

PUBLIC RISK INSURORS



PUBLIC RISK INSURORS BROKER/CLIENT AGREEMENT

THIS BROKER-CLIENT AGREEMENT (“Agreement”), dated as of this ____ day of _____, 2016 is made and entered into by and between:

Public Risk Insurors (“Broker”), located at 205 Powell Place, Brentwood, Tennessee 37027 and,

Lakeland School System (“Client”), located at 10001 Highway 70, Lakeland, Tennessee 38002.

RECITALS

WHEREAS, Broker (“Public Risk Insurors”) has extensive experience, expertise, and general knowledge regarding commercial carrier public entity insurance products through its managing member, Laura Jungmichel, a licensed Property and Casualty Agent in Tennessee;

WHEREAS, Broker agrees to review and evaluate all current insurance coverage, including deductibles, premiums, limits, loss history, and coverage inclusions and exclusions and identify any gaps or inadequacies in current coverage;

WHEREAS, Broker agrees to identify processes, weaknesses, and strengths in current risk control and make suggestions for improvements as well as facilitate training and educational materials for Client;

WHEREAS, Broker agrees to create excel spreadsheets of all assets to be used for marketing and statistical information for Client;

WHEREAS, Broker agrees to create premium breakdowns by department and by school location for each line of coverage for Client;

WHEREAS, Broker agrees to provide quarterly claim reviews with Client and determine appropriate risk control based on causation;

WHEREAS, Broker agrees to assist in the reporting and monitoring of all claims with Client;

WHEREAS, Broker agrees to assist in the management of certificates of insurance and the review of insurance requirements of contracts and agreements with Client and provide recommendations regarding necessary insurance risk transfer for those contracts by way of certificates of insurance;

WHEREAS, Broker agrees to assist in the Workers Compensation audits with Client;

WHEREAS, Broker agrees to assist Client in the risk management process;

WHEREAS, Client (“Lakeland School System”) desires to secure coverage for Lakeland School System with commercial insurance carriers, including but not limited to Property, Liability, and Workers Compensation insurance coverages;

WHEREAS, Broker agrees to market Client to the commercial insurance markets that specialize in coverage for public school systems, and who are appointed and licensed to do business in Tennessee, utilizing the experience, expertise, and general knowledge of Broker.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Licensing of Broker and Client.** Broker warrants they are currently licensed to transact business as an insurance Broker or Producer in the State of Tennessee and agrees to maintain said licensing as lawfully required by the Tennessee Department of Commerce and Insurance. Client warrants they are licensed as a public school system in the state of Tennessee and agree to maintain said licensing as lawfully required by the Tennessee Department of Education.
2. **Authority of Broker.** Broker has authority to submit applications to potential commercial insurance carriers for the purpose of securing quotations for Property, Liability, and Workers Compensation insurance coverage on behalf of the Client. Broker will be designated as broker/agent of record by the Client for all submissions from Broker to the commercial insurance carriers.
3. **Authority of Client.** Client will review quotations for Property, Liability, and Workers Compensation insurance coverage provided by Broker and has final authority to choose which commercial insurance carriers they want to use. Client does not have binding authority or any authority to act on behalf of Broker pursuant to this Agreement, except to any limited extent required by the law of Tennessee. Broker does not grant or delegate any authority to Client by this Agreement, except to choose their commercial insurance carriers, deductibles, and limits of coverage. The Broker will then bind coverage on behalf of the Client.
4. **Relationship.** The relationship between the parties, elected officials and employees, is not intended, and shall not be construed, to create an employment relationship between Broker and Client. Both parties are for all purposes independent of one another. Client has no authority to bind Broker or any of its principals. Broker has no authority to bind Client without Client’s written consent.
5. **Broker and Client Representations and Warranties.** As a material inducement to enter into this Agreement, Broker and Client represent and warrant the following:
 - (a) Broker is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of Tennessee;
 - (b) Broker will maintain such license or licenses in good standing for the duration of this Agreement and will furnish proof of such licensing upon request by Client. Broker

agrees to promptly notify Client of any suspension, cancellation or disciplinary action with respect to its license(s).

- (c) Broker now has and shall maintain insurance agent's professional liability (Errors and Omissions) insurance coverage with a minimum aggregate policy limit of one million dollars (\$1,000,000) while this Agreement is in force and will furnish proof of such coverage to Client. Furthermore, Broker agrees to provide prompt written notice of any material change, cancellation or other termination of this coverage.
- (d) Broker and Client agree that any and all information provided in connection with any application for public entity insurance subject to this Agreement shall be true and complete and to the best of Broker's and Client's knowledge. Broker and Client further represent and warrant that, to the best of Broker's or Client's knowledge, such applications shall contain no material misrepresentations of any kind. Broker and Client shall ensure that all material facts of which Broker or Client are aware are accurately described and completely disclosed to Broker, Client, and commercial insurance carriers. Further, it is the duty of Broker and Client to promptly disclose to one another any material change(s) that may affect the risk during the policy period and at any subsequent renewal.

- 6. Commissions.** For the purposes of this document, a commission is a fixed percentage of remuneration paid by a commercial insurance carrier to the Broker on Broker's active policies with the carrier.

