

FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into as of this _____ day of _____, 2015, by and between

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

(hereinafter referred to as "SBBC"),
a body corporate and political subdivision of the State of Florida,
whose principal place of business is
600 Southeast Third Avenue, Fort Lauderdale, Florida 33301

and

ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.

(hereinafter referred to as "AJG"),
whose principal place of business is
2555 Glades Road, Suite #200E, Boca Raton, Florida 33431

WHEREAS, SBBC and AJG entered into an Agreement dated February 19, 2014 (hereafter "Agreement"); and

WHEREAS, the parties mutually desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1.01 **Recitals.** The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

1.02 **Amended Provisions.** The parties hereby agree to the following amended provisions to the Agreement:

2.02 **AJG's Service Obligations.** AJG will provide, or cause to be provided by an organization owned in whole or in part by AJG or AJG's corporate parent, the services set out on **Revised Exhibit A** attached hereto (collectively, the "Services") to SBBC. If the Services include the placement of insurance coverage, AJG will use its commercial best efforts to secure such insurance coverage on SBBC's behalf. In the event an insurance company cancels or refuses to place such insurance coverage, AJG will use its commercial best efforts to obtain the coverage from another insurance company.

2.03 **AJG's Compensation.** In consideration of the services provided hereunder, SBBC shall compensate AJG as set forth in **Revised Exhibit B**.

1.03 **Order of Precedence Among Agreement Documents.** In the event of conflict between the provisions of the Agreement and the provisions contained herein, the provisions of the following documents shall take precedence in this order:

- a) this First Amendment to Agreement; and
- b) the Agreement dated February 19, 2014;
- c) RFI 14-063P – Property and Casualty Insurance Brokerage Services;
- d) Proposal submitted in response to the RFI by Arthur J. Gallagher Risk Management Services, Inc.

1.04 **Other Provisions Remain in Force.** Except as expressly provided herein, all other portions of the Agreement remain in full force and effect.

1.05 **Authority.** Each person signing this First Amendment to Agreement on behalf of either party individually warrants that he or she has full legal power to execute this First Amendment to Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this First Amendment to Agreement.

IN WITNESS WHEREOF, the Parties hereto have made and executed this First Amendment to Agreement on the date first above written.

FOR SBBC

(Corporate Seal)

THE SCHOOL BOARD OF BROWARD
COUNTY, FLORIDA

ATTEST:

By _____
Donna P. Korn, Chair

Robert W. Runcie, Superintendent of Schools

Approved as to Form and Legal Content:


Office of the General Counsel

FOR AJG

(Corporate Seal)

ATTEST:

_____, Secretary

-or-

[Signature]
Witness

[Signature]
Witness

Arthur J. Gallagher Risk Management
Services, Inc.

By [Signature]
Signature

Printed Name: David L. Marcus

Title: Area Chairman

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 9TH day of
July, 2015 by DAVID L. MARCUS of

Name of Person
_____ on behalf of the corporation/agency. (He/She is personally known to
me or produced _____ as identification and did/did not first
take an oath. _____
Type of Identification

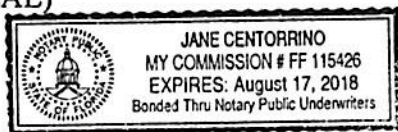
My Commission Expires:

[Signature]
Signature – Notary Public

JANE CENTORRINO
Printed Name of Notary

8-17-18
Notary's Commission No.

(SEAL)



