



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
EXECUTIVE COMMITTEE MEETING
AGENDA**

**Friday, June 28, 2024
8:00 a.m.**

[Zoom](#)

Zoom Link: <https://us02web.zoom.us/j/86334445728>

Dial-in Number: (669) 900-6833

Meeting ID: 863 3444 5728

No Passcode Required

All portions of this meeting will be conducted via teleconference in accordance with Government Code Section 54953. The teleconference locations are as follows: *City of Rancho Cucamonga, 10500 Civic Center Drive, Rancho Cucamonga, CA 91730; City of Oakdale, 280 N. 3rd Ave., Oakdale, CA 95361; 43-420 Trader Place Indio, CA 92201; City of Union City, 34009 Alvarado-Niles Road, Union City, CA 94587; MPA, 1911 San Miguel Drive, Walnut Creek, CA 94696; and 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.*

Each location is accessible to the public, and members of the public may address the Committee from any teleconference location. Alternatively, you may attend the meeting and address the Committee via the Zoom link or dial-in number shown above.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Yvette Flama (yvette.flama@sedgwick.com or 916.290.4629) as early as possible, and preferably at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item provided to the Committee will be available for public inspection. Please contact Ms. Flama via phone or email for copies.

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1. CALL TO ORDER; ROLL CALL

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

3. PUBLIC COMMENTS - The Public may submit any questions by contacting Yvette Flama at yvette.flama@sedgwick.com. This time is reserved for members of the

public to address the Committee relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law.

4. MEMBERSHIP MATTERS

3. *A. Review of Prospective Member Application, Hesperia Recreation and Park District (PERMA JPA)

Recommendation: Staff recommends the Executive Committee conditionally approve the Hesperia Recreation and Park District (PERMA JPA) at a SIR of no less than \$100,000, effective July 1, 2024, and that the condition of having the personnel policies and procedures be required to be created and reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

5. ADMINISTRATIVE MATTERS

10. *A. Consideration of Extension to Insurance Brokerage and Consulting Services Agreement with Alliant Insurance Services, Inc.

Recommendation: Staff recommends the Executive Committee approve a two-year extension to the Insurance Brokerage and Consulting Agreement, including the addition of the Data Processing Addendum.

6. CLAIMS MATTERS

33. A. Closed Session – Pursuant to Government Code Section §54956.95(a), the Board of Directors will recess to Closed Session to discuss the following claims:

- Brooke Dunn v. City of La Mesa (PERMA)

7. CLOSING COMMENTS

This time is reserved for comments by the Committee members and staff and to identify matters for future Committee business.

- A. Committee
- B. Staff

8. ADJOURNMENT

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective Member Application, Hesperia Recreation and Park District (PERMA JPA), *Presented by Rob Kramer, Executive Director*

RECOMMENDATION: *Staff recommends the Executive Committee conditionally approve the Hesperia Recreation and Park District (PERMA) at a SIR of no less than \$100,000, effective July 1, 2024, with the condition of having the personnel policies and procedures be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.*

BACKGROUND AND STATUS:

Hesperia Recreation and Park District, an underlying member of the Public Entity Risk Management Authority (PERMA), provided an application and supporting documentation for participation in ERMA effective July 1, 2024, at a self-insured retention (SIR) of \$25,000. The application materials have been reviewed by staff and are summarized as follows:

- The agency reports payroll of approximately \$2,466,696 for the 2023 calendar year and has 30 full-time and 82 part-time employees.
- The agency has written personnel policies and procedures that meet the ERMA requirement. However, the agency has not had its policies reviewed since 2017.
- The agency has sixteen (16) current reportable losses.
- The Town is compliant with AB 1825 and SB 1343 training requirements.

REFERENCE MATERIALS ATTACHED:

- Hesperia Recreation and Park District Premium Indication
- Hesperia Recreation and Park District Application for Participation

Name of Entity	Hesperia Recreation and Park District
2023 Calendar Year Payroll	\$2,466,696
Coverage Period	July 1, 2024 to June 30, 2025

CALCULATION

Self-Insured Retention Option		\$50,000	\$75,000	\$100,000
Funding Rate		0.552	0.500	0.455
Funding for Losses		\$13,616	\$12,323	\$11,233
Loss Prevention & Training	0.0091	224	224	224
Administration	0.0542	1,336	1,336	1,336
Deposit Contribution		\$15,176	\$13,883	\$12,794
JPA Participation Credit	9.78%	(1,485)	(1,358)	(1,252)
Net Contribution		\$13,692	\$12,525	\$11,542
JPA Experience Mod Factor		1.220		
JPA Off-Balance Factor ⁽¹⁾		0.998		
Contribution Adj. for Off-Bal. Factor		\$16,658	\$15,239	\$14,043
Individual Experience Mod Factor ⁽²⁾		1.000		
Individual Off-Balance Factor ⁽¹⁾		1.143		
ERMA CONTRIBUTION ⁽³⁾		\$15,650	\$14,316	\$13,193

Notes:

(1) Off-Balance Factor: To ensure that ERMA collects the required total contribution from a member, which is determined by ERMA's consulting actuary, an off-balance factor is applied to the net contribution after the experience modification factor is applied to the net contribution. All underlying members within the same primary JPA receive the same off-balance factor.

(2) New members are assigned an experience modification factor of 1.000 their first year in ERMA.

(3) Contribution calculated using rates per the 2024/25 approved budget.

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA) LIABILITY COVERAGE APPLICATION FOR PROSPECTIVE JOINT POWER AUTHORITIES

If completed electronically, this application will adjust to allow space for any answers. If not completed electronically, then additional sheets may be needed.

