

*Agreement Between*  
*City of Texas City and HUB International, Ltd.*  
*For*  
*Benefits Consulting Services*

THIS AGREEMENT, entered into the 7<sup>th</sup> day of June 2023, by and between **City of Texas City, Texas** {herein called 'City'} and **HUB International, Ltd** {herein called 'HUB'} to provide health and welfare consulting services for the Employee Benefits Program of the City.

**WITNESSETH:**

WHEREAS, the City is in need of assistance in the evaluation of the employee health and welfare benefits; and

WHEREAS, HUB has the unique expertise and experience necessary to provide the services; and

WHEREAS, the City desires to contract with HUB to provide actuarial, health and welfare consulting services for the Employee Benefits program;

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

**I. INDEPENDENT CONTRACTOR RELATIONSHIP.** HUB is an independent contractor and not an employee or servant of the City. Nothing in this Agreement is intended to or shall be construed in any manner as creating or establishing the relationship of employer/employee between the parties. HUB shall at all times remain an independent contractor with respect to the service to be performed under this Agreement. City shall be exempt from payment of unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance, as HUB is an independent contractor.

**II. SCOPE OF SERVICES.** HUB shall provide professional services, in compliance with all applicable federal, state and local laws and regulations relating to the services outlined under "**Exhibit A**".

**III. COMPENSATION.** HUB will be compensated by receiving an annual fee of \$49,500 plus standard commissions on monthly paid premiums for employee paid optional products. Additionally, HUB would be compensated \$10,000 per full GASB 75 valuation and \$2,000 per interim valuation. Expenses are included in the compensation collected and will not be billed separately. HUB will place 100% of its compensation at risk annually based on the City's satisfaction with HUB services.

HUB guarantees these compensation terms for the first three (3) terms of this Agreement.

HUB agrees to cap annual fee increases at 5% per year for the fourth and fifth term of this agreement.

**IV. TIME OF PERFORMANCE.** The first term of this Agreement is from June 5, 2023 through June 4, 2024. Thereafter, this Agreement may be renewed and extended annually at agreed upon compensation terms, by mutual consent of both parties. Either party may terminate this Agreement at any time upon giving sixty (60) days written notice of its intention to do so. During the (60) day period following notice of termination, HUB shall continue to provide services to the City until date of termination of this Agreement.

**V. EMPLOYEES.** HUB employees, if any, who perform services for the City under this Agreement shall also be bound by the provisions of this Agreement.

**VI. ASSIGNMENT.** This Agreement may not be assigned without the prior written consent of the City which may be withheld for any reason.

**VII. NOTICES.** Communication and details concerning this Agreement shall be directed to the following contract representatives:

**CITY OF TEXAS CITY:**

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**HUB International, Ltd.:**

Brent Weegar

Senior Vice President

10000 N. Central Expwy., Suite 1200

Dallas, TX 75231

**VIII. GENERAL COMPLIANCE.** HUB agrees to comply with all applicable federal, state, and local laws and regulations relating to the services provided under this Agreement.

**IX. HOLD HARMLESS -** HUB shall hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of HUB's performance or non-performance of the services or subject matter called for in this Agreement.

**X. WAIVER OF CONTRACTUAL RIGHT –** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this agreement.

**XI. CONSTRUCTION AND VENUE -** This Agreement shall be governed by and construed in accordance with the laws of the state of Texas. The parties hereto hereby irrevocably consent to the exclusive jurisdiction and venue of the courts of the state of Texas, Count of Galveston, for the purposes of all legal proceedings arising out of or relating to this Agreement or the actions that are contemplated hereby.

**XII. ENTIRE AGREEMENT** – This Agreement contains the entire agreement of the parties, with respect to the subject matter herein, and there are not other agreements whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

**XIII. AMENDMENTS** - City or HUB may amend this Agreement, at any time, provided that such amendments make specific reference to the Agreement, and are executed in writing, signed by a duly authorized representative of both organizations and approved by the City’s governing body, if necessary.

