



## SERVICE AGREEMENT NO. 2255

### STOP LOSS INSURANCE

THIS **Stop Loss Insurance Service Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and stHealth Benefit Solutions, LLC, dba Stealth Partner Group ("Stealth") and Sun Life Assurance Company of Canada ("Sun Life") (collectively, "Contractor"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Sun Life has bid to provide Stop Loss Insurance in response to Request for Bid/Proposal No. 2255 ("RFB/RFP"), which RFB/RFP includes the required scope of work and all specifications and which RFB/RFP and the Sun Life's bid or proposal response, as applicable, are incorporated by reference in this Agreement as Exhibits 1 and 2, respectively, as if each were fully set out here in its entirety.

NOW, THEREFORE, City and Contractor agree as follows:

- 1. Scope.** Sun Life will provide Stop Loss Insurance and Stealth will provide Stop Loss Insurance services (collectively, the "Services") in accordance with the terms of the Stop Loss policy referenced in the Scope of Work, as shown in Attachment A, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety, and in accordance with Exhibit 2.
- 2. Term.** This Agreement is for One Year, with performance commencing upon the date of issuance of a notice to proceed from the Contract Administrator or Purchasing Division. The parties may mutually extend the term of this Agreement for up to zero additional zero-year periods ("Option Period(s)"), provided, the parties do so in writing and prior to the expiration of the original term or the then-current Option Period. The City's extension authorization must be executed by the City Manager or designee.
- 3. Compensation and Payment.** This Agreement is for an amount not to exceed \$2,500,000.00, subject to approved extensions and changes. The City is required to make the premium payments required by the Stop Loss policy. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety. Any amount not expended during the initial term or any option period may, at the City's discretion, be allocated for use in the next option period.

Invoices will be mailed to the following address with a copy provided to the Contract Administrator:

City of Corpus Christi  
Attn: Accounts Payable  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277

4. **Contract Administrator.** The Contract Administrator designated by the City is responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

Rosa Medina  
Human Resources  
Phone: (361) 826-3306  
Email: Rosam@cctexas.com

5. **Insurance; Bonds.**

(A) Before performance can begin under this Agreement, the Contractor must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the City's Risk Manager and the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City Manager's written request. Insurance requirements are as stated in Attachment C, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

(B) In the event that a payment bond, a performance bond, or both, are required of the Contractor to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

6. **Purchase Release Order.** For multiple-release purchases of Services to be provided by the Contractor over a period of time, the City will exercise its right to specify time, place and quantity of Services to be delivered in the following manner: any City department or division may send to Contractor a purchase release order signed by an authorized agent of the department or division. The purchase release order must refer to this Agreement, and Services will not be rendered until the Contractor receives the signed purchase release order.

**7. Inspection and Acceptance.** City may inspect all Services and products supplied before acceptance. Any Services or products that are provided but not accepted by the City must be corrected or re-worked immediately at no charge to the City. If immediate correction or re-working at no charge cannot be made by the Contractor, a replacement service may be procured by the City on the open market and any costs incurred, including additional costs over the item's bid/proposal price, must be paid by the Contractor within 30 days of receipt of City's invoice.

**8. Warranty.**

(A) The Contractor warrants that all products supplied under this Agreement are new, quality items that are free from defects, fit for their intended purpose, and of good material and workmanship. The Contractor warrants that it has clear title to the products and that the products are free of liens or encumbrances.

(B) In addition, the products purchased under this Agreement shall be warranted by the Contractor or, if indicated in Attachment D by the manufacturer, for the period stated in Attachment D. Attachment D is attached to this Agreement and is incorporated by reference into this Agreement as if fully set out here in its entirety.

(C) Contractor warrants that all Services will be performed in accordance with the standard of care used by similarly situated contractors performing similar services.

**9. Quality/Quantity Adjustments.** Any Service quantities indicated on the Bid/Pricing Schedule are estimates only and do not obligate the City to order or accept more than the City's actual requirements nor do the estimates restrict the City from ordering less than its actual needs during the term of the Agreement and including any Option Period. Substitutions and deviations from the City's product requirements or specifications are prohibited without the prior written approval of the Contract Administrator.