PROGRAM YEAR: 2023/24

ENTITY NAME: Hesperia Recreation and Park District Date: 6/18/24			
EMPLOYMENT PRACTICES INFORMATION			
A. Entity Information			
1.	Identify the structure of the applying Entity:		
	<input checked="" type="checkbox"/> In-house Staff Joint Powers Authority (Proceed to Section B.)	<input type="checkbox"/> Contracted Staff Joint Powers Authority (Proceed to Section F.)	
B. Policies and Procedures			
1.	Does the Entity have written personnel policies and procedures?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.	Are the following policies or procedures included in the manual? Check all that apply:		
	<input checked="" type="checkbox"/> Hiring	<input checked="" type="checkbox"/> Termination	<input checked="" type="checkbox"/> Suspension
	<input checked="" type="checkbox"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave	<input checked="" type="checkbox"/> Grievance Procedures
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline	<input checked="" type="checkbox"/> Attendance
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Harassment, Discrimination, & Retaliation	
	<input checked="" type="checkbox"/> Written Job Description for all Positions	<input checked="" type="checkbox"/> Workplace Violence Policies	
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees		
	<input checked="" type="checkbox"/> Employee Hotline/Complaint Procedure		
5.	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, when was the manual or rules last reviewed? 2017		
8.	Were the above-referenced policies formally approved and adopted by council/governing board?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>If you answered no to any of the above, please use this space to provide more information:</i>			

C. Employee Information	
1.	Number of Full Time Employees: 30
2.	Number of Part time Employees: 82

3.	For each of the past five years, what has been your annual percentage turnover rate of employees?
	2021-22 2% 2020-21 10% 2019-20 3% 2018-19 3% 2017-18 15%
4.	How many involuntary employment terminations have occurred in the past three years?
	2024 Terminations: 5 2023 Terminations: 2 2022 Terminations: 1
	<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>
5.	Percentage of Employees with salaries less than \$100,000 97%
6.	Percentage of Employees with salaries greater than \$100,000 3%
Should = 100%	

D.	Employment Practices Claims Handling	
1.	Who in the Entity has been designated to handle claims? Administrative Services Manager	
2.	(a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow up on the claim? (b) Do you require written claims for EEO-related complaints?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims:	
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the CRD, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?	
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the answer is yes to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

E. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please describe handling of this function:	
2.	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.	Do you anticipate any "layoffs" during the next 24 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825, SB 1343 and SB 778?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 and SB 1343 training records: We train through a company called Vector Solutions, where every employee has an account that includes their time and date of taking the training.	
7.	Does your entity provide SB 1343 training?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.	Are elected or appointed officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

E. DESIRED SELF-INSURED RETENTION

☒ \$25K ☐ \$50K ☐ \$75K ☐ \$100K ☐ \$250K ☐ \$350K ☐ \$500K

Please attach the following:

- ***Member application fee of \$2,500 for prospective JPAs. (Upon approval and completion of the first year of membership, a credit in the amount equal to the fee remitted upon application will be issued in the form of a premium credit.)***
- ***EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;***
- ***Payroll information for the previous 7 completed calendar years;***
- ***Completed resolution authorizing participation in ERMA;***
- ***Completed intent to participate; and***
- ***Most Recent Financial Audit.***

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention from what was requested, if an application for membership is approved.

The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

Hesperia Recreation & Park District
Agency or Entity Name

Robert Hernandez
Applicant's Name (please print)


Applicant's Signature

Acting General Manager
Applicant's Title

06/18/2024
Date

ADMINISTRATIVE MATTERS

SUBJECT: Consideration of Extension to Insurance Brokerage and Consulting Services Agreement with Alliant Insurance Services, Inc., *Presented by Rob Kramer, Executive Director*

RECOMMENDATION: *Staff recommends the Executive Committee approve a two-year extension to the Insurance Brokerage and Consulting Agreement, including the addition of the Data Processing Addendum.*

BACKGROUND AND STATUS:

On July 1, 2021, the ERMA Board of Directors entered into an agreement for insurance brokerage and consulting services with Alliant Insurance Services, Inc. That term of that agreement ran through June 30, 2024. However, the agreement was intentionally written with a built-in option for two one-year extensions.

Alliant has received excellent evaluations from the Board members over the years.

ERMA has the option to either create and disseminate a request for proposals (RFP) for these services, or extend the current agreement for one or two years pursuant to Section XIII of the current agreement.

Should the Executive Committee decide to extend the agreement, Alliant has also drafted a data processing addendum to ensure it is clear what responsibilities Alliant has when dealing with ERMA confidential information.

Both the extension addendums and the addendum for data processing have been reviewed by Doug Alliston, ERMA Board counsel.

REFERENCE MATERIALS ATTACHED:

- Agreement for Insurance Brokerage and Consulting Services with Alliant
- Draft Two-Year Extension Addendum
- Draft Data Processing Addendum

INSURANCE BROKERAGE AND CONSULTING AGREEMENT BETWEEN EMPLOYMENT RISK MANAGEMENT AUTHORITY AND ALLIANT INSURANCE SERVICES, INC.

I. PARTIES.

The PARTIES to this BROKER SERVICES AGREEMENT are **Employment Risk Management Authority** (CLIENT) and **Alliant Insurance Services, Inc.** (BROKER).

II. AGREEMENT.

In consideration of the payments and covenants specified in this AGREEMENT, BROKER shall perform the SERVICES described herein.

III. DEFINITIONS.

When used throughout this AGREEMENT, capitalized terms, whether in the singular or in the plural form, shall have the meanings ascribed to them at their first occurrence. In addition, the following terms, when capitalized, whether in the singular or in the plural form, shall have the meanings set forth below:

- A. **BROKER** – Alliant Insurance Services, Inc.
- B. **CLIENT** – Employment Risk Management Authority.
- C. **AGREEMENT** – This BROKER Services Agreement, its addendums, exhibits, and/or attachments, and any written changes that are agreed upon by the PARTIES.
- D. **COMPENSATION** – Remuneration paid to BROKER as consideration for its SERVICES performed under this AGREEMENT, which shall be in the form of either a FEE and/or COMMISSION.
- E. **FEE** – Annual remuneration paid by CLIENT directly to BROKER for SERVICES (does not include COMMISSION).
- F. **COMMISSION** – Remuneration paid by CLIENT’S insurance carriers (or excess pools) directly to BROKER.
- G. **PARTY** – CLIENT or BROKER.
- H. **PROGRAM** – The categories of risk and insurance placed on behalf of CLIENT and SERVICE provided under the SCOPE OF SERVICES of this AGREEMENT.

- I. **SERVICE** – Any and all obligations of BROKER to be performed pursuant to this AGREEMENT.
- J. **KEY PERSONNEL** – Those individuals on the account service team, designated in the attached **Addendum A**, who are responsible for the BROKER’S role provided for under the Section IV, SCOPE OF SERVICE.

