



Lindsay Grimes

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Date

Client Name

Title

Address

Subject: NFIP Engagement Letter

Client Name,

We are pleased that Named Insured (“you”) has chosen Marsh USA Inc. (“Marsh” or “we”) to act as your insurance broker for the following line of coverage:

(a) National Flood Insurance Program (NFIP)

We look forward to continuing a mutually rewarding and long-standing relationship with you. Attached to this letter is a list of the services that Marsh will provide to you and the Terms and Conditions under which those services will be provided. These Terms and Conditions and Marsh’s engagement under this letter are effective for one year starting [DATE].

We will update this letter as needed based on any changes to your program, the services provided by Marsh to you or the terms upon which such services will be provided.

We appreciate your business and look forward to working with you.

Unless you inform us in writing to the contrary, we will presume that this letter accurately reflects the services and the Terms and Conditions that apply to our engagement.

Should you have any questions, please contact me.

Marsh USA Inc.

By: _____ Date: _____

Lindsay Grimes
Vice President

The following sets forth the terms upon which Marsh USA Inc. ("Marsh") will provide services to you:

1. **Services.**

Marsh will act as your insurance broker and/or risk management consultant with respect to the lines of insurance listed in the attached letter. Marsh shall provide to you the following services (the "Services"):

Pre-Marketing Services

- (a) Conduct an initial strategy discussion in advance of each placement;
- (b) Assist you in assessing your risks and in developing insurance specifications which Marsh will submit to insurers;
- (c) Recommend potential insurers;

Marketing and Placement Services

- (d) Solicit quotes from insurers that you select;
- (e) Negotiate on your behalf with insurers;
- (f) Assist you in evaluating the options received from insurers;
- (g) Use best efforts to place insurance for you, but only after you have authorized Marsh to bind coverage for you;

Services related to Marsh placements

- (h) Deliver confirmation of coverage once it is placed;
- (i) Follow up with insurance carriers to obtain policies and/or endorsements. Marsh may deliver your insurance policies and endorsements to you electronically;
- (j) Review policies and endorsements for conformity with agreed terms and coverages;
- (k) Provide coverage summaries;
- (l) At your request, issue certificates or memoranda of insurance and/or auto identification cards;
- (m) Review premium and exposure audits, rating adjustments, dividend calculations and loss data;
- (n) Provide you with invoices, except in the case of direct billing by insurers. Remit premiums to insurers and, where applicable, remit taxes and fees to the relevant authorities, following receipt thereof from you;
- (o) Monitor published financial information of your current insurers and alert you when one of those insurers falls below Marsh's minimum financial guidelines.

Claims-Related Services

- (p) Provide the following claims-related services:
 - Evaluate coverage applicability on all Marsh placed business
 - Assist you in the development of settlement strategies
 - Assist you with insurer negotiations
 - Assist you with litigation management issues that impact claim settlements
 - Excluding Workers Compensation, Primary Auto Liability / Physical Damage and non-complex Primary General Liability claims, prepare loss notices to insurers and notify insurers of claims; provided that your Marsh claims advocate is informed in writing by you of the claim, with details of the claim, and Marsh has placed the applicable policies or the Marsh claims advocate has been

provided written notice by you of the applicable carrier and policies.

The total number of hours of property and casualty claims services described in this paragraph provided by Marsh to you in a calendar year shall not exceed XX. In the event such claims services exceed such hourly allotment, Marsh reserves the right to seek additional compensation.

Marsh may utilize the services of intermediaries to place your insurance, subject to your approval.

Marsh will not serve as your insurance broker, but only as your risk consultant, with respect to placements with ineligible insurers. In those circumstances, Marsh's non-U.S. affiliates shall provide the brokerage Services.

Marsh may retain your information in paper or imaged format and may destroy paper copies if Marsh retains digital images thereof.

2. **Compensation.**

Marsh shall be compensated for its Services through commissions from insurers. Prior to each placement by Marsh, Marsh shall disclose to you any commissions to be collected by Marsh or its affiliates, except when such affiliates are acting as an underwriting manager on behalf of insurers.

Marsh will deliver Flood Zone Determinations to you for an additional fee of \$8.75 per Determination, subject to your approval of the ordering of such Flood Zone Determinations.

Marsh can provide additional services at an additional cost. The cost and scope of additional services (see Appendix A) will be agreed in advance and reflected in an amendment to this Agreement or a separate agreement.

In the case of local placements made by Marsh's non-U.S. affiliates on behalf of you or your non-U.S. subsidiaries, Marsh's non-U.S. affiliates may make disclosures to your local operating management.