Broker and Client agree that Client is not responsible to pay Broker any commission, fees, or any other type of remuneration due to be paid to the Broker on either standard insurance policies or for any commission due Broker for any surplus lines of coverage for which the Client may choose to obtain through Broker.

Both Broker and Client agree that commission paid to Broker by the commercial insurance carrier(s) shall not exceed 10% of premium and will be fully disclosed by Broker to Client.

- 7. Responsibility of Client.** It is the responsibility of Client to inform Broker as to the type and amount of insurance coverage to be considered for quotation and to provide any documentation required by Broker to support the quotation.

While Broker will provide guidance to Client regarding specific issues that concern public entity insurance, Broker assumes no responsibility toward Client, any insured, subsidiary, or any other party, with regard to the adequacy, amount, or form of coverage obtained through commercial insurance carriers. Client understands that Broker must rely upon the accuracy of information provided to it by the Client directly and/or through Broker. It is the responsibility of Client to disclose to Broker the existence of any conditions that the Client knows or reasonably should be aware of that may affect the insurability of the Client.

- 8. Indemnification.** Broker agrees to indemnify Client, its officers and employees, against all claims (and associated expenses) brought by any claimant, or any third party against Client based upon or arising out of the servicing of the Client's account or any breach of this Agreement, including without limitation any costs, claims, losses or damages that are incurred directly or indirectly as a result of any violation or alleged violation of any law or regulation by Broker or anyone acting through the Broker except to the extent that such claims are based upon the gross negligence of Client, or its officers and employees.

9. **Claims.** Client shall notify Broker and/or commercial insurance carrier(s) promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with the commercial insurance carrier to facilitate the investigation and adjustment of any claim when and as requested by the Broker and/or commercial insurance carrier.
10. **Confidentiality.** The parties to this Agreement hereby represent and acknowledge to each other that in the course of the performance of their respective obligations, they will each make available to the other party certain information pertaining to each party's business and operations ("Information"). Each party hereby agrees that as a condition to being provided the Information, that neither party will use any Information except in connection with the performance of duties hereunder. Each party agrees not to disclose any Information to anyone other than employees, officers and directors of such party, that have a need to know, and to cause all such persons to abide by this Agreement. The limits on use and disclosure will not apply to any Information which (a) is required to be disclosed under the State's open records laws, (b) at the time of disclosure is generally available to the public or (c) which becomes generally available other than through a breach of this obligation of confidentiality.
11. **Inspection of Records.** During the term of this Agreement, and for a period of three (3) years following termination for any reason, Broker, Client, and/or commercial insurance carrier(s) shall have the right to audit and/or inspect the Broker's or the Client's books and records. Such right of audit and/or inspection shall be during normal business hours upon reasonable notice to Broker or Client. The costs of such audit and/or inspection, including the costs of making copies of relevant records, shall be borne by the party requesting the inspection or audit.
12. **Term.** The term of this Agreement shall continue for the entire period of time that Broker serves as the broker/agent of record for the Client and the period of time that the Client has commercial insurance coverage placed through Broker. However, Client may terminate this Agreement early in the event that Broker; (a) fails to be licensed as an agent or broker in accordance with the insurance laws, rules and regulations of Tennessee; or (b) is found in violation of any Tennessee insurance law(s) by the Department of Commerce and Insurance.
13. **Contracts.** This agreement covers **all** Broker submissions to commercial insurance carriers on behalf of Client and will be automatically renewed each year or as long as Broker serves Client as broker/agent.
14. **Miscellaneous**
- (a) **Assignment.** This Agreement and the obligations hereunder may not be assigned by Broker or Client without the prior written consent of Broker or Client.
- (b) **Waiver of Default.** Failure of Broker to enforce any provision of this Agreement or to terminate it because of a breach shall not be deemed to be a waiver of such provisions or of any breach committed by Client. No breach of any provision of this Agreement can be waived unless done so in writing and executed by the waiving party. The waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement.
- (c) **Severability.** If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force

and effect. Each of the provisions of the Agreement shall be enforceable independently of any other provision, unless expressed otherwise herein.

- (d) **Governing Law and Venue.** The laws of the State of Tennessee shall govern this Agreement, and any litigation regarding or concerning this Agreement shall be brought in a court located in Shelby County, Tennessee.
- (e) **Entire Agreement.** This Agreement constitutes the entire agreement between Broker and Client and supersedes and replaces any previous agreements between Broker and Client. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by both parties.
- (f) **Notices.** All notices and other communications shall be in writing and shall be given by personal delivery, by confirmed receipt electronic mail (email) or by deposit into the United States mail, first class (registered or certified, return receipt requested), at the address shown above and/or a party's Tennessee registered agent. Unless otherwise indicated herein, such notices and other communications shall be deemed to be received upon actual receipt, if delivered personally, or five days following deposit in the mail, if delivered by mail.
- (g) **Mediation.** In the event Broker or Client cannot reach agreement regarding any issues believed significant in that any reasonable person would consider litigation, Broker and Client agree to seek mediation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on this ____ day of _____, 2016.

Broker: (Public Risk Insurors)

Client: (Lakeland School System)

Signature: _____ Date _____

Signature: _____ Date _____

Print Name:

Print Name: