



ADVISOR AGREEMENT

This Advisor Agreement ("Agreement") is entered into as of September 1, 2016 by and between City of Foley, having a place of business located at 407 East Laurel Avenue Foley, AL 36535 ("Client") and Regions Insurance, Inc., having its principal place of business in Birmingham, Alabama, with an agency location at 1901 6th Ave N Birmingham, AL 35203 ("Advisor").

WHEREAS, Client wishes to obtain the services and assistance of Advisor for strategic planning, access to Advisor's client service team, and the services as provided for in this Agreement;

WHEREAS, Advisor has knowledge and experience in assisting employers with designing, analyzing and recommending effective risk management and insurance coverage solutions; and

WHEREAS, Client and Advisor desire to set forth in this Agreement their respective expectations relating to the services to be provided by Advisor to Client.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as set forth in this Agreement.

1. Services. Advisor will provide Client with the services set forth on Exhibits A during the term of this Agreement.

2. Authorization. Client authorizes Advisor to represent and assist Client in all discussions with Insurers and/or intermediaries.

3. Approval. Upon request of Client, Advisor will place the selected insurance coverages for Client. Client has the right to approve of, and Advisor will obtain Client's approval prior to, the placement of any insurance coverage by Advisor acting as an insurance producer with a specific insurance company or other risk bearing entity ("Insurer"). Client is not required to use Advisor to place any specific insurance coverage during the term of this Agreement.

4. Fee. Client shall pay Advisor an annual consulting fee of \$ 25,000. Fee is due within 30 days of execution date of this contract.

5. Existing Business. This Agreement is based on the existing business needs of Client as of the date of this Agreement. Future acquisitions or changes which materially alter the nature and scope of Client's insurance program are not covered by this Agreement. In the event of such an occurrence, Advisor and Client agree to renegotiate the fee amount and terms in good faith as appropriate.

6. Term. This Agreement will commence on September 1, 2016 as an annual contract and shall remain in effect for 3 consecutive years.

7. Termination. This Agreement may be terminated by either party for any reason upon thirty (30) days written notice to the other party. The fee will be considered earned on a pro-rata basis for partial years.

8. Insurance Coverage. This Agreement includes only services for the insurance coverages, if desired by Client, during the term of this Agreement as set forth on Exhibit B.

9. Other Insurance Coverage. Any other services or desired insurance coverage by Client, such as surety or other bonds, placed at the request of Client during the term of this Agreement not specified in this Agreement are not part of this Agreement and, in such event, Advisor will be entitled to receive commissions for other insurance coverages placed at the Client's request.

10. Adjustment to Fee. Advisor acting as an insurance producer will attempt to place the requested insurance coverage specified in paragraph 8 without commissions being included in the premium. If Advisor is unable to place the desired insurance coverages referred to in paragraph 8 of this Agreement without commissions included in the premium and Advisor receives commissions directly attributable to the placement of the insurance coverage from an Insurer, Advisor will credit such commissions against the fee. If such commissions exceed the fee amount, then the excess commissions will be returned to Client if allowed by applicable law.

11. Policy Terms. Coverage summaries and descriptions provided by Advisor to Client from time to time are intended only as an outline of coverage and are necessarily condensed. The terms of the actual policy issued, if any, to Client by an Insurer will control Insurer's obligations in the event of any loss, subject to all exclusions, endorsements, or other policy provisions. Client has an obligation to review all insurance policies with advisor upon receipt to determine whether the desired coverage has been obtained and advise Advisor of any coverage modifications desired by Client.

12. Additional Premiums / Taxes. If there are final or interim audit premiums charged or retro premium adjustments made by an Insurer, Client is responsible for payment of all such additional premiums. If placements for certain coverages requires the payment of surplus lines taxes and/or fees to state regulators, Client is responsible for payment of all such taxes. If Client does not timely pay such premiums, taxes and/or fees and Advisor is required by Insurer to pay the additional premium(s) and/or Advisor is required by applicable law to pay the taxes and/or fees, Advisor is entitled to collect such payments from Client as well as Advisor's collection related costs and expenses, including, but not limited to, attorney fees, incurred by Advisor in collecting the additional premiums from the Client.

13. Modifications. Client may not add, delete or otherwise modify insurance coverage by voice mail, fax, email, text messages or similar electronic communications unless Advisor confirms in writing to Client that the desired modifications have been made to any existing or additional insurance coverage.

14. Independent. Advisor does not speak for any Insurer, is not bound to utilize any particular Insurer, and does not have the authority to make binding commitments on behalf of any Insurer.

15. Placements. Advisor does not guarantee or make any representations or warranty that insurance can be placed on terms acceptable to Client. Insurers with whom insurance coverage is placed will be deemed acceptable to Client in the absence of contrary instructions from Client.

16. Claims Reporting. Client is responsible for understanding the reporting provisions in any insurance policy and timely reporting any and all events, such as claims or notice of potential claims, which are required to be reported under the terms of any insurance policy.

17. Compensation Disclosure. Client acknowledges receipt of the Regions Insurance Compensation Disclosure Notice which sets forth the manner in which Advisor may receive compensation.

18. Records. Advisor will retain its records in accordance with the Regions Document Retention and Destruction policy. Unless otherwise required by law, records will not be retained for more than seven (7) years and noncritical documents may be destroyed earlier in accordance with Advisor's normal course of business practice. Client must maintain such documents or other information delivered by Advisor or an Insurer which Client deems to be critical business records.