IV. **SCOPE OF SERVICE.**

A. **General Provisions.**

CLIENT agrees to designate BROKER as CLIENT’S sole representative for marketing and placement of insurance coverage, services and products in the following program areas: **Excess Employment Practices Liability**

BROKER agrees to:

1. Act as CLIENT’S insurance broker and perform all duties specified in this Agreement to be performed by BROKER for CLIENT’S insurance program, including marketing to insurance and reinsurance carriers, reviewing and verifying insurance documents received from insurers, providing insurance documents to CLIENT, forwarding questions from CLIENT and/or its participating members to the insurance carriers, identifying, reviewing and commenting on loss-control activities and recommendations by insurers, evaluating the appropriateness of insurance coverage, and offering alternatives as requested, based on comparison of quotations, and preparing insurance certificates as requested by CLIENT and/or its participating members, to be received within forty-eight (48) hours of request;
2. Work closely with CLIENT to manage its risks and to control the costs of insurance;
3. Analyze factors that drive the cost of insuring CLIENT’S risks, and develop and recommend to CLIENT insurance, reinsurance and other risk financing or loss funding programs, techniques and methods, whenever they will benefit CLIENT;
4. Seek out creative solutions and explore reasonable alternatives to traditional risk management techniques;
5. Develop, recommend, negotiate and use its commercially reasonable efforts to implement cost-effective insurance and/or alternative risk financing programs;
6. Represent CLIENT’S interests, not those of any insurance company or other organization;
7. Market and solicit comprehensive quotes from financially acceptable insurance markets and reinsurance markets;
8. Negotiate, on the CLIENT’S behalf: with all insurance markets and submit to CLIENT written details of its marketing efforts. To the extent

reasonably available, BROKER will identify all contacts and amounts quoted at least thirty (30) calendar days prior to the renewal date(s). Copies of the formal underwriting submissions made by BROKER will be provided electronically to CLIENT at least 72 hours before submittal to carrier(s). The BROKER will represent and assist CLIENT in all discussions and transactions with all insurers, and will not place any insurance unless so authorized by CLIENT;

9. Keep CLIENT informed of all significant developments relating to BROKER'S obligations under this Agreement;
10. Monitor published financial information of the CLIENT'S current insurers, and alert CLIENT when the financial strength or management status of these insurers falls below minimum financial guidelines set by BROKER and CLIENT. BROKER will not be responsible for the management, solvency or ability to pay claims of any insurance carrier;
11. Assist CLIENT members with mid-term coverage additions and changes;
12. Follow up within sixty (60) to ninety (90) days with insurance carriers for timely issuance of policies and endorsements;
13. Review policies and endorsements for accuracy and conformity to specifications and negotiated coverages;
14. Provide coverage summaries for all lines of coverage;
15. Verify rates and premiums prepared for CLIENT and its members by the insurance carriers;
16. Provide CLIENT with detailed invoices showing CLIENT'S insurance costs (delineated by line of coverage, insurer and member), including any applicable surplus lines taxes or fees; and
17. Provide copies of reports and/or documents relating to the CLIENT'S account to the CLIENT in a timely manner. CLIENT agrees that files (other than insurance policies) are generally not retained for more than five (5) years after the expiration of a particular policy term.

BROKER shall not be responsible for the failure of members to make premium payments.

B. Services.

BROKER agrees to:

1. Act, upon request of CLIENT, as a liaison
 - a. for communications among or between all parties involved in the program including CLIENT, participating members, insurance carriers and others. Assist CLIENT in settlement issues with coverage providers. However, it is understood and agreed that BROKER is not providing claims management services or claims consulting services under this Agreement.

- b. between the CLIENT and the excess insurer, by requesting loss runs from the Administrator within ten (10) days of the end of each quarter and submitting those loss runs to the excess carrier as it may require for reporting within thirty days (30) following the end of the quarter.
- 2. Prepare written reports to CLIENT management to include:
 - a. Reports of pending rate, coverage or renewal issues including significant changes in the financial status of major insurers and reinsurers for the program before January each year.
 - b. Review marketing plan with CLIENT prior to approaching insurers or reinsurers or alternative markets on program during the first quarter of the calendar year.
 - c. Annually review underwriting information for completeness and request updated exposure and loss data from CLIENT members at renewal time.
 - d. Develop underwriting information and marketing specifications in conjunction with CLIENT.
 - e. Inform CLIENT of significant changes or trends in the marketplace and providing an annual written forecast of market conditions.
- 3. Evaluate existing coverage documents as to the adequacy of coverage, retention levels, restrictions in coverage, stability of forms and other related matters. Upon such evaluation make recommendation regarding these subjects to the CLIENT, for review.
- 4. Deliver binders or other evidences of coverage as soon as practicable, but not later than thirty (30) days, after the placement of coverage under the program to be effective until such time as the policy or agreements for the placement are received by CLIENT from the coverage providers.
- 5. Monitor the program to assure its continuing balance of coverage scope, costs, service and stability.
- 6. Assist CLIENT, as requested, in the development of marketing materials for development of new members and meet with new members as directed by CLIENT.
- 7. Review insurance policies, binders, certificates and other documents related to the program for accuracy and obtain revisions in such documents when needed.
- 8. Monitor program to assure continuing balance of coverage scope, cost, services and stability.
- 9. Attend and present information at meetings, as requested by CLIENT.

V. COMPENSATION

- A. **Annual Compensation.** In COMPENSATION for the services under the SCOPE OF SERVICES provided, BROKER shall receive COMMISSION of eight percent (8%) beginning July 1, 2021 for placement of **Excess Employment Practice Liability**.
- B. **Commissions.** COMMISSIONS shall be collected as agreed by both Parties in writing.
- C. **Disclosures.**
1. **Exclusions.** COMMISSIONS on Bonds are not included in the COMPENSATION agreed to above.
 2. **Transparency and Disclosure.** During the term of this AGREEMENT, BROKER will annually disclose any COMMISSIONS received by BROKER, or any affiliated company, in connection with any insurance placements on behalf of CLIENT under BROKER'S "Transparency and Disclosure" policy, a copy of which is made available upon request. Pursuant to its policy, BROKER will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of its clients. In addition, BROKER'S conflict of interest policy precludes it from accepting any form of broker incentives that would result in business being placed with carriers in conflict with the interests of BROKER'S clients.
 3. **Compensation from Others for Placement of Client's Business.** Where BROKER or any affiliate of such BROKER receives any compensation or payment from the CLIENT for the placement of insurance, or represents CLIENT with respect to that placement, neither BROKER nor an affiliate of BROKER shall accept nor receive any compensation or income from an insurer or other third party for that placement of insurance, unless the BROKER has, prior to the CLIENT'S purchase of insurance:
 - (a) Obtained the CLIENT'S written acknowledgment that such compensation will be received by BROKER, and disclosed in writing the full amount of compensation received by BROKER and its affiliates from the insurers and other third parties involving the placement. If the amount of compensation is not known at the time of disclosure, BROKER shall disclose the specific method for calculating such compensation and, if possible, a reasonable estimate of the amount. BROKER shall make such disclosure without being requested by CLIENT to disclose such information.
 - (b) For purposes of this section, compensation shall include, but is not limited to, payments, COMMISSIONS, retail or wholesale COMMISSIONS, premium finance compensation, fees, awards, overrides, bonuses, contingent COMMISSIONS, loans, stock options, gifts, prizes or any

other form of valuable consideration, whether or not payable pursuant to a written Agreement.

- (c) BROKER shall not accept any form of compensation from any profit-based contingent COMMISSION agreements such as, but not limited to, "market service agreements," profit sharing arrangements, "placement service agreements," tie-ins, retrocession tie-ins, "finders' fees," "national incentives," "structuring broker commissions," "strategic partner commissions," "volumetric incentives," "volumetric premiums," "introducing broker commissions," "referring broker commissions," facultative reinsurance agreements, any "back -end" sources of compensation and/or revenue, or any additional compensation based on premium volume given to any particular insurer, by whatever names these contingent COMMISSIONS are or may be called.
- (d) The BROKER and its affiliates will not engage in any so called "bid-rigging," or any similar conduct, or accept undisclosed volume based override COMMISSIONS , "B quotes," or any COMMISSIONS based on volume, renewal rates, or underwriting profitability, by whatever term such conduct is described.
- (e) BROKER will disclose in writing the markets it intends to approach on CLIENT'S behalf, and how such markets will be approached, whether to a BROKER-owned wholesaler or an outside wholesaler.
- (f) BROKER agrees to provide an annual written disclosure report of any and all compensation or income received from any source on placement of insurance coverage or products placed for CLIENT.

4. Other Alliant Services.

- (a) **Alliant Specialty Insurance Services (ASIS).** In addition to the COMPENSATION that BROKER receives, its related entity, Alliant Specialty Insurance Services (ASIS) and its underwriting operations, Alliant Underwriting Services (AUS), may receive compensation from BROKER and/or carriers for providing underwriting services. The financial impact of the compensation received by ASIS is a cost included in the premium. Compensation received by ASIS will be disclosed in writing to CLIENT and is agreed to by CLIENT as part of the premium. CLIENT further acknowledges that BROKER and ASIS maintain an arm's length relationship. CLIENT understands that while BROKER represents CLIENT as an individual entity, ASIS independently administers its program as a whole and not on behalf of any particular member.
- (b) **Alliant Business Services (ABS); Strategic HR.** Additionally, Alliant's internal operating groups, Alliant Business Services (ABS) and/or Strategic HR, may receive compensation from BROKER and/or carriers

for providing designated, value-added services. Services contracted for by the CLIENT directly will be invoiced accordingly. Otherwise, services will be provided at the expense of BROKER and/or the carrier.

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

- A. **Surplus Lines Fees and Taxes.** In certain circumstances, placement of insurance services made by BROKER on behalf of CLIENT, with the prior approval of CLIENT, may require the payment of surplus lines assessments, taxes, and/or fees to state regulators, boards, and associations. Such assessments, taxes, and/or fees will be charged to CLIENT and identified separately on invoices covering these placements. CLIENT shall be responsible for all such assessments, taxes, and fees, whether or not separately invoiced. BROKER shall not be responsible for the payment of any such fees, taxes, or assessments, except to the extent such fees, taxes or assessments have already been collected from CLIENT.
- B. **Third Party Brokers.** BROKER may determine from time to time that it is necessary or appropriate to utilize the services of third party brokers (such as surplus lines brokers, underwriting managers, London market brokers, and reinsurance brokers) to assist in marketing the CLIENT insurance PROGRAM. Subject to the provisions herein, these third party brokers may be affiliates of BROKER (e.g., other companies of Alliant that provide services other than those included within the SCOPE OF SERVICES of this AGREEMENT), or may be unrelated third party brokers. Compensation to such third party brokers will be paid by the insurance company out of paid insurance premiums.

Indirect Income. “INDIRECT INCOME” means insurance carrier contingency arrangements. BROKER will not accept these compensation incentives from insurers, including contingent commissions, market service agreements (MSA), volume-based commission incentives and rebates on business placed on behalf of CLIENT within the SCOPE OF SERVICE of this AGREEMENT.

VII. PERSONNEL.

BROKER agrees KEY PERSONNEL as listed in **Addendum A** will be responsible for performance of the SERVICES described herein. Should such personnel become unavailable to perform SERVICES for CLIENT, BROKER agrees to replace, as soon as practicable, such personnel with individual(s) of comparable skills and experience as determined by BROKER’S evaluation and subject to CLIENT’S right of reasonable refusal.

VIII. INSURANCE REQUIREMENTS.

- A. **Coverage and Limits.** During the term of this AGREEMENT, BROKER shall maintain the following insurance coverage and limits or the equivalent self-insurance coverage:

1. Professional Liability insurance with minimum limits of \$1 million per claim providing coverage for any errors and omissions that the BROKER or its agents may make resulting in financial loss to CLIENT.
 2. Commercial General and Automobile Liability insurance with limits of at least \$1 million combined single limit per occurrence and in the aggregate for bodily injury and property damage. The policies are to contain, or be endorsed to contain the following provisions:
 - (a) CLIENT, its trustees, officers, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of the work or operations performed by the BROKER, or on behalf of the BROKER, or “any auto,” whether owned, leased, hired or borrowed by the BROKER.
 - (b) For any covered claims related to this AGREEMENT, the BROKER’S insurance coverage shall be primary insurance as respects CLIENT, its trustees, officers, employees, or volunteers. Any insurance or self-insurance maintained by CLIENT, or any of its members, shall be excess to the BROKER’S insurance and shall not contribute with it.
 3. Workers’ Compensation coverage in compliance with applicable law, and Employers’ Liability insurance in the amount of at least \$1 million per accident or aggregate.
 4. Excess Liability of at least \$4 million per occurrence (and in the aggregate) coverage over General Liability, Professional Liability, and Auto primary coverage.
- B. **Carrier Rating.** All insurance carriers providing the coverages required by this section shall have a financial rating of at least an “A-” published A.M. Best, or an equivalent financial rating firm. Published reports will be used to confirm the insurance carriers’ rating, unless the BROKER has obtained the CLIENT’S written acknowledgment that an insurance carrier with a lower financial rating is permitted.
- C. **Certificates of Insurance/Endorsements.** BROKER shall also provide to CLIENT certificates of insurance and copies of applicable endorsements evidencing the above coverages and limits, and will maintain these coverages during the term of this AGREEMENT.
- D. **Ongoing Obligation.** The failure of the BROKER to procure and maintain the required insurance does not negate its obligation under this AGREEMENT to do so.

