



MARSH & McLENNAN
AGENCY

WORLD CLASS. LOCAL TOUCH.

NORTH SLOPE BOROUGH SCHOOL DISTRICT PROPOSAL OF INSURANCE

JULY 1, 2020 – JULY 1, 2021

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Marsh & McLennan Agency LLC is part of the family of MMC companies, including Guy Carpenter, Marsh USA, Mercer Human Resource Consulting (including Mercer Health & Benefits, Mercer HR Services, and Mercer Global Investments), and the Oliver Wyman Group (including Lippincott and NERA Economic Consulting).

Introduction

The information contained herein is intended to serve only as a brief outline of your various insurance coverages. Only the insurance policies themselves determine actual coverage. To avoid misinterpretation as to the full scope of protection provided by each policy, we advise that you refer directly to the respective policies for complete details on coverage, limitations, deductibles, conditions and exclusions that apply.

Also included in this report, you will find policy numbers, dates of inception and expiration, and other pertinent information for quick reference. If additional assistance is needed regarding the materials presented herein, please contact one of your account staff for further assistance.

YOUR ATTENTION REQUIRED - PLEASE READ CAREFULLY

We ask that you **IMMEDIATELY NOTIFY** us of any of the following types of changes:

- **ORGANIZATIONAL STRUCTURE** - Mergers, acquisitions, partnerships, new subsidiaries, joint ventures and/or other material changes to the legal status of your organization.
- **BUSINESS OPERATION** - Any change in products sold, services rendered, territories represented, operating procedures, and/or advertising distribution.
- **FORECAST AND PROJECTIONS** - Significant fluctuations in estimated sales, payroll and/or revenue.
- **ACQUISITION, SALE, LEASE, RENTAL, USE** - Pertaining to real estate, equipment, vehicles, aircraft, watercraft, and mobile equipment.
- **MAJOR FLUCTUATIONS** - Relative to inventory, accounts receivable, cash, values of transportation or cargo.
- **AGREEMENTS - ORAL OR WRITTEN** - During the normal course of operating you may sign leases, contracts or other agreements which may transfer serious financial obligation to your organization.

We will rely exclusively upon you to inform us of changes such as these, when they occur in your organization, or, if possible, before they occur. Many insurance policies do not contain fully automatic coverages for new acquisitions, increased exposures, material changes in business operations or properties. There may be limitations and exclusions that apply. Once informed of the changes, we will assist in obtaining the extension of coverage that provides your organization with the full, adequate protection necessary for your changing operations.

Named Insureds – Master Listing

Named Insured:**Contact/Mailing Address:****North Slope Borough School District**Fadil Limani
PO Box 169
Utqiagvik, Alaska 99723

