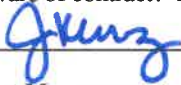


CITY OF SCHERTZ
CONTRACT APPROVAL FORM

A. To be completed by Department

1. Contract with: Gallagher Benefit Services Contract amount: \$ 75,000
2. Contract for: Insurance Broker Services for 2021
3. Fund/Account to be charged: 101-866-531170 Dept. Human Resources
4. Contract category and amount in the budget: yes no – budget adjustment required
Budget Amendment Ord/Res Number: _____ Date: _____
5. Contract required to be bid: yes no (If unsure, contact Purchasing.)
Bidding completed: yes NA (bidding not required)
Bidding exemption: (if bidding is not required state reason): _____
6. Contract termination date: _____ NA
7. Terms of contract reviewed and approved by Department Head: yes
8. Is Asst. City Manager aware of contract? yes
9. If going to Council, is City Manager aware of contract? yes NA
10. Department Head's signature:  Date: 12/11/2020

B. To be completed by Purchasing and Asset Management

1. FINANCE
 - a. Contract amount in the budget: yes no – budget adjustment required
 - b. Fund/Account to be charged: _____
 - c. Finance Director's signature: _____ Date: _____
2. LEGAL
 - a. Contract reviewed and approved by City Attorney not requested yes (attach email approval)
 - b. Date Reviewed and Approved by City Attorney _____
3. PURCHASING
 - a. Vendor aggregate POs <\$50K for budget period yes no
 - b. Contract reviewed for insurance, warranty, term, severability and indemnity requirements: yes
 - c. Contract properly bid in accordance with City Purchasing Policy yes NA
 - d. Vendor signature obtained yes no (other party requires signature by City first)
 - e. Purchasing and Asset Management Signature: _____ Date: _____
4. COUNCIL APPROVAL REQUIRED? yes no NA (Required over \$50,000)
 - a. Date of City Council approval: _____ Res/Ord #: _____ Attached
 - b. If not approved by City Council, state reason: _____

C. To be completed by Asst City Manager:

1. Final contract reviewed and recommend City Manager signature: yes no
2. Asst. City Manager's Signature: _____ Date: _____

D. To be completed by Assistant to the City Manager

1. Assistant reviews and obtains CM signature Assistant Signature: _____
2. Signed contract is given to Purchasing & Asset Management.

E. To be completed by Purchasing and Asset Management

1. Date fully-executed contract received by Purchasing: _____
2. Date filed to Laserfiche: _____ Filed as: _____



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**CLIENT COVERAGE ACKNOWLEDGMENT
AND COMPENSATION DISCLOSURE STATEMENT
FOR CITY OF SCHERTZ**

This form documents that Gallagher Benefit Services, Inc. (Gallagher) will apply its professional judgment to access those insurance companies it believes are best suited to insure the Client’s risks. The final decision to choose any insurance company has been made by the Client in its sole and absolute discretion. The Client understands and agrees that Gallagher does not take risk, and that Gallagher does not guarantee the financial solvency or security of any insurance company. The Client is responsible for immediate payment of premiums for all insurance placed by Gallagher on Client’s behalf. If any premium amounts are not paid in full when due, the applicable insurance company for the Client’s risks may cancel any applicable policies in accordance with the terms of such policies.

The following is the disclosure of fees and/or commissions to be paid to Gallagher as a result of its Broker of Record relationship to Client’s Group Health and Welfare Plan and any relationships, or agreements Gallagher has with any insurance companies selected by Client as noted above. Gallagher, as Broker of Record, will receive the following initial and renewal sale commissions expressed as percentage of gross premium payments, or fees as agreed upon by Client:

Line of Coverage / Services	Company	Commission ¹	Supplemental Compensation ²	Third Party Compensation	Direct Fees ³	Effective Date
Consulting Services	Gallagher	n/a	n/a	n/a	\$75,000 per year	09/24/2021
Medical	Blue Cross Blue Shield of Texas	0%	\$0.00 to \$15.00 PEPY	n/a	n/a	01/01/2021
Dental	Unum	0%	0% to 1.25% of premium	n/a	n/a	01/01/2021
Vision	Unum	0%	0% to 1.25% of premium	n/a	n/a	01/01/2021
FSA/HSA	Discovery Benefits	0%	0%	n/a	n/a	01/01/2021
Worksite	Allstate	Heaped	0% to 5% of premium	n/a	n/a	01/01/2021
Disability	Unum	0%	0% to 1.25% of premium	n/a	n/a	01/01/2021

It should also be noted that:

- ¹ Commissions include all commissions/fees paid to Gallagher that are attributable to a contract or policy between a plan and an insurance company, or insurance service. This includes indirect fees that are paid to Gallagher paid by a third party, and includes, among other things, the payment of “finders’ fees” or other fees to Gallagher for a transaction or service involving the plan.
- ² Gallagher companies may receive supplemental compensation referred to in a variety of terms and definitions, such as contingent commissions, additional commissions and supplemental commission.
- ³ Direct Fees include compensation to Gallagher paid for directly by the plan sponsor/Client.



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- **Gallagher** is not an affiliate of the insurer whose contract is recommended. This means the insurer whose contract is recommended does not directly or indirectly have the power to exercise a controlling influence over the management or policies of **Gallagher**. **Gallagher's** ability to recommend other insurance contracts is not limited by an agreement with the insurance company.
- **Gallagher** is effecting the transaction for the Plan(s) in the ordinary course of **Gallagher** business. The transaction set forth is at least as favorable to the Plan(s) as an arm's length transaction with an unrelated party.
- **Gallagher** is not a trustee of the Plan(s) and is neither the Plan Administrator of the Plan(s), a named fiduciary of the Plan(s), nor an employer which has employees in the Plan(s). **Gallagher** shall not exercise discretionary authority or control with respect to plan management, the disposition of plan assets or plan administration.
- **Gallagher's** liability to Client, or any party claiming by or through Client, on account of or relating to the provision of services to Client during the period of the relationship between Gallagher and Client shall not exceed \$1 million in the aggregate. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

For Employers and Plan Sponsors Subject to ERISA: This Disclosure Statement is being given to the Client (1) to make sure Client knows about Gallagher's and Gallagher affiliates' income before purchasing the insurance product and (2) for plans subject to ERISA, to comply with the disclosure, acknowledgment and approval requirement of Prohibited Transaction Class Exemption No. 84-24⁴, which protects both Client and Gallagher⁵. Disclosure must be made to an independent plan fiduciary for the ERISA Plan(s), and Client acknowledges and confirms that this is a reasonable transaction in the best interest of participants in its ERISA Plan(s).

For more information on Gallagher's compensation arrangements, please visit www.ajg.com/compensation. In the event a Client wishes to register a formal complaint regarding compensation Gallagher receives, please send an email to Compensation_Complaints@ajg.com.

Thank you for your business and continued confidence in the services Gallagher provides to you and your employees. We sincerely appreciate the opportunity to serve City of Schertz. Please let us know if you have any questions regarding this information or would like more detail.

Accepted by: **CITY OF SCHERTZ**

GALLAGHER BENEFIT SERVICES, INC.

By: _____
 Name Mark Browne
 Title City Manager

By: Betty Gwinn
 Name Betty Gwinn
 Title Area President

⁴ Which allows an exemption from a prohibited transaction under Section 408(a) of the **Employee Retirement Income Security Act of 1974 (ERISA)**.
⁵ In making these disclosures, no position is taken, nor is one to be inferred, regarding the use of assets of a plan subject to ERISA to purchase such insurance.





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Date:

Date:

December 11, 2020

