

## AGREEMENT FOR ADMINISTRATIVE SERVICES

This Agreement for Administrative Services ("Agreement") is made between City of Carson (hereinafter "Employer" or "Plan Administrator"), whose principal place of business is 701 E. Carson Street, Carson, CA 90745, and Principal Life Insurance Company, an Iowa corporation (hereinafter "Principal"), whose principal place of business is 711 High Street, Des Moines, Iowa 50392.

This Agreement is made effective as of November 1, 2017 ("Effective Date").

Employer, acting as plan sponsor, has established an employee welfare benefit plan (the "Plan") subject to the federal Employee Retirement Income Security Act of 1974, as amended, ("ERISA" (if applicable)); has decided to operate the Plan on a self-funded basis rather than funding benefits through the purchase of insurance; and has implemented the Plan for the benefit of eligible employees and their dependents, (collectively "Participants") by adopting a Plan Document.

The Employer, acting as Plan Administrator, desires to delegate certain non-discretionary claims and administrative functions for the Plan to Principal, and Principal agrees to perform those functions on behalf of the Plan Administrator and for the Plan according to the terms of this Agreement and in exchange for the fees specified.

So, these Parties, in consideration of the premises, the mutual covenants of this Agreement and the performance thereof, hereby agree to the following:

### 1. Relationship of the Parties

- a. In performing this Agreement, Principal is acting solely as the delegatee of certain claims and administrative functions of the Plan Administrator. This Agreement does not delegate or confer discretionary authority or fiduciary responsibility on Principal, it being the intent of these Parties that the claims and administrative functions hereby delegated by the Plan Administrator to Principal are ministerial and non-discretionary and are subject to the ultimate discretionary authority retained by the Plan Administrator. Principal shall be entitled to rely on the data, information and instructions which the Employer provides to it under this Agreement.
- b. This Agreement is between Principal and the Employer. It is to be performed by these Parties, and each of them, for the benefit of the Plan. It does not create any rights, obligations or legal relationships between Principal and any Participant or other person or entity.
- c. The parties acknowledge that, in the context of this Agreement, the Employer may act on its own behalf as an employer and/or sponsor of the Plan or as Plan Administrator of the Plan. The use of the terms "Employer" and "Plan Administrator" in this Agreement are for convenience only; they refer to the same entity; and their use is not intended to define, limit or characterize the capacity in which particular actions are taken; rather, such capacity shall always be determined based on the relevant facts and circumstances.

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Revised 08/02/2013

Classification: Customer Confidential

EXHIBIT NO. 01

- d. Plan Administrator represents and warrants that at all times during the term of this Agreement, the benefits provided under the Plan will qualify as Excepted Benefits as that term is defined in Section 2791(c) of the Public Health Service Act (42 U.S.C. Sec. 300gg-91(c)) and regulations promulgated in connection with that section. Plan Administrator is solely responsible for determining whether the Plan's benefits are Excepted Benefits. Nothing herein shall be deemed to require Principal to perform any function imposed by law on the Plan that would not be imposed if Plan's benefits were Excepted Benefits.

**2. Claims and Administrative Functions**

- a. To enable Principal to perform this Agreement, the Employer/ Plan Administrator shall:
- 1.) Furnish to Principal a copy of the Plan Document stating eligibility, benefits, and any limitations or exclusions.
  - 2.) Furnish to Principal a listing of all Participants, including names, social security numbers and other information reasonably required by Principal and update that listing promptly for any changes.
  - 3.) Establish an acceptable bank account (the "Plan Account") from which electronic funds transfers ("EFTs") can be made to cover claims payments drawn by Principal for benefits due from the Plan; and provide Principal with authority to withdraw funds from the Plan Account by EFTs in amounts necessary to cover such claims payments. Funds will be withdrawn once monthly.
  - 4.) Exercise ultimate decisional authority with respect to any questions or disputes about eligibility or benefits from the Plan.
  - 5.) Ensure that Participants are informed that the Plan is self-funded and is not insurance.
  - 6.) Timely provide any information that Principal may reasonably need to perform its duties under this Agreement and hold Principal harmless from any liability to the extent that it acts in accordance with its obligations under this Agreement in reliance upon that information.
  - 7.) Timely and fully fund all claims processed by Principal pursuant to the Plan and hold Principal harmless with respect to any shortfall.
  - 8.) Comply with all laws and regulations to the extent they are applicable to it or to the Plan.