P. (907) 330-7542

F. (907) 852-9505

E. fadil.limani@nsbsd.org

Business Property

	2019-2020 Current Coverage	2020-2021 Proposed Coverage
Carrier:	AML/JIA	AML/JIA
A.M. Best:	Not Rated	Not Rated
Effective Date:	07/01/2019 to 07/01/2020	07/01/2020 to 07/01/2021
Policy No:	GP2020-174	GP2021-174
Coverage:	<u>All-Risk Property including Earthquake and Flood</u> Contents, EDP, Mobile Equipment, Fine Arts	<u>All-Risk Property including Earthquake and Flood</u> Contents, EDP, Mobile Equipment, Fine Arts
Limit:	<u>Property Limits</u> <ul style="list-style-type: none"> □ \$ 282,282 Building □ \$ 500,000 Blanket Contents □ \$ 1,500,000 Blanket EDP □ \$ 1,760,000 Contents Teacher Housing □ \$ 835,188 Mobile Equipment □ \$ 5,786,560 Garaged Vehicles (buses in bus barns are covered for physical damage while garaged at schedule location) □ \$ 50,000,000 Earthquake Aggregate □ \$175,000,000 Flood Aggregate 	<u>Property Limits</u> <ul style="list-style-type: none"> □ \$ 282,282 Building □ \$ 500,000 Blanket Contents □ \$ 1,500,000 Blanket EDP □ \$ 1,760,000 Contents Teacher Housing □ \$ 835,188 Mobile Equipment □ \$ 5,786,560 Garaged Vehicles (buses in bus barns are covered for physical damage while garaged at schedule location) □ \$ 50,000,000 Earthquake Aggregate □ \$175,000,000 Flood Aggregate
Deductible:	<u>Property Deductibles</u> \$ 5,000 Contents/ EDP/ Garaged Buses \$ 5,000 Mobile Equipment as Scheduled 2%/ \$100,000 Minimum - Earthquake \$ 100,000/ \$ 250,000 (Zone A & V) - Flood	<u>Property Deductibles</u> \$ 5,000 Contents/ EDP/ Garaged Buses \$ 5,000 Mobile Equipment as Scheduled 2%/ \$100,000 Minimum - Earthquake \$ 100,000/ \$ 250,000 (Zone A & V) - Flood
Valuation:	Agreed Amount	Agreed Amount
Premium Basis:	Scheduled Values by Location TIV \$ 10,664,030 – includes Garaged Vehicles	Scheduled Values by Location TIV \$ 10,664,030 – includes Garaged Vehicles
Endorsements/ Exclusions:	Endorsement No. 19-155 Adds \$1.5M Blanket EDP coverage Please refer to policy	Available upon request
Audit Provisions:	The insured must report any material changes in the exposure, additions, deletions, or other changes in scheduled values.	The insured must report any material changes in the exposure, additions, deletions, or other changes in scheduled values.
Compensation:	10%	10%
Premium:	\$31,672.30	\$ 37,083.20

General Liability & Public Officials Liability (Casualty)

	2019-2020 Current Coverage	2020-2021 Proposed Coverage
Carrier:	AML/JIA	AML/JIA
A.M. Best:	Not Rated	Not Rated
Effective Date:	07/01/2019 to 07/01/2020	07/01/2020 to 07/01/2021
Policy Number:	GP2020-174	GP2021-174
Coverage:	<u>Commercial General Liability</u> Occurrence Form <u>Employee Benefit Liability</u> Occurrence Form <u>Employment Related Practices Liability</u> Occurrence Form <u>Cyber Liability</u> Information Security & Privacy Insurance with Electronic Media Liability <u>Student Accident Coverage</u> Occurrence Form	<u>Commercial General Liability</u> Occurrence Form <u>Employee Benefit Liability</u> Occurrence Form <u>Employment Related Practices Liability</u> Occurrence Form <u>Cyber Liability</u> Information Security & Privacy Insurance with Electronic Media Liability <u>Student Accident Coverage</u> Occurrence Form
Limit:	<u>Commercial General Liability</u> <input type="checkbox"/> \$ 15,000,000 Each Occurrence <input type="checkbox"/> \$ 15,000,000 Each Occurrence Employee Benefit Liability <input type="checkbox"/> \$ 25,000 Student Accident - Per Injury (100% usual & customary benefit for concussion) <u>School Leaders E&O</u> <input type="checkbox"/> \$ 15,000,000 Each Occurrence <u>Employment Related Practices Liability</u> <input type="checkbox"/> \$ 10,000,000 Each Occurrence <input type="checkbox"/> 50% of reasonable legal fees /costs incurred as a result of employment related administrative hearings, subject to \$10k max.– Defense; Reimbursement Program <u>Cyber Liability</u> <input type="checkbox"/> \$ 2,000,000 Cyber Liability (Includes \$1M notification for compromised info)	<u>Commercial General Liability</u> <input type="checkbox"/> \$ 15,000,000 Each Occurrence <input type="checkbox"/> \$ 15,000,000 Each Occurrence Employee Benefit Liability <input type="checkbox"/> \$ 25,000 Student Accident - Per Injury (100% usual & customary benefit for concussion) <u>School Leaders E&O</u> <input type="checkbox"/> \$ 15,000,000 Each Occurrence <u>Employment Related Practices Liability</u> <input type="checkbox"/> \$ 10,000,000 Each Occurrence <input type="checkbox"/> 50% of reasonable legal fees /costs incurred as a result of employment related administrative hearings, subject to \$10k max.– Defense; Reimbursement Program <u>Cyber Liability</u> <input type="checkbox"/> \$ 2,000,000 Cyber Liability (Includes \$1M notification for compromised info)
Deductible:	\$ NIL Commercial General Liability \$ NIL Employee Benefit Liability \$ NIL School Leaders E&O \$ 50 Per Occurrence, Student Accident \$ 10,000 Employment Related Practices \$ 50,000 Cyber Liability	\$ NIL Commercial General Liability \$ NIL Employee Benefit Liability \$ NIL School Leaders E&O \$ 50 Per Occurrence, Student Accident \$ 10,000 Employment Related Practices \$ 50,000 Cyber Liability
Premium Basis:	Average Daily Membership: 2126 students	Average Daily Membership: 2126 students
Endorsements/ Exclusions:	Please refer to policy	Available upon request
Audit:	Annual Audit – General Liability	Annual Audit – General Liability
Compensation:	10%	10%
Premium:	\$ 190,896.20	\$ 229,111.30