**10. Non-Appropriation.** The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30<sup>th</sup> annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

**11. Independent Contractor.** Contractor will perform the work required by this Agreement as an independent contractor and will furnish such Services in its own

manner and method, and under no circumstances or conditions will any agent, servant or employee of the Contractor be considered an employee of the City.

- 12. Subcontractors.** Contractor may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, the Contractor must obtain prior written approval from the Contract Administrator unless the subcontractors were named in the bid or proposal or in an Attachment to this Agreement, as applicable. In using subcontractors, the Contractor is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Contractor. All requirements set forth as part of this Agreement, including the necessity of providing a COI in advance to the City, are applicable to all subcontractors and their employees to the same extent as if the Contractor and its employees had performed the work. The City may, at the City's sole discretion, choose not to accept Services performed by a subcontractor that was not approved in accordance with this paragraph.
- 13. Amendments.** This Agreement may be amended or modified only in writing executed by authorized representatives of both parties.
- 14. Waiver.** No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.
- 15. Taxes.** The Contractor covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other applicable taxes. Upon request, the City Managers shall be provided proof of payment of these taxes within 15 days of such request.
- 16. Notice.** Any notice required under this Agreement must be given by fax, hand delivery, or certified mail, postage prepaid, and is deemed received on the day faxed or hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

**IF TO CITY:**

City of Corpus Christi

Attn: Rose Medina

Title: Interim Director of Human Resources

Address: 1201 Leopard St. Corpus Christi, Texas 78401

Phone: (361) 826-3306

Fax: (361) 826-3322

**IF TO STEALTH:**

stHealth Benefit Solutions, LLC dba Stealth Partner Group  
Attn: Bonnie Hardesty  
Senior Account Executive  
5949 Sherry Lane, Suite 1170, Dallas, Texas 75225  
Phone: (214) 453-1944  
Fax: (214) 453-1992

**IF TO SUN LIFE:**

Stop Loss  
Sun Life Financial  
One Sun Life Executive Park  
Wellesley Hills, MA 02481

- 17. SUN LIFE AND STEALTH SHALL FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI AND ITS OFFICERS, EMPLOYEES AND AGENTS ("INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS, AND CAUSES OF ACTION OF WHATEVER NATURE, CHARACTER, OR DESCRIPTION ON ACCOUNT OF PERSONAL INJURIES, PROPERTY LOSS, OR DAMAGE, OR ANY OTHER KIND OF INJURY, LOSS, OR DAMAGE, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS' FEES AND EXPERT WITNESS FEES, WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH A BREACH OF THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT BY THE STEALTH OR SUN LIFE OR RESULTS FROM THE NEGLIGENT ACT, OMISSION, MISCONDUCT, OR FAULT OF EITHER STEALTH OR SUN LIFE OR THEIR RESPECTIVE EMPLOYEES OR AGENTS. STEALTH AND SUN LIFE MUST, AT THEIR OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING OR RESULTING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF STEALTH AND SUN LIFE UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT. STEALTH SHALL NOT PROVIDE INDEMNIFICATION FOR SUN LIFE'S ACTIONS AND SUN LIFE SHALL NOT PROVIDE INDEMNIFICATION FOR STEALTH'S ACTIONS.**

**18. Termination.**

(A) The City Manager may terminate this Agreement for Contractor's failure to comply with any of the terms of this Agreement. The Contract Administrator must give the Contractor written notice of the breach and set out a reasonable opportunity to cure. If the Contractor has not cured within the cure period, the City Manager may terminate this Agreement immediately thereafter.

(B) Alternatively, the City Manager may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City Manager may also terminate this Agreement upon 24 hours written notice to the Contractor for failure to pay or provide proof of payment of taxes as set out in this Agreement.

**19. Owner's Manual and Preventative Maintenance.** Contractor agrees to provide a copy of the owner's manual and/or preventative maintenance guidelines or instructions if available for any equipment purchased by the City pursuant to this Agreement. Contractor must provide such documentation upon delivery of such equipment and prior to receipt of the final payment by the City.

**20. Assignment.** No assignment of this Agreement by the Contractor, or of any right or interest contained herein, is effective unless the City Manager first gives written consent to such assignment. The performance of this Agreement by the Contractor is of the essence of this Agreement, and the City Manager's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.