- 9.) Be fully responsible for all other tasks, services and functions required by law or otherwise necessary or desirable or appropriate for the administration or maintenance of the Plan unless they have been explicitly assumed by Principal in this Agreement.

b. Principal Shall:

- 1.) Assist the Plan Administrator in the preparation and updating of the Summary Plan Description and other disclosure and reporting documents required by ERISA (if applicable).
- 2.) Provide identification cards for Participants.
- 3.) Apply the terms of the Plan Document and the instructions from the Plan Administrator to the facts and circumstances of claims for benefits from the Plan by Participants, making payment from the Plan Account for those claims which are clearly due and undisputed within the time period provided by the Plan and ERISA (if applicable). Principal will make a reasonable investigation and a recommendation to the Plan Administrator for those claims that are not clearly due or are disputed. The recommendation will include Principal's good faith analysis of issues deemed relevant, to assist the Employer in making the decision of whether the claim is to be paid. The Plan Administrator may from time to time enter into agreements, directly or indirectly, with health care providers or other third parties that would require the payment of benefits or the processing of claims and appeals in a manner other than as set forth in the Plan Document. To the extent of any such inconsistency, the Plan Administrator hereby instructs Principal to perform its duties to comply with the requirements of those Agreements. The Plan Administrator will notify Principal of such agreements as necessary.
- 4.) Follow its standard claims administration procedures and practices with respect to its duties under this Agreement.
- 5.) Assist the Plan Administrator in investigating those claims for which benefits from the Plan have been declined, wholly or in part, and for which a further review or appeal has been duly requested by or on behalf of a Participant.
- 6.) Report to the Employer annually with respect to matters of general interest affecting the Plan, including but not limited to problems of a recurring nature and suspected misuses of benefits or fraudulent claims activity.
- 7.) Provide to the Employer Principal's standard monthly accounting of

claims payments, with sufficient detail to allow for audit and controls of funds.

- 8.) Coordinate benefits payable from the Plan with other insurance or benefit plans, if any.
- 9.) Provide information concerning Plan eligibility and benefit provisions to Participants and their health care providers who contact Principal. Such information shall not constitute a determination of what benefits actually will be paid for a specific claim, nor a certification or guarantee that any amount will be paid by the Plan, and disclaimers to that effect will be given to Participants and providers who seek information. Benefit determinations can be made only after a complete claim is submitted to the Plan and processed according to the terms of the Plan, including all eligibility requirements, limitations, exclusions, and other provisions of the Plan applicable to that claim.
- 10.) Seek reimbursement of overpayments of Plan benefits. Principal shall have no obligation to take legal action against anyone to recover overpayments or otherwise enforce any provisions of the Plan.
- 11.) Identify the claims for which there is or may be a potential for collection amounts paid on claims through subrogation or contractual rights of reimbursement, and notify the Employer of such claims.
- 12.) Apply its standard procedures as a holder of lost or unclaimed property with respect to any check, draft, or other instrument drawn against the Plan Account, or any successor account, for payment from the Plan, reporting that lost or unclaimed property and transferring it pursuant to applicable state law. Plan Administrator has determined that such procedures and transfer are appropriate and authorizes their use.
- 13.) If Employer requests Principal post the self-funded Plan benefit booklet summaries on Principal's website, Principal will be doing so as a convenience to Employer and Principal is not taking on any Plan Administrator duties related to the distribution of Summary Plan Descriptions (SPDs) or other ERISA-required reports or disclosures. Principal does not warrant that the posting of the documents on its website will satisfy any of the requirements of ERISA, even if it is informed that Employer wishes to use the website for that purpose. Principal, at its discretion, may use disclaimers and other notices in connection with the display of the documents to make it clear that Principal is not the plan insurer or Plan Administrator and that the Employer is solely responsible for the content and currency of the documents.
- 14.) Provide the additional services described in the attached Addenda, each

of which is hereby incorporated by reference as if fully set forth herein:

Addendum I - Fee Addendum

**3. The Principal's Duty of Care and Standards of Performance**

In performing this Agreement, Principal agrees to exercise the same degree of care as that followed by Principal in its own insurance business; and, while this Agreement is in effect, Principal agrees to indemnify, defend, and hold harmless the Plan Administrator for any and all liability, including but not limited to reasonable attorney fees, arising in any way from any claim for eligibility in or benefits from the Plan in connection with:

- a. Gross negligence of Principal; or
- b. Dishonest, fraudulent, or criminal acts of an employee of Principal, whether acting alone or in collusion with persons other than the Employer or its agents or employees.

**4. Fee for Administrative Services**

- a. Employer agrees to pay to Principal a monthly fee for the performance of this Agreement. The amount of the fee shall be determined annually by Principal. The initial monthly administrative fee is shown on the Fee Addendum and shall remain unchanged for a period of one year commencing on the Effective Date of this Agreement. Principal shall provide Employer with written notice of any change in the administrative fee amount at least 90 days prior to the change taking effect, and such changes to the administrative fee shall not take effect until notice has been provided as stated herein. Fees for services described in any Addendum to this Agreement are stated separately therein. Employer shall pay all fees to Principal in full within (45) days following the date a written statement or invoice is submitted to Employer by which Principal notifies the Employer of a monthly amount due. All fees shall be paid from the employer's general assets and not with Plan assets.
- b. The formula for determining the fee payable by the Employer to Principal is intended by these Parties to reimburse Principal for the actual costs incurred in the performance on this Agreement, regardless of whether those costs are expressed or only implied in the formula as stated herein. Increases in the rate of any non-controllable cost beyond that in effect on the date of this Agreement, or its most recent renewal, is to be added to the fee as incurred. The term "non-controllable cost" means any expense actually incurred by Principal, directly attributable to Principal's performance of this Agreement, and which is beyond the reasonable control of Principal, including but not limited to, postage rates and governmentally imposed surcharges. Principal may also charge, and Employer agrees to pay, the actual costs of retrieving and copying documents, records or data, and of assembling transmitting or reporting information.

## 5. Confidentiality of Information

Unless otherwise required by law, Employer and Principal each acknowledge that performance of this Agreement may result in access to information properly deemed proprietary or confidential by the other, and they each agree to maintain the confidentiality of such information and to use it solely for the purposes of this Agreement.

## 6. Business Associate Provisions

a. Definitions: Terms used but not otherwise defined in this section shall have the same meaning as those terms in the HIPAA Rules.

- (1) Business Associate: shall mean Principal.
- (2) Covered Entity: shall mean City of Carson.
- (3) Designated Record Set: shall mean any item, collection, or grouping of information that includes Protected Health Information and is maintained, collected, used or disseminated by or for Covered Entity.
- (4) Individual: shall mean the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with the Privacy Rule.
- (5) Privacy Rule: shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- (6) Security Rule shall mean the regulations at 45 CFR Part 160 and Part 164 that require the health plan to implement administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of electronic health information that it creates, maintains, receives or transmits.
- (7) Protected Health Information ("PHI"): shall mean all individually identifiable health information transmitted or maintained by a covered entity, regardless of form, as the term is defined in 45 CFR 160.103. PHI for the purposes of this Agreement is limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- (8) Required By Law: shall mean a mandate contained in law that compels a covered entity to make a use or disclosure of PHI and that is enforceable in a court of law.
- (9) Security Incident has meaning given to that term by 45 CFR 164.304.
- (10) Breach has the meaning given to that term by 45 CFR Section 164.402.
- (11) Unsecured Protected Health Information has the meaning given that term by 45 CFR Section 164.402.
- (12) ARRA means the American Recovery and Reinvestment Act of 2009.
- (13) HIPAA Rules means the Privacy Rule, Security Rule, Breach Notification Rules and Enforcement Rules at 45 CFR Part 160 and Part 164.