Any commissions collected by Marsh or its affiliates shall be considered fully earned at the time of placement. If you terminate a policy before it expires, Marsh will retain the commission it has collected except that, if Marsh places the replacement policy, Marsh will return any unearned commission.

If you ask Marsh to access non-U.S. markets not anticipated at the Effective Date, you agree to negotiate in good faith the additional costs of Services relating to those placements.

If there is a significant change in your operations or risks that affects the nature and scope of your insurance program and/or service needs, both parties agree to renegotiate Marsh's compensation in good faith.

3. Term and Termination.

The term of Marsh's engagement hereunder is one year starting on the Effective Date and may be extended in writing.

Either party may terminate this Agreement upon 90 days' prior written notice. If Marsh terminates this Agreement, Marsh's compensation will be adjusted pro-rata to reflect the duration of the Agreement. If you terminate this Agreement, Marsh's compensation will be deemed fully earned.

The obligation of Marsh and its affiliates (including its UK affiliates) to provide Services to you will cease upon the effective date of termination, unless otherwise agreed in writing. Marsh will assist you in arranging a smooth transition process, subject to receipt by Marsh of all amounts due to Marsh from you.

4. Taxes and Fees.

Marsh may place insurance for you that may require the payment of insurance premium taxes (including U.S. federal excise taxes), sales taxes, use taxes, surplus or excess lines and similar taxes and/or fees to federal, state or foreign regulators, boards or associations. You agree to pay such taxes and fees. Marsh will remit any taxes and fees that it collects from you to the appropriate authorities.

5. Your Responsibilities.

You shall be solely responsible for the accuracy and completeness of all information that you furnish to Marsh and/or insurers, and you shall sign any required application for insurance. Marsh shall not be responsible to verify the accuracy or completeness of any information that you provide, and Marsh shall be entitled to rely on that information. Marsh shall have no liability for any errors, deficiencies or omissions in any Services provided to you, including the placement of insurance on your behalf, that are based on inaccurate or incomplete information provided to Marsh. You understand that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage.

You will review all policy documents provided to you by Marsh.

6. Other Revenue.

If Marsh assists you with obtaining premium financing, Marsh may receive compensation from the finance company that provides the premium financing. Marsh shall provide to you information relating to Marsh's and its affiliates' arrangements with and interests in the premium finance companies to be considered by you and the compensation that Marsh and its affiliates would receive from these companies for your placements.

Marsh earns and retains interest income on premium payments held by Marsh on behalf of insurers between the time Marsh receives these payments from you and the time Marsh remits these payments to the insurers, where permitted by applicable law.

7. Disclaimers; Limitation of Liability.

Marsh does not speak for any insurer, is not bound to utilize any particular insurer and is not authorized to make binding commitments on behalf of any insurer, except under special circumstances which Marsh shall endeavor to make known to you. Marsh shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Marsh does not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to you. Marsh will not take any action to replace your insurers unless you instruct Marsh to do so. You acknowledge that, in performing Services, Marsh and its affiliates are not acting as a fiduciary for you, except to the extent required by applicable law. Any reports or advice provided by Marsh should not be relied upon as accounting, legal, regulatory or tax advice. In all instances, Marsh recommends that you seek your own advice on such matters from professional accounting, legal, regulatory and tax advisors.

Marsh will not be responsible for the adequacy or effectiveness of any insurance programs or policies implemented by another broker, or any acts or omissions occurring prior to Marsh's engagement.

In no event shall either party to this Agreement be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by Marsh or its affiliates. The aggregate liability of Marsh, its affiliates and its and their employees to you or your affiliates arising out of or relating to the provision of services by Marsh or its affiliates shall not exceed \$10,000,000. This provision applies to the fullest extent permitted by applicable law.

Marsh may provide to you information and services related to insurance regulatory and insurance tax issues relating to your insurance program. Any reports or advice provided by Marsh will be based on publicly available information and Marsh's experience as an insurance broker and risk consultant in dealing with such matters for other clients and should not be relied upon as accounting, regulatory or tax advice. In all instances, Marsh recommends that you seek your own advice on accounting, regulatory and tax matters from professional legal and tax advisers.

Marsh may provide you with modeling and/or business analytics services, including hazard loss and catastrophe modeling, loss forecasting and triangles, adverse event simulation, scenario and portfolio risk analysis, decision mapping, risk bearing and risk retention tolerance analysis and insurance program evaluation analysis ("Modeling and Analytics"). Modeling and Analytics services will be based upon a number of assumptions, conditions and factors. If any of them or any information provided to Marsh are inaccurate or incomplete or should change, the Modeling and Analytics provided by Marsh could be materially affected. These services are subject to inherent uncertainty, and actual results may differ materially from that projected by Marsh. They are provided solely for your benefit, and do not constitute, and are not intended to be a substitute for, actuarial, accounting or legal advice. Marsh shall have no liability to any third party in connection with these services or to you with regard to any services performed or provided by a third party. Except to your

insurers in connection with the placement of coverage by Marsh, you shall not share any of Marsh's Modeling and Analytics work product with a third party without Marsh's prior written consent.