IX. OBLIGATIONS OF CLIENT.

CLIENT agrees to cooperate with BROKER in the performance of BROKER’S services by providing BROKER with reasonable access to CLIENT’S personnel and information, including providing BROKER with complete and accurate information as to CLIENT’S

loss experience, risk exposures and any other pertinent information that BROKER requests. In addition, when known, CLIENT shall have the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to BROKER. This reporting must be memorialized in writing and delivered to Alliant in accordance with the notice provisions below.

CLIENT shall promptly review coverage documents delivered by BROKER for consistency with CLIENT'S specifications, and shall designate one or more officers or committees of CLIENT to receive and evaluate recommendations to the officers(s) or committee(s) of CLIENT having ultimate decision-making authority on such matters.

X. CONFIDENTIALITY.

- A. **Client Information.** BROKER will not disclose to any third party any of CLIENT'S confidential information, protected tangible or intangible property rights, intellectual property, or trade secrets ("Client Information") that are obtained in the course of providing SERVICES to CLIENT and that are marked or stamped by CLIENT as "confidential." Nothing in this AGREEMENT is intended to preclude BROKER from disclosing Client Information in the furtherance of insurance brokerage, risk management, risk transfer, employee benefits or other insurance related SERVICES or products provided by BROKER to CLIENT so long as such insurers and financial institutions are informed of the confidential nature of such information. This information may include information relevant to the underwriting and/or evaluation of the CLIENT'S risks and the processing of claims.
- B. **Confidential Information.** The services and work product exchanged by the PARTIES under this AGREEMENT are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The PARTIES acknowledge that during the term of this AGREEMENT, they may each exchange information considered confidential, proprietary and/or trade secret including, without limitation, data, recommendations, proposals, reports and similar information, Client Information (as defined above), and work product (collectively, "CONFIDENTIAL INFORMATION"). For purposes of this AGREEMENT, the party disclosing CONFIDENTIAL INFORMATION shall be called the DISCLOSING PARTY and the party receiving CONFIDENTIAL INFORMATION shall be called the RECIPIENT PARTY. The PARTIES understand and agree that they will not distribute, use, or rely upon CONFIDENTIAL INFORMATION received from the other without the permission of the DISCLOSING PARTY.
 - 1. **Ownership.** Except as otherwise provided in this AGREEMENT, CONFIDENTIAL INFORMATION is and remains the absolute and exclusive property of the DISCLOSING PARTY and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this AGREEMENT, no copies of CONFIDENTIAL INFORMATION shall be made without the written permission of the DISCLOSING PARTY. The PARTIES agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's

CONFIDENTIAL INFORMATION to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such CONFIDENTIAL INFORMATION to others.

2. **Exclusions.** The following types of information shall not be considered confidential:

- (a) Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this AGREEMENT;
- (b) Information that is independently developed by either PARTY as demonstrated by the PARTY'S records;
- (c) Information that is disclosed by a third party whom the RECIPIENT PARTY has no reason to believe has any confidentiality or fiduciary obligation to the owner of such information; or
- (d) Information that is required to be disclosed by law or judicial process, provided the disclosing party gives the non-disclosing party prior notice of subpoena or request for information so that the non-disclosing party can seek a protective order, or other appropriate injunctive relief.

C. **Reasonable Efforts.** The PARTIES agree to employ reasonable and customary business practices to protect and secure both CLIENT INFORMATION and CONFIDENTIAL INFORMATION from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives who "need to know" in order to provide the products and SERVICES under this AGREEMENT. The PARTIES further agree that those employees, officers, agents, and representatives who are privy to CLIENT INFORMATION and/or CONFIDENTIAL INFORMATION shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this AGREEMENT.

D. **Survival.** The PARTIES agree that the obligations contained herein shall survive the termination of this AGREEMENT, for a period of two (2) years, to the extent allowed by law.

XI. DISASTER RECOVERY; CONTINUITY.

BROKER agrees that it has a disaster recovery plan in place that is intended to secure, and if necessary, restore information adversely affected by a security breach, force majeure or natural disaster. In addition, BROKER will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this AGREEMENT including in the event of a force majeure, natural disaster, or pandemic.

XII. ETHICS AND CONFLICT OF INTEREST STATEMENT.

BROKER shall conduct its business so as to fulfill all legal and ethical requirements, and

standards of the industry and the applicable state(s) in which SERVICES are rendered, and shall place the best interests of CLIENT ahead of any other concerns in the placement of insurance services and products. To this end, BROKER:

- A. Shall adhere to its ethical obligations to CLIENT to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, services, or coverages, and to provide access to an open, fair, and competitive insurance market place;
- B. Shall exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, including the date and time of contact and the name, address, phone number and, to the extent available, email address of the individual contact for each market;
- C. Shall make every good faith attempt to avoid even the appearance of a conflict of interest between the BROKER, CLIENT, and any provider of any insurance product or service, and shall promptly notify CLIENT of any real or potential conflict of interest;
- D. Agrees to provide to CLIENT a copy of BROKER'S own Ethics Statement or Code, or BROKER'S Compliance Statement, or to make such statements available on the BROKER'S website; and
- E. Shall require that all insurance carriers show any commission rates on their insurance policies and ensure those rates are known to CLIENT;

XIII. TERM.

The term of this AGREEMENT shall be effective from July 1, 2021 and ending 12:01 a.m. June 30, 2024 (three years), unless cancelled pursuant to termination provisions set forth herein. CLIENT shall have an option to extend this AGREEMENT for two additional one-year periods, exercisable by CLIENT by notifying BROKER of such extension ninety (90) days prior to the anniversary date. This AGREEMENT shall have an anniversary date each July 1st, for the purpose of reviewing COMPENSATION and optional extensions.

XIV. TERMINATION.

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

XV. NONASSIGNABLE.

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

XVI. RELATIONSHIP OF THE PARTIES.

At all times and for all purposes, the relationship between the PARTIES is intended to be that of independent contractors and there is no intent to create a joint venture relationship. Any person representing BROKER shall be an independent contractor to CLIENT, and the AGREEMENT shall not in any way be construed as a contract of employment between CLIENT and BROKER'S agents. In addition, the PARTIES agree that, except as otherwise provided herein, CLIENT shall not be obligated for any expense incurred by BROKER in rendering SERVICES, or by engaging in any other transaction or conduct arising out of this AGREEMENT.

XVII. OWNERSHIP OF BOOKS AND RECORDS.

The PARTIES shall each maintain normal business records related to all business generated under this AGREEMENT. Upon reasonable request, and subject to the confidentiality provisions set forth herein, the PARTIES may each obtain from the other copies of all policyholder documents, including but not limited to policies, binders, certificates, endorsements, underwriting submissions/applications, and loss data in the other's possession, custody, or control with respect to all business generated under this AGREEMENT.

XVIII. INDEMNIFICATION.

- A. BROKER agrees to hold harmless and indemnify CLIENT at all times against any claims, costs, expense, liability, obligation, loss or damage (including reasonable legal fees and costs) of any nature, incurred by or imposed upon CLIENT and based upon any errors or omissions of BROKER, its agents or employees, with respect to the services provided by BROKER under this Agreement, unless the error or omission arises from BROKER'S reliance on information provided by CLIENT or from BROKER'S following instructions from CLIENT. In the event that CLIENT tenders its defense in any such claim to BROKER, and BROKER accepts such tender, the defense of CLIENT shall be conducted by counsel selected by BROKER and approved by CLIENT, and paid by BROKER.
- B. CLIENT agrees to indemnify and hold harmless, reimburse and defend BROKER at all times against any claims, costs, expense, liability, obligation, loss or damage (including reasonable legal fees and costs) of any nature, incurred by or imposed upon BROKER and based upon any errors or omissions of CLIENT, under this Agreement, unless the error or omission arises from CLIENT'S reliance on information provided by BROKER.

XIX. NOTICE.

All notices, requests, and other communications given under this AGREEMENT, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) five (5) business days after being sent by U.S. certified mail (charges prepaid); or (d) one (1) business day after being sent to the recipient by fax or email transmission. Except as otherwise provided herein, all notices, requests or communications under this AGREEMENT shall be addressed to the intended recipient as set forth below:

To CLIENT:
ERMA
c/o Sedgwick
1750 Creekside Oaks Drive, Ste. 200
Sacramento, CA 95833
Attn: Jennifer Jobe
Fax: (916) 244-1199
jennifer.jobe@sedgwick.com

To BROKER:
Alliant Insurance Service, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
Attn: Seth Cole
Fax. (415) 402-0773
scole@alliant.com

XX. WAIVER.

No provision of this AGREEMENT shall be considered waived, unless such waiver is in writing and signed by the PARTY that benefits from the enforcement of such provision. No waiver of any provision in this AGREEMENT, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this AGREEMENT shall not in any way affect, limit, or waive a PARTY'S right under this AGREEMENT at any time to enforce strict compliance thereafter with every term and condition of this AGREEMENT.

XXI. ENTIRE AGREEMENT MODIFICATION.

This AGREEMENT contains the entire agreement between the PARTIES and supersedes and replaces all previous agreements or contracts on the subject matter described herein. The AGREEMENT can be modified only by a written amendment signed by both PARTIES. This AGREEMENT shall be governed by the laws of the State of California without regard to any conflict of law provisions.

XXII. SEVERABILITY.

If any term, covenant, condition, or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

XXIII. APPLICABLE LAW.

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

XXIV. DISPUTE RESOLUTION.

Any dispute arising under the terms of this AGREEMENT that is not resolved within a reasonable period of time by authorized representatives of the PARTIES shall be brought to the attention of the Chief Executive Officer (or designated representative) of the BROKER and the President (or designee) of the CLIENT for joint resolution. At the request of either PARTY, the CLIENT shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is unsuccessful, upon the PARTIES' mutual agreement such dispute may be submitted to final and binding arbitration, or either PARTY may elect to and pursue any rights and remedies by legal action. In any dispute arising out of or under the terms of this AGREEMENT, the prevailing PARTY shall be entitled to recover its legal fees and costs from the other PARTY to the extent allowed by applicable law. Any such arbitration or legal action shall be venued in Sacramento, California, unless the PARTIES mutually agree in writing to another location.

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

XXV. HEADINGS AND CONSTRUCTION.

The PARTIES agree that the headings and sections of this AGREEMENT are used for convenience only and shall not be used to interpret the provisions herein. The PARTIES also agree that the terms of this AGREEMENT were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this AGREEMENT.

XXVI. BROKER OF RECORD.

CLIENT hereby engages and designates BROKER as its exclusive insurance broker of record to present risks of CLIENT and its participating members to insurance and reinsurance markets, with the objective of presenting to the officer(s) and committee(s) designated by CLIENT an insurance proposal, which is appropriate, considering factors such as cost, coverage, and continuity, in compliance with the terms, conditions, and warranties in this AGREEMENT.

IN WITNESS WHEREOF, CLIENT and BROKER have hereby executed this AGREEMENT on this ____ day of ____.

EMPLOYMENT RISK
MANAGEMENT AUTHORITY

By: _____

John Gillison, President

ALLIANT INSURANCE
SERVICES, INC.

By: _____

Michael Simmons, Vice Chairman – PE

ADDENDUM A

Team Coordinator:

* Michael Simmons \$ 215

Account Manager

* Seth Cole \$ 185

* Denotes KEY PERSONNEL

Extension Notice

Employment Risk Management Authority (“CLIENT”) and Alliant Insurance Services, Inc. (“ALLIANT”) entered into that certain Insurance Brokerage and Consulting Agreement effective July 1, 2021 to 12:01 a.m. June 30, 2024 (“AGREEMENT”). Pursuant to Section XIII of the AGREEMENT, CLIENT notified ALLIANT of its desire to exercise its option to extend the AGREEMENT for both of its two additional one-year periods.

The PARTIES hereby extend the AGREEMENT for an additional two-year period from July 1, 2024 to 12:01am July 1, 2026 (“EXTENSION YEARS”) under the same terms and conditions of the AGREEMENT.

In accordance with Section XIV. TERMINATION of the AGREEMENT, the AGREEMENT will now terminate upon the conclusion of the EXTENSION YEARS, unless otherwise earlier cancelled pursuant to the termination provisions set forth in the AGREEMENT, or unless the AGREEMENT is further extended upon the PARTIES amendment of the AGREEMENT in accordance with its terms.

SO AGREED by each PARTIES authorized signatory.

EMPLOYMENT RISK
MANAGEMENT AUTHORITY

ALLIANT INSURANCE SERVICES, INC.

By: _____
Title: _____

By: _____
Title: _____

Data Processing Addendum

This Data Processing Addendum (together with the Exhibit, Attachment and Appendices, the “**Addendum**” or “**DPA**”) forms part of the Agreement, including all attachments, exhibits, and appendices (“**Agreement**”) entered into between [Click or tap here to enter text.](#) (“**Customer**”) and Alliant Insurance Services, Inc. (“**Alliant**” or “**Service Provider**”). This Addendum reflects the Parties’ agreement with regard to Service Provider’s Processing of Personal Data (defined below) in connection with providing Services described in the Agreement. In the event of a conflict, the terms and conditions of this Addendum will prevail. Capitalized terms shall have the meaning given them in the Agreement, in this DPA, and in the Data Protection Laws, as applicable.

Customer and Service Provider agree as follows:

1. **DEFINITIONS.** The following terms, including any derivatives thereof, will have the meanings set forth below.
 - 1.1. “**Data Protection Laws**” means any laws that apply to the Processing of data by Service Provider under the Agreement.
 - 1.2. “**Data Subject**” means any living identified or identifiable natural person to which Personal Data relates or identifies.
 - 1.3. “**Data Subject Request**” means a request to access, correct, amend, transfer, rectify, restrict, limit use, opt out of sale or sharing or other processing, or delete a Data Subject’s Personal Data consistent with that person’s rights under Data Protection Laws.
 - 1.4. “**De-Identified Data**” means information that cannot reasonably be used to Infer information about, or otherwise be linked to, a particular consumer, provided that the business that possesses the information:
 - 1.4.1. Takes reasonable measures to ensure that the information cannot be associated with a Data Subject or household;
 - 1.4.2. Publicly commits to maintain and use the information in deidentified form and not to attempt to reidentify the information, except that the business may attempt to reidentify the information solely for the purpose of determining whether its deidentification processes satisfy the requirements of this definition; and
 - 1.4.3. Contractually obligates any recipients of the information to comply with all of the requirements of this definition.
 - 1.5. “**Personal Data**,” “**Personal Information**,” means Customer information Processed by Service Provider under the Agreement that is linked, reasonably linkable, or relates to an identified or identifiable natural person. Both Personal Data and Personal Information are referred to in this Addendum as “Personal Data.”
 - 1.6. “**Process**” or “**Processing**” means any operation or set of operations performed on Personal Data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, modification, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, sale, analysis, alignment or combination, restriction, erasure or destruction.
 - 1.7. “**Sell**” has the meaning as set forth in the Data Protection Laws.
 - 1.8. “**Service Provider**” means Alliant Insurance Services, Inc., including its affiliates and subsidiaries.
 - 1.9. “**Services**” will have the same meaning provided under the Agreement.
 - 1.10. “**Share**” has the meaning as set forth in the Data Protection Laws.

1.11. "Subprocessor" means a subcontractor engaged by Service Provider or its affiliates to Process Customer Personal Data as part of the performance of the Services.

2. PROCESSING OF PERSONAL DATA

2.1. Processing of Personal Data. Service Provider will only Process (including but not limited to Sale, Sharing, or Disclosure) Customer Personal Data for the purposes of providing the Services specified in the Agreement.

2.1.1. Service Provider will not Sell or Share Customer Personal Data, nor will it retain, use, or disclose Customer Personal Data for any purpose other than for the specific business purpose of performing the Services specified in the Agreement. Service Provider will not Process Customer Personal Data outside the direct business relationship between Customer and Service Provider, including retaining, using, or disclosing Customer Personal Data for a commercial purpose other than providing the Services specified in the Agreement or as required by law.

2.1.2. The details of the Processing of Personal Data pursuant to the Agreement are set forth in Exhibit A to this DPA.

2.1.3. Service Provider shall not combine Customer Personal Data received from Customer with any other information Service Provider receives from or on behalf of another person or business or which it collects from its own interactions with Data Subjects.

2.1.4. Service Provider shall Process Personal Data under the Agreement in compliance with Data Protection Laws, including providing the same level of privacy protection required by Data Protection Laws. Service Provider will notify Customer if Service Provider determines it or its Subprocessor(s) cannot meet its obligations under the Data Protection Laws, in which case Customer may, upon thirty (30) days' notice, take reasonable and appropriate steps to stop and remediate unauthorized Processing of Personal Data.

2.2. Data Subject Requests. Service Provider shall inform Customer if it receives a request from a Data Subject to exercise their rights under Data Protection Laws. Service Provider will provide such assistance, including taking any appropriate technical and organizational measures, as Customer requests to help Customer fulfill its obligations under Data Protection Laws to respond to Data Subject Requests.

2.3. Disclosure. Service Provider shall inform its personnel engaged in the Processing of Customer Personal Data of the confidential nature of the Customer Personal Data and ensure that they are subject to binding confidentiality obligations.

2.4. Confidentiality. Service Provider will ensure that all employees are subject to binding confidentiality obligations.

2.5. De-identified Data. Service Provider shall be responsible for its compliance with all laws regarding data that cannot reasonably identify, be related to, describe, be capable of being associated with or be linked directly or indirectly to a Data Subject.

2.5.1. To the extent Service Provider Processes De-Identified Data under the Agreement, Service Provider:

2.5.1.1. Will not attempt to associate De-Identified Data with an individual;

2.5.1.2. Will not attempt to re-identify De-Identified Data;

2.5.1.3. Will maintain and use De-Identified Data only in a de-identified fashion; and

2.5.1.4. Will not use De-Identified Data to infer information about, or otherwise link to, an identified or identifiable individual or a device linked to such an individual.

3. AUDITS. Customer may audit Service Provider's compliance with its obligations under this DPA and Data Protection Laws, including but not limited to ongoing manual reviews, automated scans, regular assessments, audits, or other technical and operational testing at least once every 12 months.

