

BROKER SERVICES AGREEMENT

THIS BROKER SERVICES AGREEMENT (this "agreement"), effective January 1, 2012("Effective Date") is made by and between **Hidalgo County, (County)** and the San Antonio office of **BROWN & BROWN LONE STAR INSURANCE SERVICES, INC. dba Alamo Insurance Group** ("Broker").

Background

Broker is a licensed insurance agency in the State of Texas. County has selected Broker to provide certain risk management and insurance program administration services relating to the Lines of Insurance (as hereinafter defined) and, for good and adequate consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Term.** The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year with the option of the County to renew for three (3) additional one (1) year periods at the same rate and conditions unless sooner terminated as herein provided.
2. **Relationship of Parties.** Broker is an independent contractor and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship or partnership relationship. In consideration of the compensation from the County to the Broker, Broker is providing services to the County as an insurance Counselor. However, Broker or its parent company Brown & Brown, Inc., and related or affiliated companies, may provide services as an insuring company with any placement of coverage in conjunction with the lines of insurance (hereinafter defined) shall be net of agent commissions. County acknowledges and expressly consents to such relationship, if applicable, in the rendition of services by Broker under this Agreement.
3. **Broker Services.** Broker, subject to the terms of this Agreement, shall provide certain services set forth in the attached Schedule A (the "Services"). but only in relation to the following lines of insurance (collectively referred to as "Lines of Insurance"): (a) Group Health Benefits Plan; (b) Group Life and Accidental Death Plan; and (c) Third Party Administration Services.

Nothing in this Agreement shall be construed to impose any obligations on Broker, or limitations on Broker's compensation, relative to any lines of insurance or coverage other than those specifically included in the Lines of Insurance delineated above.

4. **County Responsibilities.** In consideration of the Services provided by Broker, County agrees as follows:
 - (a) County shall cooperate fully with Broker and the insurance companies with whom Broker solicits in the performance of Broker's obligations in this Agreement.
 - (b) County shall timely produce complete and accurate information necessary for the effectuation of insurance coverage at the request of Broker. County further agrees

to provide Broker with notice of any material changes in County's business operations or any other material information provided under this Agreement. In addition, County shall confirm the accuracy and recommend any changes to insurance policies issued to County.

- (c) County shall timely pay all premiums and fees.

5. Compensation. In consideration of the Services, County shall compensate Broker through a "Broker Services Fee" in the amount of FORTY SEVEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$47,500.00). The Broker Services Fee shall be payable upon County's execution and delivery of this Agreement through an initial payment in the amount of \$3,500.00, thereafter, eleven (11) equal installments of \$4,000.00. With regard to the Broker Services Fee, County and Broker acknowledge and agree as follows: County and Broker acknowledge and agree as follows:

- (a) The Broker shall not receive commissions, bonuses, or any other form of payments in connection with the placement procurement of the Lines of Insurance for County. In addition, it is understood and agreed that Broker, or Broker's corporate parent, subsidiaries or affiliated entities, may receive contingent payments or allowances from insurers based on factors which are not client-specific. Such contingent payments or allowances are not subject to this Agreement.

- (b) Broker may place insurance through an intermediary (such as a wholesale insurance broker, managing general agent (MGA), managing general underwriter or reinsurance broker) for the placement of County's insurance. In addition to providing access to the insurance company, the intermediary may provide the following services: (i) risk placement; (ii) coverage review; (iii) claims liaison services with the insurance company; (iv) policy review; and (v) current market intelligence. The compensation received by the insurance intermediary for placements will be subject to the requirements for bidding as required by the County.

- (c) Compensation for the Services specified under this Agreement are exclusive of all federal, state and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges and fees. Any such taxes, charges or fees for the Services under this Agreement, now imposed or hereafter imposed during the term of this Agreement, shall be in addition to the compensation, premiums and charges set forth in this Agreement and shall be paid by County upon request.

- (d) County acknowledges and agrees that the Broker Services Fee is reasonable in relation to the Services to be provided by Broker hereunder.

