

ORDINANCE NO. 2025 – 90

AN ORDINANCE AUTHORIZING THE ADMINISTRATION TO ENTER INTO A SERVICE AGREEMENT WITH USI INSURANCE SERVICES LLC ("USI"), AND DECLARING AN EMERGENCY

WHEREAS, the Administration recommends entering into a Service Agreement with USI Insurance Services LLC ("USI") to manage the benefits program of the City to ensure that all aspects of the benefits program are handled both efficiently and effectively, to provide advice and assistance on matters that arise in the day-to-day administration of the benefits program, and to recommend and procure coverages for the benefits program; and

WHEREAS, Council may authorize the personal services described in the Service Agreement between the City of Parma Heights and USI, in the form identified in Exhibit "1", attached hereto, and made a part hereof as though fully rewritten, without advertising for bids and without competitive bidding process based upon the authority granted to it in Article V Section 6 of the Charter.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1. The Administration is authorized and directed to enter into a Service Agreement between the City of Parma Heights and USI, in the form identified as Exhibit "1", attached hereto, and made a part hereof as though fully rewritten, and to expend funds for personal services in satisfaction of the Service Agreement.

Section 2. This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3. This Ordinance is declared to be an emergency measure immediately necessary for the public peace, health, and safety of the Municipality and for the further reason that the benefits program services are necessary to procure coverage and to administer the program without disruption; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage by Council and approval by the Mayor.

PASSED: November 10, 2025 Thomas Rounds
PRESIDENT OF COUNCIL

ATTEST: Barbara Allen November 10, 2025
CLERK OF COUNCIL APPROVED

FILED WITH THE MAYOR: November 10, 25 M. Gallo
MAYOR MARIE GALLO

Fully Executed



EXHIBIT 1

USI Insurance Services
1001 Lakeside Avenue
Suite 1200
Cleveland, OH 44114
www.usi.com
Tel: 216.591.0088

CLIENT SERVICE AGREEMENT

This Client Service Agreement ("Agreement") is made and entered into this 01 day of October 2025 ("Effective Date"), by and between USI Insurance Services LLC ("USI"), and City of Parma Heights ("Client").

WHEREAS USI is duly licensed to engage in the insurance business for the purposes set forth herein, and,

WHEREAS Client desires to engage the services of USI upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. LINES OF INSURANCE COVERAGE

This Agreement is entered into with respect to the following lines of insurance coverage and for which Client agrees to retain USI as its Broker of Record:

All Lines of Benefits Related Insurance

2. SERVICES

USI agrees to provide to Client the following insurance brokerage services:

As noted in Exhibit A.

The above-referenced services shall be rendered by USI to Client pursuant to the terms of this Agreement. Any additional services requested by Client shall be negotiated by the parties under separate written agreement.

3. COMPENSATION

USI will be compensated for the services outlined in this Agreement through the payment of an annual fee by Client (the "Annual Fee"). The Annual Fee for the Initial Term (as defined in Section 6) of this Agreement is set forth below:

The Annual Fee will be billed as below in four quarterly invoice installments due on December 1, February 1, April 1, and July 1.

10/01/2025 - 12/31/2026: \$24,506.79 due and payable in quarterly installments of \$6,126.70
01/01/2027 - 12/31/2027: \$25,241.99 due and payable in quarterly installments of \$6,310.50
01/01/2028 - 12/31/2028: \$25,241.99 due and payable in quarterly installments of \$6,310.50

The Annual Fee payable by Client is in addition to any commissions received from insurance companies on Ancillary Products. The commission is usually a percentage of the premium you pay for your

insurance policy, and it is paid by the insurance company. At your request, we will provide you with a detailed statement regarding our compensation on your account and the way the compensation is calculated. The amount of premium you pay for a policy may change over the term of the policy.

Contingent, supplemental, or bonus commissions

It is possible that some of the insurance companies from which USI obtains coverage may pay it additional incentive commissions, sometimes referred to as contingent, supplemental, or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time. Such additional commissions, if any, would be in addition to any other compensation USI may receive. This is indirect compensation that does not affect the rate charged to Client. At your request, USI will provide you with a detailed statement regarding our compensation on your account and how the compensation is calculated.

4. ADDITIONAL THIRD-PARTY SERVICES

Additional service(s) may be available from third parties, not affiliated with USI for additional fee(s) and may be subject to separate agreements between Client and the third-party vendor.

5. BROKERAGE INTERMEDIARIES

USI may utilize the services of other intermediaries, such as wholesale brokers, excess and surplus lines brokers, reinsurance intermediaries and underwriting managers, to assist in the marketing of your insurance coverages, when in USI's professional judgment those services are necessary. Depending on the circumstances involved, it may be necessary to use an intermediary affiliated with USI. The compensation of such intermediaries is not included in USI's compensation under this Agreement and will be paid by insurers out of paid premiums. The compensation paid to USI's affiliates will be disclosed to you prior to binding any coverages on your behalf.