**21. Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.

**22. Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:

- A. this Agreement (excluding attachments and exhibits);
- B. its attachments;
- C. the bid solicitation document including any addenda (Exhibit 1); then,
- D. the Contractor's bid response (Exhibit 2).

The Stop Loss policy shall govern the terms of the insurance provided by Sun Life.

- 23. Certificate of Interested Parties.** Contractor agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement if required by said statute.
- 24. Governing Law.** Contractor agrees to comply with all federal, Texas, and City laws in the performance of this Agreement. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue shall be a state or federal court located in Texas.
- 25. Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties.
- 26. Specific Terms and Conditions.** A set of Specific Terms and Conditions has been attached as Attachment E, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety. The Contractor must comply with Attachment E while performing the Services.

[Signature Page Follows]

CONTRACTOR

STHEALTH BENEFIT SOLUTIONS LLC DBA STEALTH PARTNER GROUP

Signature: Harley Barnes Jr

Printed Name: Harley Barnes Jr

Title: Partner

Date: 9/23/2019

SUN LIFE ASSURANCE COMPANY OF CANADA

Signature: Jeff Cedrone

Printed Name: Jeff Cedrone

Title: Sun Life Counsel

Date: 9-23-19

CITY OF CORPUS CHRISTI

Kim R Baker

Kim Baker  
Director of Contracts and Procurement

Date: 9.25.19

ATTEST: Rebecca Huerta  
REBECCA HUERTA  
CITY SECRETARY

APPROVED AS TO LEGAL FORM:

Amiee Clew-Road 9/24/19  
Assistant City Attorney Date

Attached and Incorporated by Reference:

- Attachment A: Scope of Work
- Attachment B: Bid/Pricing Schedule
- Attachment C: Insurance and Bond Requirements
- Attachment D: Warranty Requirements
- Attachment E: Specific Terms and Conditions

Incorporated by Reference Only:

- Exhibit 1: RFB/RFP No. 2255
- Exhibit 2: Contractor's Bid/Proposal Response

M2019-149 AUTHORIZED  
BY COUNCIL 09-24-2019  
RH/AB  
SECRETARY



## Attachment A - Scope of Work

### **1.1. Background**

The City of Corpus Christi (City) has been administering a self-funded plan for more than ten years. The medical claims are currently administered by BlueCross BlueShield of Texas and the Pharmacy Benefit Manager (PBM) is CVS Caremark. The City has an onsite Wellness Clinic at City Hall in conjunction with Concentra under a contract that will continue until 2022. Developing a broader primary care presence is a goal of the City including targeting chronic disease states and comorbidities among their population. The group that will be covered consists of all eligible employees and at the current time there are 2,784 active employees and 117 pre-65 retirees.

### **1.2. General Requirements**

- A. Contractor will provide stop loss insurance.
- B. Contractor must maintain a rating financially sound with an AM Best rating of A- or higher.
- C. Contractor must implement the plan(s) with an effective date of October 1, 2019.
- D. The City or its agent reserves the right to audit the Contractor's performance by reviewing pertinent records and documentation, including clinical records, subject to appropriate confidentiality requirements.
- E. The stop loss insurance is for claims incurred in the 24-month period and paid in the 12-month period immediately preceding the end date of the contract period. The Contractor agrees to provide specific stop loss protection to the policyholder for a catastrophic loss per individual claimant with an attachment point of \$250,000 and unlimited maximum and covers both medical and prescription claims.
- F. Contractor must maintain the contract pricing through the duration of the contract.
- G. See additional reference information concerning current Stop Loss in Attachment A-1.