### b. Obligations and Activities of Business Associate

- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Agreement or as Required By Law. If Business Associate believes it is Required By Law or by a subpoena or court order to disclose any PHI, then Business Associate, prior to any disclosure, shall promptly notify Covered Entity in writing attaching a copy of the subpoena, court order, or other demand and shall make all reasonable efforts to allow Covered Entity an opportunity to seek a protective order or other judicial relief.

- (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.
- (3) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- (4) Business Associate agrees to promptly report to Covered Entity any use or disclosure of PHI not provided for by this Agreement, including any Breaches of Unsecured Protected Health Information, in accordance with 45 CFR 164.110, or any Security Incident of which the Business Associate becomes aware.
- (5) Business Associate agrees to ensure that any agent, including a subcontractor, that creates, maintains, receives or transmits protected health information agrees to the same restrictions, requirements and conditions that apply through this Agreement to Business Associate with respect to such information, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable.
- (6) Business Associate agrees to ensure that any agent, including a subcontractor, to whom Business Associate provides electronic PHI agrees to the same restrictions, requirements and conditions that apply through this Agreement to Business Associate with respect to such information, in accordance with 164.308(b)(2), if applicable.
- (7) With respect to PHI contained in a Designated Record Set, Business Associate agrees to provide access, within seven (7) days of the request of Covered Entity, to such PHI to Covered Entity or, as directed by Covered Entity, to an Individual in order to allow the Covered Entity to meet its obligations pursuant to 45 CFR 524 . . . With respect to PHI contained in a Designated Record Set, Business Associate agrees to promptly make any amendment(s) to such PHI that Covered Entity directs in accordance with 45 CFR 164.526.
- (8) Business Associate agrees to make all PHI, and internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI, available to the Secretary of the Department of Health and Human Services ("Secretary"), upon request or at the direction of Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (9) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI for purposes other than treatment, payment, or health care operations, as per 45 CFR 164.528, (as applied in accordance with Section 13405(c) of ARRA) and to provide the information contained in such documentation to Covered entity or to the Individual requesting the accounting within seven (7) days after a request for such information.
- (10) Business Associate will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic protected health information that it creates, receives, maintains or transmits on behalf of the Health Plan as required by the Security Rule. Business Associate will comply with the requirements of 45 CFR Part 164 Subpart C in the same manner as if it were a covered entity under those regulations.
- (11) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides electronic protected health information agrees to implement reasonable and appropriate standards to protect it.

- (12) Business Associate agrees to report to the Health Plan any Security Incident of which it becomes aware.
- (13) Business Associate agrees to report to the Covered Entity any Breach of Unsecured Protected Health Information without unreasonable delay and in no event more than 60 calendar days after it discovers the breach. The notification shall include, to the extent possible, the identification of each individual whose Unsecured Protected Health Information has been or is reasonably believed by the Business Associate to have been included in the Breach and such other information available to the Business Associate that the Covered Entity may by law be required to include in any notification to an individual pursuant to 45 CFR Section 164.404(c). To the extent that Covered Entity is obliged to provide notice pursuant to Section 13402 of ARRA as result of a Breach of Unsecured Protected Health Information by Business Associate or the agent of subcontractor of Business Associate, Business Associate shall, upon the written request of the Covered Entity, provide such notice on behalf of Covered Entity. Such request must be made within 10 days after receipt of notice from Business Associate as provided above and Covered Entity shall promptly provide information needed by Business Associate to give such notice.
- (14) With respect to any use, disclosure or request for PHI described 45 CFR section 502(b)(1), Business Associate shall limit the PHI to the extent practicable to the limited data set as defined in 45 CFR section 164.514(e)(2) or, if needed, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request.