8. Miscellaneous.

The laws of the State of New York govern this Agreement.

Each party, on behalf of itself and its affiliates, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement or any services provided by Marsh or its affiliates. The waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise. Each party, on behalf of itself and its affiliates, also agrees not to include any employee, officer or director of the other party or its affiliates as a party in any such action or proceeding.

It is the intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permitted

by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified or deleted in such manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this Agreement, as modified, enforceable, and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.

This Agreement and its written amendments and appendices constitute the entire understanding between Marsh and you, and supersede all other agreements or understandings, related to its subject matter. Marsh may modify this Agreement upon written notice to you.

Neither party will have any liability for any failure or delay in performing because of a force majeure event.

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Appendix A - Additional Services

Additional Services are available for separate compensation and shall be agreed upon in advance and addressed by amendment to this agreement or by separate agreement (in certain cases with affiliates of Marsh). Such additional services include, but are not limited to:

- Actuarial analysis of Workers' Compensation, General Liability, and Automobile Liability claims, or other lines of insurance;
- Consulting relating to workers' compensation cost containment, including behavioral risk management, absence management, cumulative injury management, lean ergonomics, financial diagnostics, claims inventory workout, vendor selection, return-to-work, PastPerformer diagnostics, managed care, claim audits and custom cost containment solutions;
- Business interruption and other claim valuation services offered by Marsh's Forensic Accounting practice;
- Environmental risk consulting services;
- Specialty consulting, including business continuity management, supply chain risk management, strategic risk assessments, and other MRC specialty practices;
- Specialized/customized property risk consulting solutions, including business interruption and natural hazards modeling/consulting, boiler and machinery specialized consulting, loss estimate studies, emergency response management solutions, fire protection engineering services, and property risk site evaluation and assessment services;
- Claims services other than those specified under Section 1, if any, including claims management services, claims reporting as to lines of coverage or claims not included under Section 1, and property and casualty catastrophic claim response;
- Mass tort claims consulting and insurance archaeology research;
- Services in connection with loss portfolio transfers and alternative risk financing, including placements made in connection with such services;
- Any loss control services;
- Captive insurance company feasibility studies;
- Establishment and administration of captive insurers;
- Placement of non-recurring insurance, including, but not limited to:
 - "one-time" placements for construction projects,
 - "one-time" placements for marine/cargo risks,
 - "one-time" placements for surety,
 - Placements for specific financial risks, such as trade credit,
 - Placements involving significant quantitative or actuarial analysis or modeling,
 - Placement of risks with financial institutions other than insurance carriers, and
 - Placements of risks not customarily accepted by insurers;
- Provision of the following services:
 - Identification and assessment, in general terms, of potential insurance regulatory and insurance tax issues relating to your insurance program;
 - Recommendations concerning insurers in light of such regulatory and tax issues;
 - Obtaining from your current and proposed insurers their views regarding potential insurance regulatory and insurance tax issues relating to your insurance, and the collection and settlement of local premium taxes and claims payment;
 - Review of and commentary on your internal premium allocation methodology in light of insurance regulatory and tax issues;
 - Recommendations regarding a premium allocation model, taking into account factors relevant to your operations and in light of specific insurance regulatory and tax issues;
 - Recommendations concerning modifications to your insurance program in light of the insurance regulations of the countries in which your insurable risks are located;
 - Review of your past insurance arrangements for specified periods with respect to insurance regulatory and premium-related tax issues;
 - Information regarding premium-related taxes payable by you in the countries in which you have operations;
 - Where a captive is involved in your insurance program, information and advice regarding the insurance regulatory and premium-related tax issues impacting on the captive;
- Employee benefits services;
- Pension plan consulting;
- Compensation consulting;
- Executive deferred compensation services;
- Risk management claims information systems, including STARS and TrendTracker software programs, and related services;
- Enterprise Risk Management consulting;

- Strategic Risk Assessment;
- Provision of Marsh personnel on an out-sourced basis;
- Intellectual Property Consulting;
- Security Consulting;
- Insurance-related mergers and acquisition due diligence services and transactional solutions;
- Placement and servicing of owner controlled insurance programs; and
- Interactive on-line client services.

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