

**FIRST AMENDMENT TO AGREEMENT
FOR CONSULTING SERVICES BETWEEN THE CITY OF REDONDO BEACH
AND USI INSURANCE SERVICES NATIONAL, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("First Amendment") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and USI Insurance Services LLC, a Delaware limited liability company ("Consultant").

WHEREAS, on November 6, 2018, the parties entered into the Agreement for Consulting Services between the City and Consultant (the "Agreement"); and

WHEREAS, on October 15, 2019, the parties entered into a Consent to Assignment whereby Consultant assigned the Agreement to USI Insurance Services LLC; and

WHEREAS, the parties desire to amend the Agreement.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement:


1. Scope of Services. Exhibit "A" of the Agreement is hereby amended to add Exhibit "A-1", which provides that Consultant shall perform insurance brokerage services for the Life Insurance, Accidental Death and Disability ("AD&D"), Long-Term Disability ("LTD") and Employee Assistance ("EA") plans. Exhibit "A-1" is attached hereto and incorporated by reference.
2. Compensation. Exhibit "C" of the Agreement is hereby amended to add Exhibit "C-1" to provide Consultant compensation for the Life Insurance, AD&D, LTD and EA plans. Exhibit "C-1" is attached hereto and incorporated by reference. Consultant shall be compensated for the services described in Exhibit "A-1".
3. No Other Amendments. Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement and this First Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreement with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement and this First Amendment, the terms of this First Amendment shall govern.

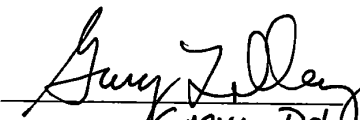


IN WITNESS WHEREOF, the parties have executed this First Amendment in Redondo Beach, California, as of this 15th day of October, 2019.

CITY OF REDONDO BEACH,
a chartered municipal corporation

USI INSURANCE SERVICES LLC,
a Delaware limited liability company


William C. Brand, Mayor

By: 
Name: GARY L. DELANEY
Title: SENIOR VICE PRESIDENT

ATTEST:

APPROVED:


Eleanor Manzano, City Clerk


Jill Buchholz, Risk Manager

APPROVED AS TO FORM:


Michael W. Webb, City Attorney



EXHIBIT "A-1"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

CONSULTANT'S DUTIES

Consultant shall perform the insurance brokerage services described herein for the City's plans as follows.

- Dental PPO and HMO Plan
- Life Insurance Plan
- AD&D Plan
- LTD Plan
- EA Plan ("EAP")

A. General Services

1. Provide renewal services.
 - a. Provide resolution of aggregate factors, including without limitation trend and expense.
 - b. Recommend Plan design refinements.
 - c. Allocate rates for each division.
 - d. Provide ongoing meetings.
 - e. Negotiate renewal rates.
2. Service the following areas.
 - a. Provide claims utilization analysis, claim experience updates, general servicing support, problem resolution, and strategic consulting.
 - b. Review and interpret contracts post placement and any regulations.
 - c. Participate in conference calls, and assist with general benefit communications.
3. Deliver the following materials to the City.
 - a. Financial analysis comparing premiums to claims reports in aggregate.
 - b. Utilization analysis.
 - c. Plan design issues.
 - d. Vendor implementation support.
 - e. Networks and provider management.
 - f. Service problems and support.
 - g. Vendor communications, including summary plan descriptions and contract language.
 - h. Benchmarking of costs and contributions.
 - i. Communication content support.

B. On Call Duties

Upon City's request, provide the following duties.

1. Meet with the City to assist in the management of City's employee benefits plans and program (collectively "Plans and Programs").



2. Assist in the design, implementation and administration of new and existing Plans and Programs.
3. Ensure compliance of Plans and Programs. Communicate to the City proposed and actual changes in any laws and regulations that may affect the Plans and Programs.
4. Recommend procedures and/or policies to meet federal and state regulations.
5. Provide research and responses to questions by City staff.
6. Provide general guidance on items, including without limitation, trends in benefit plans, and methods for improving cost containment and administration.
7. Assist in the development and preparation of employee communication materials.
8. Conduct training of City staff on all aspects of the Plans and Programs.
9. Provide support for the rollout of new Plans and Programs.