## Attachment A-1

### CURRENT STOP LOSS

| <b>Stop Loss</b>                                    | <b>10/1/2018 – 9/30/2019</b>                                      |
|---|---|
| Specific Deductible                                 | \$250,000   |
| Specific Contract Type                              | 24/12   |
| Specific Coverage                                   | Med/Rx  |
| Specific Rates                                      | Single \$36.27<br>Family \$88.85<br>Composite \$61.54             |
| Aggregate Corridor                                  | N/A   |
| Aggregate Contract                                  | N/A   |
| Aggregate Coverages                                 | N/A   |
| Aggregate Premium                                   | N/A   |
| Aggregate Factors                                   | N/A   |
| Individuals Subject to Adjusted Specific Deductible | 1018-01 @ \$650,000<br>1018-02 @ \$400,000<br>1018-03 @ \$350,000 |

# Attachment B Schedule of Pricing

**Dan Harlow**  
 5949 Sherry Lane, Suite 1170  
 Dallas, TX 75225  
 (214) 453-1943  
 dharlow@stealthpartnergroup.com



**GROUP:** City of Corpus Christi  
**EFFECTIVE DATE:** October 1, 2019

| SPECIFIC STOP LOSS                              | Current          | Renewal      | Option 1                    | Option 2                    | Option 3                    |
|---|------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| <b>CARRIER:</b>                                 | US Fire          | US Fire      | Sun Life                    | Sun Life                    | Sun Life                    |
| <b>Carrier Rating:</b>                          | A                | A            | A+                          | A+                          | A+                          |
| <b>TPA:</b>                                     | BCBS             | BCBS         | BCBS                        | BCBS                        | BCBS                        |
| <b>PPO Network:</b>                             | BCBS             | BCBS         | BCBS                        | BCBS                        | BCBS                        |
| <b>UR Vendor:</b>                               | BCBS             | BCBS         | BCBS                        | BCBS                        | BCBS                        |
| <b>PBM:</b>                                     | CVS Caremark     | CVS Caremark | CVS Caremark                | CVS Caremark                | CVS Caremark                |
| <b>Specific Benefits Included:</b>              | Med + Rx         | Med + Rx     | Med + Rx                    | Med + Rx                    | Med + Rx                    |
| <b>Plan Lifetime Maximum:</b>                   | Unlimited        | Unlimited    | Unlimited                   | Unlimited                   | Unlimited                   |
| <b>Specific Lifetime Maximum Reimbursement:</b> | Unlimited        | Unlimited    | Unlimited                   | Unlimited                   | Unlimited                   |
| <b>Individual Specific Deductible:</b>          | \$ 250,000       | \$ 250,000   | \$ 250,000                  | \$ 350,000                  | \$ 450,000                  |
| <b>Specific Contract:</b>                       | 24/12            | 24/12        | 24/12                       | 24/12                       | 24/12                       |
| 1472 EE Only                                    | \$ 36.27         |              | \$ 45.30                    | \$ 27.41                    | \$ 18.27                    |
| 1064 Family                                     | \$ 88.86         |              | \$ 130.00                   | \$ 86.46                    | \$ 62.51                    |
| 2536 Composite                                  | \$ 58.33         |              | \$ 80.84                    | \$ 52.18                    | \$ 36.83                    |
| <b>Monthly Specific Premium</b>                 | \$ 147,925.84    |              | \$ 205,001.60               | \$ 132,340.96               | \$ 93,404.08                |
| <b>Annual Specific Premium</b>                  | \$ 1,775,110.08  |              | \$ 2,460,019.20             | \$ 1,588,091.52             | \$ 1,120,848.96             |
| <b>% Difference</b>                             |                  |              | 38.58%                      | -10.64%                     | -36.86%                     |
| <b>Disclosure Status</b>                        |                  |              | FIRM Through 9/25           | FIRM Through 9/25           | FIRM Through 9/25           |
| <b>Losers</b>                                   | 1016-01 @ \$350K |              |                             |                             |                             |
|   | 1016-02 @ \$400K |              |                             |                             |                             |
|   | 1016-03 @ \$350K |              |                             |                             |                             |
| <b>No New Losers at Renewal</b>                 |                  |              | Included w/<br>50% Rate Cap | Included w/<br>50% Rate Cap | Included w/<br>50% Rate Cap |
| <b>TOTAL REINSURANCE EXPENSE</b>                |                  |              |                             |                             |                             |
| <b>Annual Fixed Premium</b>                     | \$ 1,775,110.08  |              | \$ 2,460,019.20             | \$ 1,588,091.52             | \$ 1,120,848.96             |
| <b>% Difference</b>                             |                  |              | 38.58%                      | -10.64%                     | -36.86%                     |
| <b>Maximum Cost Liability</b>                   | \$ 1,775,110.08  |              | \$ 2,460,019.20             | \$ 1,588,091.52             | \$ 1,120,848.96             |
| <b>% Difference</b>                             |                  |              | 38.58%                      | -10.64%                     | -36.86%                     |
| <b>Commissions:</b>                             | 0.0%             |              |                             |                             |                             |

Dan Harlow  
 5949 Sherry Lane, Suite 1170  
 Dallas, TX 75225  
 (214) 453-1943  
 dharlow@stealthpartnergroup.com



**GROUP:** City of Corpus Christi  
**EFFECTIVE DATE:** October 1, 2019

| SPECIFIC STOP LOSS                              | Current          | Renewal      | Option 1          | Option 2          | Option 3          |
|---|------------------|--------------|-------------------|-------------------|-------------------|
| <b>CARRIER:</b>                                 | US Fire          | US Fire      | Sun Life          | Sun Life          | Sun Life          |
| <b>Carrier Rating:</b>                          | A                | A            | A+                | A+                | A+                |
| <b>TPA:</b>                                     | BCBS             | BCBS         | BCBS              | BCBS              | BCBS              |
| <b>PPO Network:</b>                             | BCBS             | BCBS         | BCBS              | BCBS              | BCBS              |
| <b>UR Vendor:</b>                               | BCBS             | BCBS         | BCBS              | BCBS              | BCBS              |
| <b>PBM:</b>                                     | CVS Caremark     | CVS Caremark | CVS Caremark      | CVS Caremark      | CVS Caremark      |
| <b>Specific Benefits Included:</b>              | Med + Rx         | Med + Rx     | Med + Rx          | Med + Rx          | Med + Rx          |
| <b>Plan Lifetime Maximum:</b>                   | Unlimited        | Unlimited    | Unlimited         | Unlimited         | Unlimited         |
| <b>Specific Lifetime Maximum Reimbursement:</b> | Unlimited        | Unlimited    | Unlimited         | Unlimited         | Unlimited         |
| <b>Individual Specific Deductible:</b>          | \$ 260,000       | \$ 250,000   | \$ 260,000        | \$ 350,000        | \$ 450,000        |
| <b>Specific Contract:</b>                       | 24/12            | 24/12        | 24/12             | 24/12             | 24/12             |
| 1472 EE Only                                    | \$ 36.27         |              | \$ 43.94          | \$ 26.59          | \$ 17.72          |
| 1064 Family                                     | \$ 88.86         |              | \$ 126.10         | \$ 83.87          | \$ 60.63          |
| 2536 Composite                                  | \$ 58.33         |              | \$ 78.41          | \$ 60.62          | \$ 35.73          |
| <b>Monthly Specific Premium</b>                 | \$ 147,925.84    |              | \$ 198,861.65     | \$ 128,370.73     | \$ 90,601.96      |
| <b>Annual Specific Premium</b>                  | \$ 1,776,110.08  |              | \$ 2,386,218.62   | \$ 1,540,448.77   | \$ 1,087,223.49   |
| <b>% Difference</b>                             |                  |              | 34.43%            | -13.22%           | -38.75%           |
| <b>Disclosure Status</b>                        |                  |              | FIRM Through 9/25 | FIRM Through 9/26 | FIRM Through 9/25 |
| <b>Leads</b>                                    | 1010-01 @ \$650K |              |                   |                   |                   |
|   | 1018-02 @ \$400K |              |                   |                   |                   |
|   | 1018-03 @ \$350K |              |                   |                   |                   |
| <b>No New Leads at Renewal</b>                  |                  |              | Not Included      | Not Included      | Not Included      |
| <b>TOTAL REINSURANCE EXPENSE</b>                |                  |              |                   |                   |                   |
| <b>Annual Fixed Premium</b>                     | \$ 1,776,110.08  |              | \$ 2,386,218.62   | \$ 1,540,448.77   | \$ 1,087,223.49   |
| <b>% Difference</b>                             |                  |              | 34.43%            | -13.22%           | -38.75%           |
| <b>Maximum Cost Liability</b>                   | \$ 1,776,110.08  |              | \$ 2,386,218.62   | \$ 1,540,448.77   | \$ 1,087,223.49   |
| <b>% Difference</b>                             |                  |              | 34.43%            | -13.22%           | -38.75%           |
| <b>Commissions:</b>                             | 0.0%             |              |                   |                   |                   |