Commercial Auto

	2019-2020 Current Coverage	2020-2021 Proposed Coverage
Carrier:	AML/JIA	AML/JIA
A.M. Best:	Not Rated	Not Rated
Effective Date:	07/01/2019 to 07/01/2020	07/01/2020 to 07/01/2021
Policy Number:	GP2020-174	GP2021-174
Coverage:	Automobile Liability-Occurrence Form Uninsured/Underinsured Motorists Coverage Hired/Non-Owned Auto Liability, excess of any valid and collectible insurance coverage if employee is driving his/her own auto. Comprehensive & Collision – refer to schedule below	Automobile Liability-Occurrence Form Uninsured/Underinsured Motorists Coverage Hired/Non-Owned Auto Liability, excess of any valid and collectible insurance coverage if employee is driving his/her own auto. Comprehensive & Collision – refer to schedule below
Limit:	<u>Liability</u> □ \$ 15,000,000 Each Occurrence <u>Uninsured/Underinsured Motorists</u> □ \$ 1,000,000 Each Occurrence (Actual Cash Value up to \$50k for Property Damage) <u>Comprehensive & Collision</u> Actual Cash Value for each and every loss provided value and location are scheduled	<u>Liability</u> □ \$ 15,000,000 Each Occurrence <u>Uninsured/Underinsured Motorists</u> □ \$ 1,000,000 Each Occurrence (Actual Cash Value up to \$50k for Property Damage) <u>Comprehensive & Collision</u> Actual Cash Value for each and every loss provided value and location are scheduled
Deductible:	□ \$ NIL Liability/UI/UIM □ \$ 500 Comp/ Collision/ Hired/Non- Owned	□ \$ NIL Liability/UI/UIM □ \$ 500 Comp/ Collision/ Hired/Non- Owned
Premium Basis:	Scheduled Values: \$ 2,639,160 92 Scheduled Vehicles	Scheduled Values: \$ 2,775,585 95 Scheduled Vehicles
Endorsements/ Exclusions:	Endorsement No. 19-354 Adds (2) Mini busses Endorsement No. 19-355 Adds 2018 F550 Please refer to policy	Available upon request
Reporting Provisions:	The insured must report any material changes in the exposure, additions, deletions, or other changes in scheduled autos.	The insured must report any material changes in the exposure, additions, deletions, or other changes in scheduled autos.
Compensation:	10%	10%
Premium:	\$ 90,117.50	\$ 88,746.90

Commercial Auto Schedule as of 6/1/2020

No.	Year	Make	Model	VIN No.	Valuation	Comp/ Coll Deductible
01	1990	Chev	Suburban	72310	\$0	\$0
02	1992	Chev	Box Van	88905	\$0	\$0
03	1993	Chev	Suburban	79000	\$0	\$0
04	1995	Ford	Crew Cab	24430	\$0	\$0
05	1997	Chev	Suburban	23296	\$0	\$0
06	1997	Ford	Pickup	15948	\$0	\$0
07	1998	Ford	Flatbed	08530	\$0	\$0
08	1999	Chev	Suburban	15756	\$0	\$0
09	1999	Chev	Suburban	29825	\$0	\$0
10	1999	Chev	Suburban	39333	\$0	\$0
11	1999	Chev	Suburban	72426	\$0	\$0
12	1999	Ford	Explorer	25151	\$0	\$0
13	1999	Ford	F450	47595	\$0	\$0
14	2000	Ford	Explorer	08096	\$0	\$0
15	2001	AMTRAM	29 Passenger Bus	21082	\$70,000	\$500
16	2001	AMTRAM	29 Passenger Bus	21083	\$70,000	\$500
17	2002	Ford	Explorer	36913	\$26,877	\$500
18	2004	Ford	F250	97914	\$24,503	\$500
19	2004	International	29 Passenger Bus	73556	\$68,571	\$500
20	2004	International	29 Passenger Bus	73557	\$68,571	\$500
21	2005	Ford	Expedition XLS	53083	\$29,653	\$500
22	2006	Ford	Expedition XLS	5946	\$28,728	\$500
23	2006	Ford	Taurus SE	4503	\$17,423	\$0
24	2006	Ford	Taurus SE	4504	\$17,423	\$0
25	2006	Ford	Taurus SE	4505	\$17,423	\$0
26	2006	Ford	Taurus SE	4507	\$17,423	\$0
27	2006	Ford	Taurus SE	4508	\$17,423	\$0
28	2007	Ford	Ranger-Pickup	40730	\$17,560	\$500
29	2007	Ford	Ranger-Pickup	40866	\$17,560	\$500
30	2007	Thomas	School Bus	277069	\$83,333	\$500
31	2007	Thomas	School Bus	87249	\$83,333	\$500
32	2007	Thomas	School Bus	87250	\$83,333	\$500
33	2008	Ford	Escape	56960	\$22,851	\$500

As of June 2020.

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No.	Year	Make	Model	VIN No.	Valuation	Comp/ Coll Deductible
34	2008	Ford	Escape	65957	\$22,851	\$500
35	2008	Ford	Escape	65958	\$22,851	\$500
36	2008	Ford	Escape	65959	\$22,851	\$500
37	2008	Ford	Escape	65961	\$22,851	\$500
38	2008	Ford	Escape	86682	\$22,851	\$500
39	2009	Ford	Econoline Van E250 Super Duty	1FTNE24W09DA44927	\$0	\$0
40	2009	Ford	Explorer	31828	\$34,866	\$0
41	2010	Ford	Escape	96847	\$23,790	\$500
42	2010	Ford	Escape	96848	\$34,866	\$500
43	2010	Ford	Escape	96849	\$23,790	\$500
44	2010	Ford	Expedition	60421	\$40,670	\$500
45	2010	Ford	Ranger	31755	\$24,163	\$500
46	2010	Ford	Ranger	31756	\$24,163	\$500
47	2011	Chevrolet	2500	16396	\$37,096	\$500
48	2011	Chevrolet	Suburban	1GNSKHE37BR271647	\$36,225	\$500
49	2011	Chevrolet	Suburban	1GNSKHE39BR285727	\$36,225	\$500
50	2011	Chevrolet	Suburban	23596	\$48,170	\$500
51	2011	Chevrolet	Suburban	56153	\$43,788	\$500
52	2011	Chevrolet	Suburban	71820	\$45,781	\$500
53	2011	Chevrolet	Suburban	96759	\$44,670	\$500
54	2011	Ford	Crew cab	37324	\$43,972	\$500
55	2011	Ford	Escape	31266	\$27,805	\$500
56	2011	Ford	F250	37323	\$39,394	\$500
57	2012	Chevrolet	1500	15774	\$31,511	\$500
58	2012	Chevrolet	1500	15879	\$31,511	\$500
59	2012	Ford	Escape	70324	\$30,837	\$500
60	2012	Ford	Escape	70325	\$30,837	\$500
61	2012	Ford	Expedition EL	54862	\$47,749	\$500
62	2012	Ford	Expedition SSV 4X4	1FMJU1G53CEF65037	\$30,290	\$500
63	2012	Ford	F250	18417	\$37,976	\$500
64	2012	Ford	F250	18419	\$39,065	\$500
65	2012	Ford	F250	71399	\$37,976	\$500
66	2012	Thomas	Saf-T-Liner C2	4UZABRDU2CCBE7210	\$107,088	\$500
67	2012	Thomas	Saf-T-Liner C2	4UZABRDU6CCBE7209	\$116,881	\$500

As of June 2020.