6. Termination.

- (a) **The County and Broker agree that either party might terminate this contract upon thirty (30) days written notice at any time, for any reason or no reason at all. In the event this contract is terminated without cause by County, but not otherwise, any unpaid fees or compensation owing to Broker at the time of termination under this contract for services performed by Broker through the date of termination will be due and payable to Broker**

within thirty (30) days following the time of contract termination. Notwithstanding the provisions in sub-paragraph (a) above. County may terminate this Agreement upon the happening of any one of the following causes: (i) Suspension or termination of Broker's insurance license in the State of Texas which is not cured by Broker within sixty (60) days following such suspension or termination: (ii) Broker's participation in any fraud: or (iii) Broker's material failure to properly perform its duties and responsibilities hereunder because of Broker's gross neglect, proven dishonesty or commission of a felony.

(b) In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of the County under this agreement, the County may terminate this agreement upon thirty (30) days written notice to Broker. The County agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of the agreement. The parties intend this provision to be a continuing right to terminate this agreement at the expiration of each budget period of the County pursuant to the provisions of Tex. Loc. Govt. Code Ann. '271.903 (Vernon Supp 1996)

(c) Notwithstanding the provisions in sub-paragraph (a) above. Broker may terminate this Agreement upon the happening of any one of the following causes: (i) County's failure to pay any Broker Services Fee more than forty-five (45) days after such payment is due: (ii) County's participation in any fraud; or (iii) County's material failure to properly perform its duties and responsibilities hereunder because of County's gross neglect, proven dishonesty, or commission of a felony.

Termination for any cause enumerated in sub-paragraph (i) and (c) shall become effective upon the delivery of written notice of termination to County or at such later time as may be specified in the written notice.

(d) Termination of this Agreement shall not release County from any accrued obligation to pay any sum to Broker (whether then or thereafter payable) or operate to discharge any liability incurred prior to the termination date.

7. **Notices.** Any notices required or permitted to be given under this Agreement shall be sufficient if in writing by Certified Mail to:

If to County

Honorable Roman Garcia
Hidalgo County Judge
1615 S Closner
Suite J
Edinburgh, TX 78539

If to Broker:

Brown & Brown Lone Star Insurance
Services. Inc. dba Alamo Insurance Group
3201 Cherry Ridge Drive, Ste D403
San Antonio, TX 78230
Attn: John "Pat" McMahan
Email: pmcmahana,alamoinsgrp.com
Fax: 210-930-1838

With a copy to:

Brown & Brown, Inc.
220 S. Ridgewood Avenue

Daytona Beach, Florida 32114
Attn: Robert W. Lloyd, General
Counsel [Email: rlloyd@bbins.com](mailto:rlloyd@bbins.com)

or such other address as either shall give to the other in writing for this purpose.

8. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision.

9. **Texas Law Applies; Venue.** This Agreement has been made and executed in the State of Texas and shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of laws principles. Exclusive venue is agreed to be in a state or federal court of competent jurisdiction in or for Hidalgo County, Texas.

10. **Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party which consent shall not be unreasonably withheld, conditioned or delayed. This Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

11. **Entire Agreement.** This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. The Agreement shall not be modified except by a written agreement dated subsequent to the date of this Agreement and signed on behalf of County and Broker by their respective duly authorized representative.

IN WITNESS WHEREOF. the parties to this Broker Services Agreement have hereunto set their hands and seals this _____ day of _____, 2011.

HIDALGO COUNTY:

BROKER:

By: _____
Signature

Brown & Brown Lone Star Insurance Services,
Inc. dba Alamo Insurance Group a Texas
corporation

Name: _____
Printed

By: _____
Name: Gary R. Looney
Title: Senior Vice President

Title: _____

Date: _____

Date: _____

Attest:

Arturo Guajardo, County Clerk

SCHEDULE A

BROKER SERVICES

- a. Monitor the current health benefits provider, through from January 1, 2012 through December 31, 2012.
- b. Review medical plan information and data from health benefits provider
- c. Prepare the Request for Group Health Benefits Plan with Life, Accidental Death and Dismemberment Proposal (RFP)
- d. Monitor the solicitation of qualified insurers and vendors.
- e. Analyze the RFP responses and make recommendations for vendor and coverage
- f. Recommend selection and presentations of finalists
- g. Monitor program implementation (effective 01-01-12)