# Attachment C

## EXHIBIT

### INSURANCE REQUIREMENTS

I. CONTRACTOR'S LIABILITY INSURANCE

- A. Contractor must not commence work under this agreement until all insurance required has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor Agency to commence work until all similar insurance required of any subcontractor Agency has been obtained.
- B. Contractor must furnish to the City's Risk Manager and Director Human Resources, 2 copies of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General liability and Auto Liability policies **by endorsement**, and a waiver of subrogation is required on all applicable policies. **Endorsements** must be provided with COI. Project name and or number must be listed in Description Box of COI.

| TYPE OF INSURANCE  | MINIMUM INSURANCE COVERAGE   |
|--|--|
| <b>30-written day notice of cancellation, required on all certificates or by applicable policy endorsements</b>  | <b>Bodily Injury and Property Damage</b><br>Per occurrence - aggregate   |
| Commercial General Liability including:<br>1. Commercial Broad Form<br>2. Premises – Operations<br>3. Products/ Completed Operations<br>4. Contractual Liability<br>5. Independent Contractors<br>6. Personal Injury- Advertising Injury | \$1,000,000 Per Occurrence   |
| PROFESSIONAL LIABILITY<br>(Errors and Omissions)<br><i>Sun Life self insures this risk</i>   | \$1,000,000 Per Claim<br>(Defense costs not included in face value of the policy)<br>If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured. |
| CRIME/EMPLOYEE DISHONESTY<br><br>Contractor shall name the City of Corpus Christi, Texas as Loss Payee   | \$1,000,000 Per Occurrence   |

- C. In the event of accidents of any kind related to this agreement, Contractor must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

## II. ADDITIONAL REQUIREMENTS

- A. Applicable for paid employees, Contractor must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to assure that all workers' compensation obligations incurred by the Contractor will be promptly met.
- B. Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.
- C. Contractor shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Contractor shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi  
Attn: Risk Manager  
P.O. Box 9277  
Corpus Christi, TX 78469-9277

- D. **Contractor agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**
- List the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy;
  - Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
  - Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
  - Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.

- F. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this agreement.
- H. It is agreed that Contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

2019 Insurance Requirements

Ins. Req. Exhibit 3-J

Professional Services – Financial or Insurance Services – Modified to Delete Auto and Workers Comp

09/17/2019 Risk Management – Legal Dept.

## **Attachment C – Bond Requirements**

Section 5. Insurance; Bonds Subsection (B) is null for this Service Agreement.



## **Attachment D - Warranty**

Section 8. Warranty Subsections (A), (B) and (C) are null to this Service Agreement.

## **Attachment E – Specific Terms and Conditions**

1. **Access to Information.** If the City needs access to information in the Contractor's possession, for purposes other than an audit, but in order to administer the Plan, Contractor will provide it to the City if it is legally permissible, the information relates to Contractor's services under the Agreement, and the City provides reasonable advance notice and an explanation of the need for such information.
2. **Confidentiality.** Each party may have access to information that is confidential to the other party. Neither party will disclose the other party's confidential information to any third party or use the other party's confidential information for any purpose other than for the purposes of this Agreement, except as may be required by law or valid government or court order, which may include Texas Public Information Act (Ch. 552). The Contractor shall any information, other than that information covered by HIPAA, that the Contractor considers confidential or proprietary. If the City receives a valid request under the Texas Public Information Act for any information marked confidential or proprietary by the Contractor, the City shall request an opinion from the Texas Attorney General's Office as its ability to withhold the information from public inspection. The City shall inform the Contractor of the request in accordance with the Texas Public Information Act and inform the Contractor of its right to submit arguments to the Texas Attorney General's Office regarding the confidentiality of the confidential or proprietary information.
3. **Records.** The Contractor will keep all records relating to the Services provided under the Agreement for as long as it is required to do so by law. In no event shall the Contractor fail to keep the records for at least the term of the Agreement and 12 months following the termination of the Agreement.