

## SERVICE AGREEMENT NO. 4258

### Stop Loss Insurance Services

THIS **Stop Loss Insurance Services Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and Summit Risk Advisors, LLC., dba SA Benefit Services ("Contractor"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Contractor has bid to provide Stop Loss Insurance Services in response to Request for Bid/Proposal No. 4258 ("RFB/RFP"), which RFB/RFP includes the required scope of work and all specifications and which RFB/RFP and the Contractor'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.** Contractor will provide Stop Loss Insurance Services ("Services") in accordance with the attached 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.**

(A) The Term of this Agreement is one year beginning on the date provided in the Notice to Proceed from the Contract Administrator or the City's Procurement 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 prior to the expiration of the original term or the then-current Option Period.

(B) At the end of the Term of this Agreement or the final Option Period, the Agreement may, at the request of the City prior to expiration of the Term or final Option Period, continue on a month-to-month basis for up to six months with compensation set based on the amount listed in Attachment B for the Term or the final Option Period. The Contractor may opt out of this continuing term by providing notice to the City at least 30 days prior to the expiration of the Term or final Option Period. During the month-to-month term, either Party may terminate the Agreement upon 30 days' written notice to the other Party.

**3. Compensation and Payment.** This Agreement is for an amount not to exceed \$2,541,914.00, subject to approved extensions and changes. Payment will be made for Services performed and accepted by the City within 30 days of

acceptance, subject to receipt of an acceptable invoice. 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 must 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:

Name: Rose Bond  
Department: Human Resources  
Phone: 361-826-3878  
Email: RoseB2@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.** In performing the Services, the Contractor will not enter into subcontracts or utilize the services of subcontractors.
- 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 Manager 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 Bond  
Title: Benefits Manager  
Address: 1201 Leopard St., Corpus Christi, Texas 78401  
Phone: 361-826-3878  
Fax: N/A

**IF TO CONTRACTOR:**

Summit Risk Advisors, LLC., dba SA Benefit Services  
Attn: Stephanie Chtata, MHA, MBA  
Title: Chief Eexecutive Officer  
Address: 11844 Bandera Rd. #429, Helotes, Texas 78023  
Phone: 210-996-2190

**17. CONTRACTOR 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 CONTRACTOR OR RESULTS FROM THE NEGLIGENT ACT, OMISSION, MISCONDUCT, OR FAULT OF THE CONTRACTOR OR ITS EMPLOYEES OR AGENTS. CONTRACTOR MUST, AT ITS 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 CONTRACTOR UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.**

**18. Termination.**

(A) The City may terminate this Agreement for Contractor's failure to comply with any of the terms of this Agreement. The City 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 may terminate this Agreement immediately thereafter.

(B) Alternatively, the City may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City 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. Limitation of Liability.** The City's maximum liability under this Agreement is limited to the total amount of compensation listed in Section 3 of this Agreement. In no event shall the City be liable for incidental, consequential or special damages.
- 21. 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.
- 22. 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.
- 23. 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).
- 24. 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.
- 25. 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 for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.
- 26. Public Information Act Requirements.** This paragraph applies only to agreements that have a stated expenditure of at least \$1,000,000 or that result in the expenditure of at least \$1,000,000 by the City. The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and the Contractor agrees that the contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

**27. 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.

## CONTRACTOR

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

## CITY OF CORPUS CHRISTI

\_\_\_\_\_  
Josh Chronley  
Assistant Director of Finance - Procurement

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

### **Attached and Incorporated by Reference:**

Attachment A: Scope of Work

Attachment B: Bid/Pricing Schedule

Attachment C: Insurance and Bond Requirements

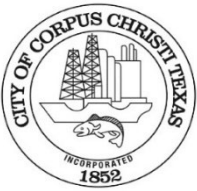
Attachment D: Warranty Requirements

### **Incorporated by Reference Only:**

Exhibit 1: RFB/RFP No. 4258

Exhibit 2: Contractor's Bid/Proposal Response





## 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 2024. 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 2,775 active employees and 74 pre-65 retirees.

