products, files, records, computations, quotations, studies and other data prepared or obtained in connection with this AGREEMENT, which copies shall become the permanent property of the CLIENT. Except for this transition assistance, BROKER's obligation to provide SERVICES to CLIENT will cease at 12:01 a.m. upon the effective date of termination or expiration.

Should this Agreement be terminated pursuant to this Section prior to the end of this Agreement's term, BROKER shall be entitled to retain as earned compensation for its program services, a prorated portion of the fees paid pursuant to Section V. All commissions will be deemed fully earned unless insurance coverage is cancelled.

## **XI. ENTIRE AGREEMENT MODIFICATION**

This AGREEMENT contains the entire agreement between BROKER and CLIENT. It can be amended only by a written agreement 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.

## **XII. 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 hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

## **XIII. APPLICABLE LAW**

This AGREEMENT has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this AGREEMENT shall be determined and governed by the laws of the State of California.

## **XIV. INDEMNIFY AND HOLD HARMLESS**

The BROKER and CLIENT shall each defend, indemnify and hold harmless the other, and each the other's agents and employees, from all claims, demands, damages, costs, expenses, judgments or liability arising out of this AGREEMENT or occasioned by the performance or attempted performance of each PARTY's rights or obligations under this AGREEMENT by that PARTY to include any act or omission on the part of each PARTY's respective employees or agents.

## **XV. INSURANCE REQUIREMENTS**

During the term of this AGREEMENT, BROKER 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 which the BROKER or its agents may make resulting in financial loss to CLIENT;
- 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. The policies are to contain, or be endorsed to contain the following provisions:
  - 1. CLIENT, its trustees, officers, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of the work or operations performed by the BROKER or on behalf of the BROKER, or “any auto,” whether owned leased, hired or borrowed by the BROKER.
  - 2. For any covered claims related to this AGREEMENT, the BROKER’s insurance coverage shall be primary insurance as respects CLIENT, its trustees, officers, employees, or volunteers. Any insurance or self-insurance maintained by CLIENT or any of its members shall be excess to the BROKER’s insurance and shall not contribute with it.
- C. Workers’ Compensation coverage in compliance with the laws of the State of California, and Employers’ Liability insurance in the amount of at least \$1 million per accident or aggregate.
- D. Excess Liability of at least \$4 million per occurrence (and in the aggregate) coverage over General Liability, Professional Liability and Auto primary coverage.

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 the BROKER has obtained the CLIENT’s written acknowledgment that an insurance carrier with a lower financial rating is permitted.

BROKER shall also provide to CLIENT 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.

The failure of the BROKER to procure and maintain the required insurance does not negate the BROKER’s obligation under this AGREEMENT to do so.

## **XVI. OBLIGATIONS OF CLIENT**

CLIENT will reasonably cooperate with the BROKER in the performance of the BROKER's duties by providing the BROKER where available reasonably complete and accurate information as to CLIENT's loss experience risk exposures and any other pertinent information that the BROKER requests. CLIENT shall promptly review coverage documents concerning the PROGRAMS delivered by the BROKER for consistency with CLIENT's specifications.

## **XVII. DISPUTE RESOLUTION**

Any dispute arising under the terms of this AGREEMENT which is not resolved within a reasonable period of time by authorized representatives of the BROKER and the CLIENT shall be brought to the attention of the Chief Executive Officer (or designated representative) of the BROKER and the Chair (or designee) of the CLIENT for joint resolution. At the request of either PARTY, the CLIENT shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is pursued without success, such dispute may be submitted to final and binding arbitration, upon agreement of both PARTIES, or either PARTY may elect to and pursue any rights and remedies by legal action. 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. Any such arbitration or legal action shall be venued in Sacramento, CA unless the PARTIES mutually agree in writing to another location.

Despite an unresolved dispute, the BROKER shall continue without delay to perform its responsibilities under this AGREEMENT. The BROKER shall keep accurate records of its SERVICES in order to document the extent of its SERVICES under this AGREEMENT.