**XIV. SEVERABILITY** - If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**CITY OF TEXAS CITY**

**HUB International, Ltd.**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **'EXHIBIT A'**

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### **SCOPE OF SERVICES**

#### **A. ANALYSIS AND REPORTING**

1. Analyze existing coverage and identify or develop cost-saving alternative benefit strategies and plans.
2. Assist in the development of long-range goals and strategies, including making projections of potential savings.
3. Provide actuarial analysis and recommendations based on utilization and performance reports, statistical and/or financial reports, and plan specific data.
4. Assist the City in monitoring and analyzing experience trends and providing timely alerts on changing patterns and appropriate recommendations.
5. Provide, maintain, and update comparison reports of other similar sized public and private companies' benefit plan offerings and costs to determine their competitiveness with the City's programs.
6. Provide financial and/or performance reviews of self-funded and fully insured plans and programs.
7. Be available to provide various types of reports as needed, such as costs analysis for benefit changes, and other statistical, financial, forecasting, trend, labor negotiations or experience reports.
8. Assist in preparing overall employee insurance fund budget and projections.
9. Prepare and present reports on trends, new products, and audits, as requested.
10. Regularly monitor and evaluate performance measures and guarantees of providers.
11. Provide monthly claim updates and perform quarterly plan reviews.
12. Maintain full and accurate records with respect to all matters and services provided on behalf of the City's benefit plans and programs.
13. Assist with data collection, informational requests for GASB 75 valuations and provide strategic recommendations to mitigate liability.
14. Provide impact analysis, plan options, and strategic recommendations regarding ACA.
15. A monthly status report of open and pending items will be provided.

#### **B. LIAISON AND PROBLEM INTERVENTION**

1. Act as liaison between the City and insurance providers.
2. Provide day-to-day consultation on plan interpretation and problem resolution.
3. Provide timely customer service and assistance to staff, employees and retirees with issues involving provider billing, claims, vendor service issues/problems, advocacy for services, disputes, interpretation of contracts and services, changes, and general troubleshooting.
4. Attendance as needed at meetings with City staff, employees and/or retirees to facilitate and assist in the management of the City's employee benefit plans.
5. Assist the City in proactive mitigation of negative impacts or disruption of services to employees and retirees from benefit and/or provider network changes.

#### **C. COMPLIANCE**

1. Assist with ongoing plan administration and ensure that programs are in compliance with State and Federal legislation.

2. Provide on-site training to City staff, as needed, regarding regulatory updates, and/or Best Practice seminars for the effective administration of benefit plans.
3. Review and disseminate information to staff on new or revised State and Federal legislation that impacts benefit programs.
4. Assist City staff with annual audit to ensure compliance with all mandated reporting and posting/notice requirements for benefit plans.
5. Develop and/or assist in developing communication materials and tools for conducting dependent verification audits.
6. Conduct compliance audit of City's policies and procedures, (ACA, COBRA, HIPAA, USERRA, etc.)
7. Provide access to ERISA attorney and compliance department as needed for health and welfare benefit related questions.
8. Assist with single non-profit trust for premium tax purposes as needed.

#### **D. ANNUAL RENEWAL PROCESS AND EVALUATION**

1. Establish a strategy for benefits, both annually and three to five years in the future. Consider trends, prospective legislations, new delivery systems and geographic health-care practices to make long-term projections.
2. Assist the City in writing bid specifications and be a technical advisor on evaluations for the health insurance program and employee and retiree benefits on an "as needed" basis. Review proposals and prepare an analysis of each with recommendations.
3. Review and present cost-saving recommendations regarding the modification of plan design, benefit levels, premiums, communications and quality of current employee and retiree benefit plans.
4. Recommend appropriate plans to ensure that quality and cost-effective benefits are provided by the plans.
5. Provide annual estimates of renewal rates and cost trends and assist City staff in preparation of budget figures.
6. Conduct thorough and applicable market research in preparation for contract renewals.
7. Assist in negotiating pricing with administration vendors and insurance carriers on renewals and service modification requests.
8. Make recommendations for items of negotiation with providers, including, but not limited to, benefit levels and plan design, premiums, quality of service, performance measures and guarantees, carrier allowances for wellness, communications and audits and return on investment, where applicable.
9. Assist the City in all negotiations with providers on various topics, including, but not limited to, premiums, benefit levels and plan design, performance measures and guarantees, contractual terms and conditions, insurance booklets, premium and copay rates, and quality assurance standards.
10. HUB will assist with RFP specifications, compile data, negotiate rates and analyze and compare proposals.
11. Review rate proposals to ensure underlying assumptions are appropriate and accurate to the City.
12. Evaluate proposed insurers including underwriters assigned to the account, timeliness of processing changes to insurance policies, claims payment process, and client access to insurers' online claims management systems.