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No.	Year	Make	Model	VIN No.	Valuation	Comp/ Coll Deductible
68	2012	Champion	14 Passenger Bus	1FD FE4FS7CDA29001	\$35,000	\$500
69	2013	Chevrolet	Equinox	1GNFLCEK0DZ114148	\$25,100	\$500
70	2013	Chevrolet	Equinox	1GNFLCEK702113983	\$25,100	\$500
71	2013	Chevrolet	Equinox	1GNFLCEK7DZ114163	\$25,100	\$500
72	2013	Ford	Expedition	1FMJK1J52DEF60105	\$32,225	\$500
73	2013	Ford	Expedition	1FMJK1J54DEF60106	\$32,225	\$500
74	2013	Ford	Expedition XLT 4X4	1PMJULJ52DEF70059	\$54,900	\$500
75	2013	Ford	F150	1FTMF1EM1DKF27234	\$26,950	\$500
76	2014	Ford	F250	1FT7W2B60EEA26733	\$29,375	\$500
77	2014	Ford	F350 DL3214 14- Passenger Mini Bus	1FDEE3FL7EDA68771	\$28,500	\$500
78	2014	Ford	F350 DL3217 14- Passenger Mini Bus	1FDEE3FL8EDA72750	\$28,500	\$500
79	2014	Navistar	Bus	4DRBUSKP0EB759225	\$0	\$0
80	2014	Navistar	Bus	4DRBUSKP2EB759226	\$0	\$0
81	2014	Navistar	Bus	4DRBUSKP7EB759223	\$0	\$0
82	2014	Navistar	Bus	4DRBUSKP9EB759224	\$0	\$0
83	2015	Ford	Expedition XL 4X4	1FMJU1GTXF EF29347	\$49,407	\$500
84	2015	Ford	F250 SRW 4X4 Crew Cab	1FT7W2B64FED57204	\$39,095	\$500
85	2015	Ford	F250 SRW 4X4 Super Cab	1FT7X2B61FED57206	\$39,095	\$500
86	2015	Ford	F250 SRW 4X4 Super Cab	1FT7X2B63FED57207	\$39,095	\$500
87	2015	Ford	F250 SRW 4X4 Super Cab	1FT7X2B6XFED57205	\$39,095	\$500
88	2015	Thomas	Saf-T-Liner C2	4UZABRDU2FCGK9202	\$0	\$0
89	2016	Thomas	Saf-T-Liner C2	4UZABRDU1GCHA1116	\$0	\$0
90	2017	Thomas	Saf-T-Liner C2	4UZABRDU4HCHY5825	\$0	\$0
91	2017	Thomas	Saf-T-Liner C2	4UZABRDU4HCHY5824	\$0	\$0
92	2017	Thomas	Saf-T-Liner C2	4UZABRDU4HCHY5826	\$0	\$0
93	2017	Ford	Expedition	1FMJU1GT2HEA41738	\$50,000	\$500
94	2017	Ford	Expedition	1FMJU1GT8HEA75151	\$50,000	\$500
95	2018	Ford	F550	1FD0W5HY2HED94973	\$79,425	\$500

As of June 2020.

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Workers' Compensation

	2019-2020 Current Coverage	2020-2021 Proposed Coverage
Carrier:	AML/JIA	AML/JIA
A.M. Best:	Not Rated	Not Rated
Effective Date:	07/01/2019 to 07/01/2020	07/01/2020 to 07/01/2021
Policy Number:	GP2020-174	GP2021-174
Coverage:	<u>Workers' Compensation</u> □ Including Employer's Liability	<u>Workers' Compensation</u> □ Including Employer's Liability
Limit:	<u>Workers' Compensation</u> □ Statutory Limits <u>Employer's Liability</u> □ \$ 2,500,000 Each Occurrence	<u>Workers' Compensation</u> □ Statutory Limits <u>Employer's Liability</u> □ \$ 2,500,000 Each Occurrence
Premium Basis:	Estimated Payroll - \$ 32,995,513	Estimated Payroll - \$ 32,995,513
Experience Mod.:	0.77	0.86
Rates:	For Alaska – Varies by Classification, See Following Schedule	For Alaska – Varies by Classification, See Following Schedule
Endorsements/ Exclusions:	Please refer to policy	Available upon request
Audit Provisions:	Annual	Annual
Compensation:	10%	10%
Premium:	\$ 699,930.00	\$ 646,784.60

Workers' Compensation - Payroll Schedule

Code No.	Description	2019 – 2020 Rate	2019 – 2020 Estimated Payroll	2020 – 2021 Rate	2020 – 2021 Estimated Payroll
7380	Drivers, Chauffeurs and Their Helpers NOC-Commercial	7.14	\$ 1,382,384	6.41	\$ 1,382,384
8810	Clerical/Professional Employees	0.44	\$ 2,613,129	0.42	\$ 2,613,129
8868	College: Professional Employees & Clerical	1.14	\$24,000,000	1.01	\$24,000,000
9101	College or School All Other Employees	5.05	\$ 5,000,000	4.92	\$ 5,000,000
<i>Total Payroll</i>			\$ 32,995,513		\$ 32,995,513
TOTAL PREMIUM:			\$ 699,630.00		\$ 646,784.60

Workers' Compensation - Location/Workplace Schedule

Address	City, State	Zip Code
2070 Ahkovak Street	Utqiagvik, Alaska	99723
6501 Transit Street	Utqiagvik, Alaska	99723
1684 Okpik Street	Utqiagvik, Alaska	99723
114 Illinois Street	Anaktuvuk Pass, Alaska	99721
1837 Tikigaq Avenue	Point Hope, Alaska	99766
3310 3 rd Avenue	Nuiqsut, Alaska	99789
1029 Qasigialik Street	Point Lay, Alaska	99759
576 Main Street	Wainwright, Alaska	99782
2001 Barter Avenue	Kaktovik, Alaska	99747
4001 Kippi Street	Atqasuk, Alaska	99791
829 Aviik	Utqiagvik, Alaska	99723
1849 Momeganna	Utqiagvik, Alaska	99723
1695 Okpik Street	Utqiagvik, Alaska	99723
5246 Karluk Street	Utqiagvik, Alaska	99723

As of June 2020.

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Crime

	2019-2020 Current Coverage	2020-2021 Proposed Coverage
Carrier:	AML/JIA	AML/JIA
Best's Rating:	Not Rated	Not Rated
Effective Date:	07/01/2019 to 07/01/2020	07/01/2020 to 07/01/2021
Policy Number:	GP2020-174	GP2021-174
Coverage:	<u>Crime</u>	<u>Crime</u>
	<input type="checkbox"/> Public Entity Crime Coverage Occurrence Form	<input type="checkbox"/> Public Entity Crime Coverage Occurrence Form
Limit:	<input type="checkbox"/> \$500,000 Each Occurrence	<input type="checkbox"/> \$500,000 Each Occurrence
Deductible:	\$ 1,000	\$ 1,000
Endorsements/		
Exclusions:	Please refer to policy	Available upon request
Compensation:	10%	10%
Premium:	\$ 825.00	\$ 825.00

Premium Summary

Coverage Line	2019-2020 Estimated Premium	2020-2021 Estimated Premium
Property	\$ 31,672.30	\$ 37,083.20
General Liability	\$ 190,896.20	\$ 229,111.30
Business Auto	\$ 90,117.50	\$ 88,746.90
Workers' Compensation	\$ 699,930.00	\$ 646,784.60
Crime	\$ 825.00	\$ 825.00
<i>Subtotal:</i>	<i>\$ 1,013,441.00</i>	<i>\$1,002,551.00</i>
Loss Control Incentive Program Discount	N/A	N/A
<i>3-year Agreement Rate Discount*</i>	<i>(\$ 50,672.00)</i>	<i>(\$ 50,128.10)</i>
<i>Estimated Total:</i>	<i>\$ 962,769.00</i>	<i>\$ 952,422.90</i>

- *Rate discount applied on 3-year rate agreement starting in 2019-2020 term.*

Compensation Disclosure

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <http://global.marsh.com/about/>. In those instances, MMA will bill and collect on behalf of the non-US affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention, and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention, and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Other Compensation** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and/or events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive, please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/resource/compensation-guide-for-client.pdf>.

MMA’s aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

We appreciate your business!



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