S:/v/allwork/contracts/develop/1213year/amendment

Revised Exhibit A
Scope of Services as Defined in RFI 14-063P

| Section | Scope of Service |
|--------------------------------|---|
| BROKERAGE SERVICES | |
| 4.4.2.1 | Respondent shall use its best efforts to place the following lines of insurance coverage on SBBC's behalf: property and casualty insurance coverages. Ancillary insurance coverages include property insurance terrorism, package policy (including primary property, excess general and automobile liability coverage), petroleum storage tank liability, accidental death and dismemberment for security officers, and broadcaster's liability. |
| 4.4.2.2 | Consult with SBBC to formulate a marketing strategy that focuses on delivering a cost- effective risk management strategy and structure based upon current market conditions. Suggest alternative risk financing vehicles to reduce SBBC's cost of risk. |
| 4.4.2.3 | Work with SBBC to produce comprehensive underwriting data and criteria for insurance carrier negotiations. Represent SBBC in negotiations with insurers, underwriters and other parties with regards to the insurance program. |
| 4.4.2.4 | Formally present coverage submissions to agreed-upon insurance carrier(s) and negotiate terms on behalf of SBBC. |
| 4.4.2.5 | Annually, coordinate and provide SBBC with copies of catastrophe analysis studies to be used in the marketing of the program. |
| 4.4.2.6 | Summarize the results of executing the marketing strategy developed with SBBC and communicate program recommendations. |
| 4.4.2.7 | Provide consultation to SBBC on exposures, existing coverage, and the desirability and/or feasibility of potential program changes when recommended or when requested by SBBC. |
| 4.4.2.8 | Request change endorsements, when requested by SBBC or when otherwise necessary, ensuring accuracy and delivery in a timely manner. |
| 4.4.2.9 | Administer insurance program, including extensive policy review and issuance, invoicing, coordination and/or issuance of required documentation; i.e., automobile identification cards, certificates of insurance and other program administration, as required by the SBBC. |
| 4.4.2.10 | Review accounting and billing data received from insurance markets on SBBC's behalf to ensure accuracy. |
| 4.4.2.11 | Annually, provide stewardship report summarizing program and services provided throughout the year. |
| 4.4.2.12 | Provide SBBC Risk Management department staff with access to, and training for, online access to policy information and relevant risk management tools. |
| 4.4.2.13 | Except with the prior written approval of SBBC, place insurance on behalf of SBBC with insurers that meet or exceed agreed upon minimum financial guidelines or a Best rating of not less than "A-" as assigned by A.M. Best. Monitor published financial information of any insurers with whom SBBC's coverage is placed. Alert SBBC if the status of an insurer falls below the A.M. Best guidelines herein. |
| CLAIMS ADMIN/PERSONNEL: | |
| 4.4.2.14 | Participate in claims review meetings to ensure accuracy of reserves and effective claims management. |
| 4.4.2.15 | Assist with the selection of the designated property insurance catastrophic claims adjuster and coordination for the purposes of adjusting catastrophic property losses with respect to necessary documentation for FEMA assistance. |
| 4.4.2.16 | Assist with emergency procedures and disaster planning. |
| 4.4.2.17 | Assist with claim and coverage disputes. |

| LOSS CONTROL PERSONNEL: | |
|--|--|
| 4.4.2.18 | Develop, with SBBC's assistance and involvement, loss control programs and strategies, including educational training, seminars, research and analysis of loss trends, and develop communication materials. |
| 4.4.2.19 | Provide a full-time (defined as 200 on-site work days), qualified loss control representative to assist with the implementation of such loss control programs and strategies mentioned in 4.4.2.18. Loss control services will not be limited to property exposures but will also support the SBBC workers' compensation program and other safety initiatives as agreed between Respondent and SBBC. |
| ADMINISTRATIVE PERSONNEL: | |
| 4.4.2.20 | Provide administrative support services to SBBC Risk Management Department. This support will include a full-time staff member employed by and managed by Respondent and located at the SBBC Risk Management department. This full-time staff member will work with Respondent and SBBC staff to manage certificate of insurance issuance, update and coordinate Risk Management insurance policy files, assist in statement of values development, and provide other administrative support services as agreed between Respondent and SBBC. |
| ADDITIONAL SERVICES WHICH MAY BE REQUESTED OF RESPONDENT: | |
| 4.4.2.21 | APPRAISAL SERVICES: As directed and approved by SBBC, coordinate and assist with subcontracting a vendor to provide reconstruction cost appraisal services for certain facilities of SBBC as agreed upon by Respondent and SBBC. The cost of this service would fall outside the broker compensation definition and, at the option of SBBC, be considered as a value added expenditure. |
| 4.4.2.22 | RISK MANAGEMENT INFORMATION SYSTEMS: Provide Risk Management with access or subscription to a Risk Management Information System (Exigis, or equivalent). |
| 4.4.2.23 | INSURANCE CERTIFICATE TRACKING SYSTEM: Provide Risk Management with access or subscription to a certificate tracking program (EBIX, or equivalent). |

Revised Exhibit B Broker Compensation

Compensation to AJG brokerage

The following outlines the compensation to be provided to AJG over the term of this Agreement:

Property Insurance Placements:

The property placement would be capped at \$1,000,000 in total annual retail broker compensation with an annual average commission not to exceed 6.75%;

Ancillary Insurance Placements:

All other casualty lines listed defined in the RFI 14-063P will be capped at \$100,000 in total annual retail broker compensation (whether fee or capped commission – District's choice) with an annual average not to exceed 11%.

Compensation to Intermediaries (whether independent or owned)

AJG may utilize insurance intermediaries (such as a wholesale insurance broker, managing general agent (MGA), and managing general underwriter or reinsurance broker) for the placement of SBBC's insurance. The compensation received by the insurance intermediary for placements is to be no more than the following:

Property Insurance Placements:

London/Internationally Based Intermediaries, no more than an average of 5.5% of annual premium

U.S. Based Intermediaries, no more than an average of 4.0% of annual premium

Ancillary Insurance Placements:

Per full disclosure by AJG and agreement by SBBC

NFIP Flood Insurance

Compensation for NFIP policies, if purchased by SBBC, will be subject to full disclosure by AJG and prevailing commission schedules at time of placement.

Other Lines of Coverage

Compensation for policies not defined in the RFI 14-063P, including Builder's Risk, if purchased by SBBC, will be subject to full disclosure by AJG and agreement by SBBC on retail broker compensation and on intermediary compensation, if applicable. Builder's Risk would be capped at a 10% commission on retail broker compensation.