### 1.2 **General Requirements**

- A. The Contractor will provide Stop Loss Insurance Services.
- B. The Contractor must maintain a rating financially sound with an AM Best rating of A- or higher.
- C. The Contractor must implement the plan(s) with an effective date of October 1, 2022.
- 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.

### **Additional Information**

The census and all information concerning current Stop Loss Plan will be released by HUB International as Exhibit A. To receive a copy of Exhibit A, contact Caroline Smith at [caroline.smith@hubinternational.com](mailto:caroline.smith@hubinternational.com).

**CURRENT STOP LOSS:**

<b>Stop Loss</b>	<b>10/1/2021 – 9/30/2022</b>
Specific Deductible N/A Individuals Subject to Adjusted Specific Deductible N/A	\$250,000
Specific Contract Type	24/12
Specific Coverage	Med/Rx
Specific Rates	Composite \$95.78
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	N/A

**2020-2021 STOP LOSS**

<b>Stop Loss</b>	<b>10/1/2020 – 9/30/2021</b>
Specific Deductible N/A Individuals Subject to Adjusted Specific Deductible N/A	\$250,000
Specific Contract Type	24/12
Specific Coverage	Med/Rx
Specific Rates	Composite \$74.25
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	N/A



## ATTACHMENT B - SCHEDULE OF PRICING

**Plan Sponsor: City of Corpus Christi**

**Effective: 10/01/2022**

**FIRM AND BINDABLE**

<b>Stop Loss Terms</b>	<b>Current</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>MGU (If MGU not identified then a direct carrier)</b>				
<b>Stop Loss Carrier</b>		Granular	Granular	Granular
<b>Network</b>	BCBS	BCBS	BCBS	BCBS
<b>Months in Contract</b>	12	12	12	12
<b>Specific Terms</b>				
Specific Deductible	\$250,000	\$250,000	\$300,000	\$350,000
Aggregating Specific Deductible	N/A	N/A	N/A	N/A
Maximum Coverage Limit	Unlimited	Unlimited	Unlimited	Unlimited
Contract	24/12	24/12	24/12	24/12
Coverages	Med, Rx	Med, Rx	Med, Rx	Med, Rx
Run-In / Run-Out Limit	N/A	N/A	N/A	N/A
Terminal Liability Provision	No	No	No	No
Renewal Rate Cap (No New Laser)	No	Yes - 40%	Yes - 40%	Yes - 40%
Plan Mirroring Coordination approved	No	No	No	No
Advance Funding	Yes	Yes	Yes	Yes
<b>Stop Loss Premium (Fixed)</b>				
Specific Composite	2,849	\$74.25	\$66.18	\$57.81
<b>Annual Specific Premium</b>		\$2,538,459	\$2,262,562	\$1,976,408
<b>% Increase</b>		<b>6.22%</b>	<b>-10.87%</b>	<b>-22.14%</b>

### **Qualifications**

\*Please review actual proposal contingencies regarding each stop loss carrier option.

SA Benefit Services Service Fee of 5% is included in the rates quoted. Broker commission included in the rates is **0%**.

\*Issued as a FIRM quote. Our FIRM offer will expire EOB on 09/01/2022, before this date both the attached proposal and disclosure statement will require signature to bind the groups desired option.