## **XVIII. COPYRIGHT**

Any reports, documents or other materials produced in whole or in part under this AGREEMENT shall be the property of CLIENT and none shall be subject to an application for copyright by or on behalf of BROKER.

## **XIX. CONFIDENTIALITY**

BROKER will not disclose to any third party any of CLIENT's confidential information, protected tangible or intangible property rights, intellectual property, or trade secrets obtained in the course of providing SERVICES to CLIENT, except in the furtherance of insurance brokerage, risk management, risk transfer, employee benefits or other insurance related SERVICES or products provided by BROKER to CLIENT, and only on condition that such insurers and financial institutions are informed of the confidential nature of such information. This information may include information relevant to the underwriting and/or evaluation of the CLIENT's risks and the processing of claims. The following types of information shall not be considered confidential:

1. Information in the public domain or which becomes a part of the public

- domain other than as a result of a breach of this section by BROKER;
2. Information which is independently developed by BROKER as demonstrated by BROKER's records;
  3. Information which is disclosed to CLIENT by a third party, other than any member of CLIENT, which BROKER had no reason to believe had any confidentiality or fiduciary obligation to CLIENT with respect to such information;
  4. Information which is required to be disclosed by law or judicial process provided that BROKER shall give CLIENT prior notice of such requirement in sufficient time to permit CLIENT to seek and obtain a protective order against disclosure of such information;
  5. Services in connection with loss portfolio transfers and alternative risk financing;
  6. Establishment and administration of captive insurers; or
  7. Non-recurring insurance placements involving significant quantitative or actuarial analysis or modeling, placements of risks with financial institutions other than insurance carriers, and placements of risks not customarily accepted by insurers.

## **XX. ETHICS AND CONFLICT OF INTEREST STATEMENT**

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

1. Warrants that it will adhere to its ethical obligations to CLIENT 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 market place;
2. Will exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, including the date and time of contact, and the name, address, phone number and email address of the individual contact for each market;
3. Will make every good faith attempt to avoid even the appearance of a conflict of interest between the BROKER/CONSULTANT, CLIENT, and any provider of any insurance product or service, and will promptly notify CLIENT of any real or potential conflict of interest;
4. Agrees to provide to CLIENT a copy of BROKER/CONSULTANT's own Ethics Statement or Code, or BROKER/CONSULTANT Compliance Statement, or to make such statements available on the BROKER/-CONSULTANT's website;
5. Will require that all insurance carriers show any commission rates on their insurance policies and ensure those rates are known to CLIENT;



- 6. Will annually benchmark CLIENT's premiums in writing to confirm that the premiums quoted are competitive; and
- 7. Will work with the CLIENT to analyze, mitigate, and transfer risk in the best interests of the CLIENT.

**XXI. NOTICE**

All notices hereunder shall be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CLIENT: MT. DIABLO UNIFIED SCHOOL DISTRICT  
1936 Carlotta Dr  
Concord, CA 94519  
 Attn.: \_\_\_\_\_

To BROKER: Alliant Insurance Services, Inc.  
2180 Harvard St Ste 460  
Sacramento, CA 95815  
 Attn: Matt Gowan

IN WITNESS WHEREOF, Mt. Diablo Unified School District and Alliant Insurance Services, Inc. have caused this contract to be executed, all as of the day and year first above written.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ALLIANT INSURANCE SERVICES, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **ADDENDUM A**

BROKER agrees to provide SERVICES to the following PROGRAMS of CLIENT:

1. Liability
2. Property
3. Workers' Compensation
4. Crime
5. Cyber Liability

It is understood and agreed that CLIENT may obtain additional services from BROKER for additional PROGRAMS. CLIENT and BROKER shall agree in writing the SCOPE OF SERVICE and COMPENSATION in advance of BROKER's performance of additional services.