13. Provide communication development and support for the annual enrollment period, new benefit offerings and/or changes to the existing benefit offerings.
14. Attend, assist with, and coordinate an annual Benefits Fair and Open Enrollment meetings.
15. Assist the City with evaluating pre- and post-65 retiree insurance products, conducting RFP process and implementation as needed.

#### **E. OTHER SERVICE REQUIREMENTS**

1. Provide timely updates to COTC of changes in current insurers' financial condition or other changes in insurer's operations for its vendor management monitoring activities.
2. Assist in the development of an employee wellness program to improve employee health and reduce employee and retiree health-care costs, both in the short-term and in the long-term.
3. Recommend and help develop enhancements and improvements for communications specific to the needs of the City's employees and retirees, including, but not limited to, brochures, pamphlets, matrices, comparison charts, summaries, electronic communications, forms, handbooks, and employee orientation, to include required compliance notices.
4. Provide timely research and responses to technical questions posed by City staff.
5. Provide regular and timely communications needed for the effective administrative of benefit plans.
6. Provide guidance and recommendations on items such as, but not limited to, trends in benefit plans, methods for improving costs containment, financial arrangements, and administration.
7. Assist with content and conduct presentations for management meetings and/or City Council meetings.
8. Provide access to published benefit - related survey information.
9. Develop additional benefits communications specific to the needs of the City's employees and retirees.
10. Attend and assist with meetings with the City Council, City staff and employees.
11. Recommend particular broker-sponsored seminars, benefit events and educational forums of benefit to the City.
12. Develop and/or assist in developing employee/retiree needs and satisfaction surveys.
13. Work collaboratively with other consultants and City staff.
14. Manage plan transitions as necessary between insurance providers.
15. Review and evaluate current administrative processes related to enrollment and billing. Recommend and assist with implementation of administrative process enhancements.
16. Prepare and administer employee benefit survey as needed.

#### **F. 457 PLAN RETIREMENT PLAN**

1. Conduct a review of current 457 retiree plans including assessment of the current plan offerings, investment menu, investment performance, and fee benchmarking.
2. Provide guidance on recommended courses of action and next steps.

#### **G. GASB 75 ACTUARIAL VALUATION**

1. Match and Review GASB 75 Results for FYE 2022

Review the results for FYE 2022 submitted by the prior actuary and suggest/update actuarial assumptions based upon that review.

- a. Using the data, assumptions, methods, and assumptions relied upon for the GASB 75 results prepared by the prior actuary, match the financial results within an acceptable range (typically within 5%)
- b. Review the demographic and healthcare specific actuarial assumptions used and suggest or update, as needed, the assumptions in anticipation of providing results for FYE 2023
- c. Discuss with the City any material changes, as needed

2. Actuarial Valuation under GASB 75 for FYE 2023

Evaluate using a valuation/measurement date of January 1, 2023, provide an actuarial valuation of the City's retiree welfare plan under GASB 75

- a. As appropriate, carryover the demographic and healthcare specific assumptions used in the prior valuation, subject to any changes/updates in item 1. above
- b. Develop healthcare specific actuarial assumptions, as needed, for the underlying health costs and how these costs escalate in the future
- c. Reflect in the valuation any changes in the substantive plan design for the City's retirees since the last full valuation of the plan
- d. Census information as of January 1, 2023