C. Evaluation and Analysis

1. Review and make recommendations to the City to add value added services to the Plans and Programs, including but not limited to, modifications to orthodontia benefits and an additional x-ray at no charge.
2. At designated intervals, evaluate and report the performance of plan providers to Delta Dental in accordance with all applicable laws.
3. Review and prepare an analysis of all reports submitted by plan providers, including without limitation, claims utilization analysis. Recommend modifications to improve the Plans and Programs.
4. Upon City's request, provide comparison reports of other employers' Plans and Programs to determine competitiveness.
5. Maintain full and accurate records with respect to all matters and services provided to City's Plans and Programs. Upon City's request, provide all spreadsheets, assumptions, and calculations, which shall include comparing rates from a different provider.

D. Coordination of the Request for Proposal ("RFP") Process and Contract Administration

1. Develop RFPs and associated cost estimates in accordance with the City's policies. Manage the RFP process and prepare a comprehensive report of the proposals received. Evaluate the proposals and recommend proposals for further analysis and review. Develop responses to protests from the RFP process. Make presentations regarding the RFP recommendations to City designated staff.



2. Coordinate RFPs for all Plans and Programs.
3. Recommend items to negotiate with benefit plan providers, including but not limited to, plan design, cost (rates), and quality of services.
4. Assist in developing and implementing agreements with selected health and welfare providers, and third-party administrators ("TPA") in accordance with City's schedule and requirements.
5. Review and analyze all benefit plan provider agreements to ensure compliance with all applicable laws, regulations, and City's requirements.
6. Assist with the development, negotiation and implementation of performance standards and guarantees with City's benefit plan providers.
7. Negotiate with health and welfare providers on issues, including but not limited to, premium rates, benefit levels, performance standards and guarantees, agreement terms and conditions, quality assurance standards, utilization and performance reports, statistical and/or financial reports, and plan specific data.

E. Additional Services

1. Recommend appropriate premium rates and reserves to maintain the viability of the Plans and Programs.
2. Ensure the Plans and Programs provide quality and cost-effective benefits.
3. Provide actuarial costing of legislative proposals for mandated benefit Plans and Programs.
4. Assist the City in ensuring the Plans and Programs comply with any laws and regulations, including providing analysis and application of the laws and regulations.
5. Provide on-site training programs about legislation updates and best practice seminars.

F. Brokerage Intermediaries

Consultant may utilize the services of other intermediaries, including wholesale brokers, excess and surplus lines brokers, reinsurance intermediaries and underwriting managers, to assist in the marketing of the insurance coverages.



EXHIBIT "C-1"

COMPENSATION

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

- A. **AMOUNT.** Consultant shall be paid commissions for placing and servicing the City's plans as follows.

Plan	Commission Percentage
Dental PPO Plan	3% of the premium paid by Delta Dental
Dental HMO Plan	5% of the premium paid by Delta Dental
Life Insurance Plan	10% of the premium paid by the Standard Insurance Company
AD&D Plan	10% of the premium paid by the Standard Insurance Company
LTD Plan	10% of the premium paid by the Standard Insurance Company
EAP	0% of the premium

In the event Consultant utilizes an affiliated intermediary broker for services described in Section F of Exhibit "A-1", the broker's compensation shall be paid out of the insurers paid premiums. Consultant shall disclose the compensation paid to Consultant's affiliates prior to Consultant binding any coverages on the City's behalf.

- B. **METHOD OF PAYMENT.** Consultant shall be paid a commission in accordance with Section A of this Exhibit "C-1".
- C. **SCHEDULE FOR PAYMENT.** Consultant shall be paid quarterly by Delta Dental and the Standard Insurance Company.
- D. **NOTICE.** Written notices to City and Consultant shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Consultant: USI Insurance Services National, Inc.
21250 Hawthorne Blvd., Suite 600
Torrance, CA 90503
Attn: Gary L. Delaney, CEBS Senior Vice President, Employee Benefits

City: City of Redondo Beach
Human Resources Department
415 Diamond Street
Redondo Beach, CA 90277
Attn: Diane Strickfaden, Director of Human Resources

All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by registered or certified mail.



Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