19. Miscellaneous. This Agreement sets forth the entire understandings and agreements between the parties. Any prior understandings or agreements relating to the subject matter of this Agreement are terminated. All advisory services are deemed to have been performed in the Advisor's agency location. The state law of the agency location governs the construction, interpretation, and effectiveness of this Agreement without regard to its conflict of laws provision. Any amendment to this Agreement must be in writing and signed by the parties. Course of dealings between the parties may not alter the provisions of this Agreement. This Agreement may be executed in counterparts and each such document will be deemed to be an original. This Agreement may be executed by the parties and submitted electronically to the other party with the signature of each party binding on each party to the fullest extent allowed by applicable law.

IN WITNESS WHEREOF, the parties have executed this Agreement by and through their respective duly authorized officers or agents as of the date set forth hereinafter.

Regions Insurance, Inc.

City of Foley

By: Frank V. Holmes, Jr.

By: _____

Print Name: Frank V. Holmes, Jr.

Print Name: _____

Title: Area Executive

Title: _____

Date: 8/26/16

Date: _____

ADVISOR AGREEMENT

EXHIBIT A

Services

- work with Client to assess Client's risks;
- conduct strategic planning sessions with Client to review current performance and establish future objectives and strategies for Client's risk and insurance program;
- work with Client to design and develop Client insurance program
- conduct contract review for insurance coverage purposes;
- identify and negotiate on the Client's behalf with Insurers and keep Client informed of significant developments in the discussions and negotiations;
- assist Client with gathering the necessary information and documentation needed to obtain commitments for and implementation of Client's insurance coverages it being understood by Client that Advisor will not independently verify or authenticate Client provided information necessary to prepare underwriting submissions and other documents relied upon by Insurers with the Client understanding that it is solely responsible for the accuracy and completeness of the information provided to Insurers relating to the Client's insurance coverages;
- review of applications prior to applications being signed by Client;
- use best efforts to place insurance coverages on behalf of Client is so requested by Client;
- utilize the services of other intermediaries to assist in the marketing of the Client's insurance coverages, including brokers in the London and other markets, when in Advisor's professional judgment those services are necessary or appropriate it being understood by Client that such intermediaries may or may not be affiliated with Advisor and that such other intermediaries' compensation is not included in Advisor's fee under this Agreement and will be paid by Insurers out of premiums paid by Client to Insurers;
- recommend placement of insurance coverages identified in this Agreement;
- placement of coverage at the request of Client;
- monitor published financial information of the Client's current Insurers and alert Client if the status of one or more Insurers falls below the Advisor's minimum market security standards it being understood that Advisor is not responsible for the solvency or ability to pay claims on any Insurer;
- follow up with Insurers for timely issuance of policy and endorsements;
- review policies and endorsements for accuracy and conformity to specifications and negotiated coverages;
- provide insurance coverage summaries for all new coverages and updates on changes to existing insurance coverages;
- keep Client informed of significant changes and/or trends in the insurance marketplace and provide Client an annual forecast of insurance market conditions;
- assist Client with loss control evaluations;
- work with Client on prevention action planning;
- access to safety education and other informational materials;
- prepare workplace safety checklist;
- assist with OSHA compliance process;
- attend regularly scheduled claims review meetings;
- consult with Client regarding specific claims and assist Client with claims advocacy as requested by Client;
- work with Client on claim cost containment strategies;

- process or facilitate the processing of certificates of insurance and vehicle identification cards, as requested by Client;
- review audits, rating adjustments, dividend calculations and loss data;
- assist Client in establishing Client's claims reporting procedures as requested by Client;
- assist Client with issues relating to the interpretation of insurance policies placed by Advisors by providing an insurance industry perspective;
- meet regularly with Client's key employees designated by the Client's chief executive officer, risk manager or legal counsel to discuss strategy and open items and issues.

- Regions Insurance will provide the bi-yearly needed training programs which will qualify the City of Foley for the remaining Drug Free Premium Credit on the worker's comp policy.

- Region's Insurance will provide a complete safety program review and update. We will identify areas to be improved upon and offer solutions. The scope of this is detailed in the action plan,

- Regions Insurance will provide the city a yearly employee handbook review.

- Regions Insurance will provide bi-yearly education and training programs on site and through webinars, designed to reduce the frequency work comp claims.

- Over the past 6 years, City of Foley has incurred a total of 243 worker's compensation claims totaling \$ 1,292,468. We will review the claims with the carrier and complete a trending analysis to determine how best to reduce these claims in the future. Our goal would be to reduce these claims by 25% over a two-year period. Using the claim total above as a historical prediction of future claims this reduction percent could result in \$ 323,117 less losses. This reduction also means that our employees are injured less and working in a safer environment.

- As possible, we will advise in negotiating the premiums with the carriers. Should the City of Foley wish us to provide alternative quotes we can do that as well. Having Regions Insurance as a Risk Management consultant is a good story to tell underwriters during negotiation because it tells them the City of Foley is committed to developing a long term culture of safety.

- The Experience modification rate has jumped up from .93 in 15-16 to 1.17 in 16-17. This increase is based on the frequency and severity of the claims. This increase has resulted in approximately 100k in additional work comp premium. The overall scope of Regions Insurance work is aimed at reversing this trend over time.

- Regions Insurance will assist the City of Foley in identifying possible and potential work comp fraud cases.
- Regions will help facilitate a quarterly safety meeting either in person or by phone with department heads of the City of Foley. This will be designed to better track claims, issues and develop a culture of safety.
- Regions Insurance can design a safety incentive program for employees.
- Our fee for these services is \$25,000 per year.

Exhibit B

- Worker's Compensation
- Property
- Liabilities