**\*Granular FIRM expires 09/01/2022**

**2022-2023 Lasers:**

**Rx ID - 44074762902 - Soliris - \$600K Laser**



# Rate Sheet

## Granular Stop Loss Contract Option

### OVERALL COST SUMMARY

Coverages	Medical, Rx	Medical, Rx	Medical, Rx
<b>INDIVIDUAL EXCESS LOSS COVERAGE</b>			
Specific Annual Attachment Point per Individual	\$250,000	\$300,000	\$350,000
Specific Contract Term	24/12	24/12	24/12
Specific Annual Maximum Reimbursement	Unlimited	Unlimited	Unlimited
Specific Lifetime Maximum Reimbursement	Unlimited	Unlimited	Unlimited
Specific Payable Percentage	100%	100%	100%
Aggregating Specific Deductible	\$0	\$0	\$0
Rates Include Terminal Liability Option	No	No	No
Rates Include Advanced Funding Option	Yes	Yes	Yes
<b>Composite Specific Rate (PEPM)</b>	<b>\$78.87</b>	<b>\$66.18</b>	<b>\$57.81</b>
<b>Number of Employees</b>	<b>2,849</b>	<b>2,849</b>	<b>2,849</b>
<b>Estimated Annual Specific Premium</b>	<b>\$2,696,407.56</b>	<b>\$2,262,561.84</b>	<b>\$1,976,408.28</b>

Quoted rates are firm

Quoted rates include the following:

- 0% commission
- Rate cap of 40% and no new lasers upon 1st year's renewal
- Lasers as indicated below:

[Rx ID - 44074762902 - Soliris] - \$600,000



# Assumptions

Rates and Factors subject to attached Qualifications and Contingencies and Plan Document Assumptions

All claims are reported/paid in U.S. dollars.

The proposal is based on the data provided. The proposal may be modified if data changes or under other conditions as specified in this document.

This proposal is based on the continuation of the current plan(s) of benefits.

If the number of covered employees or the percentage of family participants change by more than 15% this proposal may be revised.

If this proposal includes an offer of aggregate coverage, the monthly aggregate factor cannot be finalized more than 90 days from the effective date.

Advance Funding is included.

Retirees are covered under the Granular Insurance Policy. It is the responsibility of the employer to identify to Granular Insurance all retirees to be covered under the Granular Insurance Policy. If a group does not have retirees, their rate will not be impacted.

This proposal is valid only if presented by a licensed insurance agent or broker who is appointed by Granular Insurance Company.

The agent/broker does not have the authority to bind or modify the terms of his offer without prior approval of Granular.

We require notification 30 days prior to the acquisition date of any employer completed merger or acquisition. Underwriting serves the right to modify coverage terms when a new division is added or deleted from coverage or when plan and/or network changes occur.

Granular agrees to accept for claims reimbursement the employer's plan document.

If the aggregate is quoted, then the minimum annual aggregate total is 90% of the first month's enrollment times monthly aggregate attachment points.

## **ATTACHMENT C: INSURANCE REQUIREMENTS**

### **I. CONTRACTOR'S LIABILITY INSURANCE**

- A. Contractor must not commence work under this contract until all insurance required has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor, to commence work until all similar insurance required of any subcontractor has been obtained.
- B. Contractor must furnish to the City's Risk Manager and Contract Administer a copy of Certificates of Insurance with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. Project name and/or number must be listed in Description Box of Certificate of Insurance.

<b>TYPE OF INSURANCE</b>	<b>MINIMUM INSURANCE COVERAGE</b>
<b>PROFESSIONAL LIABILITY</b> (Errors and Omissions)	\$1,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be at or prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.

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

### **II. ADDITIONAL REQUIREMENTS**

- A. 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 at least A- with a Financial Size Category of Class VII or higher.
- B. Contractor shall be required to submit renewal certificates of insurance throughout the term of this contract and any extensions within 10 days of the policy expiration dates. All notices under this Exhibit 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

- C. Certificate of insurance shall specify that at least 30 calendar days advance written notice will be provided to City of any, cancellation, non-renewal, material change or termination in coverage and not less than 10 calendar days advance written notice for nonpayment of premium.
- D. Within 5 calendar days of a cancellation, non-renewal, material change or termination 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.
- E. 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 stop work hereunder, and/or withhold any payment(s) which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.
- F. 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 contract.
- G. 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 contract.
- H. The insurance required is in addition to and separate from any other obligation contained in this contract.

2022 Insurance Requirements

Ins. Req. Exhibit **3-H**

Professional Services - Other Professional Services

08/18/22 Risk Management – Legal Dept.

## **ATTACHMENT D: WARRANTY REQUIREMENTS**

No warranty required for service agreement.