6. TERM AND TERMINATION

6.1. Term. The initial term of this Agreement shall be 10/01/2025 and shall terminate on 12/31/2028 (the "Initial Term") and may be renewable upon mutual agreement of the parties in a written document executed by both parties. Upon termination of this Agreement for any reason, all Protected Health Information provided by Covered Entity to USI or created or received by USI on behalf of Covered Entity, is destroyed or returned to Covered Entity, or if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this section. In the event of termination, USI will assist Client in arranging a smooth transition process. However, USI's obligation and the obligation of its affiliates to provide services to Client will cease upon the effective date of termination, unless otherwise agreed in writing.

6.2. Termination. Either party shall have the right to terminate this Agreement upon 30 days' written prior notice to the other. In the event of termination prior to expiration, USI shall be entitled to a monthly pro-rata fee for the services rendered prior to the date of termination, which will consequently reduce the Annual Fee in the year of the early termination.

7. ACCURACY OF INFORMATION

USI's ability to provide Client with the services outlined in Section 2 above is conditioned upon USI's receipt of accurate and timely information from Client. USI will not independently verify or authenticate information provided by or on behalf of Client. Client shall be solely responsible for the accuracy and completeness of such information and other documentation furnished to USI.

8. ADDITIONAL SERVICES

Additional services are available for additional compensation and subject to the negotiation of separate agreements or by addendum to this Agreement. Such services may include, but are not limited to:

- Human resources advisory services
- Claims audits
- Interactive online Client services
- Non-benefits insurance brokerage, risk management, and risk financing advice
- Executive benefits

9. BOOKS AND RECORDS

Client is entitled to copies of reports prepared by USI hereunder, contracts between Client and its carriers and administrators to the extent such contracts are in USI's possession and control, and communications between USI and Client's insurance carriers and employee benefits providers to the extent such books and records are maintained by USI with regard to its performance under this Agreement.

10. MISCELLANEOUS

USI is not named a fiduciary with respect to any plan for which it may provide services. It is not intended by the Client or USI that any services performed by USI under this Agreement shall include any fiduciary duties or make USI a fiduciary of any plan maintained by the Client.

To the extent required by applicable law, USI will implement and maintain reasonable security procedures and practices appropriate to the nature of the personal information it receives, and which are designed to help protect such information from unauthorized access, acquisition, destruction, use, modification, or disclosure.

In order to provide the services identified herein, it may be necessary for USI to receive from Client, or from a party on your behalf, information of a personal nature that may be protected by various federal and state privacy or other laws. USI advises Client to consult with its legal counsel as to how these laws impact you and your employees, Client's plan, our contemplated engagement, and disclosure of information to USI. Client represents that it has the authority and all rights, authorizations, approvals, and consents required to disclose its employees' and their beneficiaries' information to USI for USI's use in performing its services for you and your employees. Client further represents that USI's use of this information to perform services for you and your employees does not and will not violate any privacy notice or other policy issued by you or any benefit program you maintain, or any applicable law.

Moreover, because USI is not engaged in the practice of law and the services provided hereunder are not intended as a substitute for legal advice, USI recommends that Client secure the advice of competent legal counsel with respect to any legal matters related to any plan subject to this agreement.

11. ENTIRE AGREEMENT

This Agreement contains the entire understanding of the parties with respect to the subject matter contained herein, superseding all prior agreements, understandings, and negotiations with respect to such matters. This Agreement may be modified or otherwise amended and the observance of any term of this Agreement may be waived only if such modification, amendment, or waiver is in writing and signed by the party to be charged with same. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors. Neither party shall have any liability for any failure or delay in performance of its obligations under this Agreement because of circumstances beyond its reasonable control, including, without limitation, acts of God, fires, floods, earthquakes, acts of war or terrorism, civil disturbances, sabotage, accidents, unusually severe weather, governmental actions, power failures, computer/network viruses that are not preventable through generally available retail products, catastrophic hardware failures,

or attacks on its server. The parties further agree that neither party shall have any liability for indirect, special, punitive, consequential, or incidental damages, including, without limitation, loss of profits.

12. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of State of Ohio, without regard to its conflict of laws principles.

13. SELECTION OF ISSUING INSURANCE COMPANY

USI has no ownership interest in and is not under common control with the insurance company that is issuing the lines of insurance coverage described in this Agreement.