4. **SECURITY MEASURES.** Service Provider shall, in relation to the Customer Personal Data, implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk.
5. **SUBPROCESSORS.** Service Provider will ensure that any Subprocessor that has access to Customer Personal Data enters into a written agreement obligating the Subprocessor to comply with terms that are at least as restrictive as those imposed on Service Provider under the Data Protection Laws.
6. **ADDITIONAL COMPLIANCE PROVISIONS**
 - 6.1. The Parties each represent and warrant to each other that they have read and understand the requirements of all applicable Data Protection Laws, and will be responsible for their own compliance with them.
 - 6.1.1. Customer shall have the right to take reasonable and appropriate steps to ensure that the Service Provider is using Customer Personal Data in a manner consistent with Service Provider's obligations under this DPA and Data Protection Laws.
 - 6.1.2. Each Party agrees that it is responsible for its own compliance with the requirements of the applicable Data Protection Laws
 - 6.1.3. The Parties agree that where Service Provider processes Personal Data, it functions as a Service Provider and a Processor under the Data Protection Laws.
 - 6.1.4. The disclosure of Customer Personal Data to Service Provider does not constitute a Sale or Sharing under the Data Protection Laws. Notwithstanding anything in the Agreement, the Parties acknowledge and agree that Customer's provision of access to Personal Data is not part of and is explicitly excluded from the exchange of consideration or any other thing of value between the Parties.
7. **CERTIFICATION.** By signing this DPA, Service Provider certifies that it understands the restrictions herein and will comply with them.

Signature Page Data Processing Addendum

Acceptance of this Agreement is indicated by signature of the parties below.

Customer

Alliant Insurance Services, Inc.

By: Click or tap here to enter text.

By: Click or tap here to enter text.

Print Name: Click or tap here to enter text.

Print Name: Click or tap here to enter text.

Title: Click or tap here to enter text.

Title: Click or tap here to enter text.

Date: Click or tap here to enter text.

Date: Click or tap here to enter text.

EXHIBIT A – Details of Data Processing

The details of the Processing to be carried out under the Agreement are as follows:

Nature and Purpose of Processing	As set forth in the Agreement		
Types of Personal Data Processed	<div style="display: flex; flex-wrap: wrap;"> <div style="flex: 1; min-width: 200px; margin-right: 10px;"> <input type="checkbox"/> Abilities/aptitudes <input type="checkbox"/> Address <input type="checkbox"/> Attitudes <input type="checkbox"/> Background checks <input type="checkbox"/> Bank account number <input type="checkbox"/> Bank routing number <input type="checkbox"/> Beneficiary information <input type="checkbox"/> Beneficiary number <input type="checkbox"/> Blood pressure <input type="checkbox"/> CCTV footage <input type="checkbox"/> Citizenship Status <input type="checkbox"/> Compensation information <input type="checkbox"/> Credit history <input type="checkbox"/> Criminal history <input type="checkbox"/> Date of birth <input type="checkbox"/> Dates of health service <input type="checkbox"/> Diagnosis <input type="checkbox"/> Disability <input type="checkbox"/> Disease/disorder <input type="checkbox"/> Driver's license number <input type="checkbox"/> Education history <input type="checkbox"/> Education records (e.g., transcript) <input type="checkbox"/> Email address <input type="checkbox"/> Employee ID <input type="checkbox"/> Employment history <input type="checkbox"/> Eye color <input type="checkbox"/> Facial images <input type="checkbox"/> Financial records <input type="checkbox"/> Other: Click or tap here to enter text. </div> <div style="flex: 1; min-width: 200px; margin-right: 10px;"> <input type="checkbox"/> Finger or handprint <input type="checkbox"/> Gender/Gender Identity <input type="checkbox"/> Genetic information <input type="checkbox"/> Govt-issued ID number <input type="checkbox"/> Handicapped status <input type="checkbox"/> Health records <input type="checkbox"/> Health status <input type="checkbox"/> Health symptoms <input type="checkbox"/> Health treatments <input type="checkbox"/> Height <input type="checkbox"/> Immigration/VISA <input type="checkbox"/> Insurance information <input type="checkbox"/> Insurance policy numbers <input type="checkbox"/> Intelligence <input type="checkbox"/> Iris/retina scan <input type="checkbox"/> Keystroke patterns <input type="checkbox"/> Marital status <input type="checkbox"/> Medical claim history <input type="checkbox"/> Medical conditions <input type="checkbox"/> Medical device identifiers <input type="checkbox"/> Medical photo images/X-Rays <input type="checkbox"/> Medical record number <input type="checkbox"/> Medical test results <input type="checkbox"/> Medication <input type="checkbox"/> Mental health <input type="checkbox"/> Name <input type="checkbox"/> National ID Card Number <input type="checkbox"/> National origin/race/ethnicity <input type="checkbox"/> Partial Social Security number </div> <div style="flex: 1; min-width: 200px;"> <input type="checkbox"/> Passport number <input type="checkbox"/> Payment card number <input type="checkbox"/> Performance Evaluations <input type="checkbox"/> Philosophical beliefs <input type="checkbox"/> Political party <input type="checkbox"/> Preferences, Trends, Predispositions <input type="checkbox"/> Professional licenses <input type="checkbox"/> Purchase/Service history <input type="checkbox"/> Religion <input type="checkbox"/> Resume <input type="checkbox"/> Signature <input type="checkbox"/> Sleep patterns <input type="checkbox"/> Social Insurance Number <input type="checkbox"/> Social Security number <input type="checkbox"/> State ID <input type="checkbox"/> Subscriber number <input type="checkbox"/> Survey responses <input type="checkbox"/> Tax information <input type="checkbox"/> Telephone number <input type="checkbox"/> Union membership or information <input type="checkbox"/> Vehicle License Plate Number <input type="checkbox"/> Vein patterns <input type="checkbox"/> Veteran/Military Status <input type="checkbox"/> Voice patterns <input type="checkbox"/> Voice recordings <input type="checkbox"/> Weight </div> </div>		

CLAIMS MATTERS

**SUBJECT: Closed Session - Pursuant to Government Code §54956.95(a) to
Discuss Claims - *Presented by Stacey Sullivan, Litigation Manager***

RECOMMENDATION: *None.*

BACKGROUND AND STATUS:

The confidential Litigation Manager’s Report was distributed to the Board of Directors under separate cover. The Board will discuss the claims listed below during the Closed Session.

Claim
Brooke Dunn v. City of La Mesa (PERMA)

REFERENCE MATERIALS ATTACHED:

- Confidential Litigation Manager’s Report (distributed under separate cover; copies to be destroyed following completion of the meeting)