14. CONFIDENTIAL INFORMATION

"Confidential Information" shall mean non-public information revealed by or through a party to this Agreement (a "Disclosing Party") to the other party (a "Receiving Party") including (a) information expressly or implicitly identified as originating with or belonging to third parties, or marked or disclosed as confidential, (b) information traditionally recognized as proprietary trade secrets, and (c) all forms and types of financial, business (including customer information), scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing

- A. As to any Confidential Information disclosed by the Disclosing Party to the Receiving Party, the Receiving Party will take reasonable precautions in accordance with procedures it follows with respect to its own important confidential information to prevent disclosure, directly or indirectly, of all or any portion of the Confidential Information.
- B. Except as may be required by law or legal process, the Receiving Party agrees not to otherwise use the Confidential Information obtained hereunder in the absence of a written letter agreement with Disclosing Party. The Receiving Party further agrees to return to Disclosing Party all Confidential Information received hereunder upon written request, therefore.
- C. The obligations hereunder remain in full force and effect until and unless: (a) the Receiving Party can show that such Confidential Information was in the Receiving Party's possession prior to the date of the disclosure by Disclosing Party; or (b) such Confidential Information was obtained by the Receiving Party after the date of this Agreement from a party other than Disclosing Party, and the receiving party has no knowledge that said party is under an obligation of confidentiality to the Disclosing Party with respect to such information; or (c) such Confidential Information becomes generally available to the trade, or to the public, through sources other than Receiving Party; or (d) such Confidential Information is developed at any time by the Receiving Party independent of information or materials disclosed by Disclosing Party to the Receiving Party.
- D. In the event that the Receiving Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information furnished by the Disclosing Party, it is agreed that the Receiving Party will cooperate with the Disclosing Party and provide the Disclosing Party with prompt notice of such request(s) or requirement(s) so that the Disclosing Party may seek an appropriate

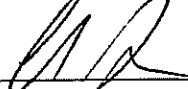
protective order, at its sole cost, or waive compliance by the Receiving Party with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party is nonetheless, in the opinion of the Receiving Party, legally required to disclose the Confidential Information forwarded by the Disclosing Party, the Receiving Party may disclose such information without liability hereunder, provided, however, that the Receiving Party shall disclose only that portion of such Confidential Information which it considers that it is legally required to disclose.

- E. This Agreement is and shall be governed by Ohio public records law. Nothing in this Agreement shall be construed to conflict with or contradict R.C. 149.43 and caselaw interpretations thereof.
- F. Upon termination of this Agreement, or upon Disclosing Party's earlier request, Receiving Party shall promptly deliver to Disclosing Party all Confidential Information and any other material which Disclosing Party furnishes to Receiving Party in connection with this Agreement.

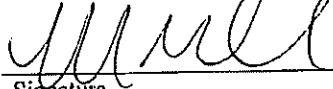
IN WITNESS THEREOF, the parties have hereunto set their hands on the date and year first above written for the purposes set forth in this Agreement:

USI Insurance Services LLC

City of Parma Heights



Signature



Signature

Carbin Barn

Print Name

Marie Gallo

Print Name

Practice Leader

Title

Mayor

Title

12/11/25

Date

12/7/25

Date

ORDINANCE NO. 2025 – 90

AN ORDINANCE AUTHORIZING THE ADMINISTRATION TO ENTER INTO A SERVICE AGREEMENT WITH USI INSURANCE SERVICES LLC ("USI"), AND DECLARING AN EMERGENCY

WHEREAS, the Administration recommends entering into a Service Agreement with USI Insurance Services LLC ("USI") to manage the benefits program of the City to ensure that all aspects of the benefits program are handled both efficiently and effectively, to provide advice and assistance on matters that arise in the day-to-day administration of the benefits program, and to recommend and procure coverages for the benefits program; and

WHEREAS, Council may authorize the personal services described in the Service Agreement between the City of Parma Heights and USI, in the form identified in Exhibit "1", attached hereto, and made a part hereof as though fully rewritten, without advertising for bids and without competitive bidding process based upon the authority granted to it in Article V Section 6 of the Charter.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1. The Administration is authorized and directed to enter into a Service Agreement between the City of Parma Heights and USI, in the form identified as Exhibit "1", attached hereto, and made a part hereof as though fully rewritten, and to expend funds for personal services in satisfaction of the Service Agreement.

Section 2. This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3. This Ordinance is declared to be an emergency measure immediately necessary for the public peace, health, and safety of the Municipality and for the further reason that the benefits program services are necessary to procure coverage and to administer the program without disruption; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage by Council and approval by the Mayor.

PASSED: November 14, 2025 Thomas Pounds
PRESIDENT OF COUNCIL

ATTEST: Barbara Quinn November 14, 2025
CLERK OF COUNCIL APPROVED

FILED WITH
THE MAYOR: November 14, 2025 Marie Gallo
MAYOR MARIE GALLO