c. Permitted Uses and Disclosures by Business Associate

- (1) Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, the Covered Entity as specified in the Agreement or in accordance with the written directions of the Covered Entity, provided that such use or disclosure would not violate the Privacy Rule if done by the Covered Entity or the minimum necessary policies and procedures of the Covered Entity as provided by the Covered Entity to Business Associate.
- (2) Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI for its proper management and administration or to carry out its legal responsibilities, provided that in the case of any disclosures for such purposes that are not Required by Law, Business Associate shall obtain reasonable assurances from the person to whom the disclosure is made that it will remain confidential and used and disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person agrees to notify Business Associate of any instances of which it becomes aware in which the confidentiality of PHI has been breached.
- (3) Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by the Privacy Rule.
- (4) Business Associate may de-identify PHI that it receives from or on behalf of the Plan or creates for the Plan and use and disclose the de-identified data in any manner permitted by law.

d. Obligations of Covered Entity

- (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity to the extent that such limitation may affect



- Business Associate's use or disclosure of PHI.
- (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclosure of PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
  - (3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to for an Individual to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
  - (4) Neither the Covered Entity nor the Employer shall request that Business Associate use or disclose PHI in a manner that violates the provisions of the Plan, the Covered Entity's privacy policy or the Privacy or Security Rule. With respect to any use, disclosure or request for PHI described 45 CFR section 502(b)(1), Covered Entity and Employer shall not require Business Associate to use or disclose more than a limited data set as defined in 45 CFR section 164.514(e)(2) or, if needed, more than the minimum necessary to accomplish the intended purpose of such use, disclosure or request.

e. Termination and Survivability

- (1) Upon either party's knowledge of a material breach by the other party of this Section 6 ("Business Associate Provisions"), the non-breaching party shall either:
  - a. Provide an opportunity for the breaching party to cure the breach or end the violation, and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the Covered Entity; or
  - b. Immediately terminate this Agreement if the breaching party has breached a material term of this Section and cure is not possible; or
  - c. If neither termination nor cure is feasible, the non-breaching party shall report the violation to the Secretary of the Department of Human Services.
- (2) Business Associate shall upon request of Covered Entity or upon termination for any reason of this Agreement, return to Covered Entity or destroy all PHI, including copies, abstractions, and compilations thereof, received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall not retain any copies of the PHI.
- (3) In the event Business Associate determines that returning or destroying PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible and Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such PHI.

f. Miscellaneous

- (1) Regulatory references. A reference in this Agreement to the Privacy Rule or a section in the Privacy Rule or Security Rule means that rule or section as amended from time to time.
- (2) Compliance with law. In connection with its performance under this Agreement, the parties shall comply with all applicable laws, including but not limited to the

Privacy Rule, the Security Rule, ARRA and other applicable laws protecting the privacy of personal information about individuals.

- (3) Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for each party to comply with the requirements of the Privacy Rule and Security Rule and the Health Insurance Portability and Accountability Act of 1996 and ARRA.
- (4) Survival. The respective rights and obligations of Business Associate under Section 6 of this Agreement shall survive the termination of this Agreement.
- (5) Interpretation. Any ambiguity in this Section ("Obligations of Business Associate") shall be resolved to permit Covered Entity to comply with the Privacy Rule and Security Rule and ARRA.

**7. Reservation of Discretionary Authority.**

The Plan Administrator is the primary fiduciary with respect to the operation of the Plan, and reserves complete discretion to construe or to interpret the provisions of the Plan, to determine eligibility for benefits from the Plan, and to determine the type and extent of benefits, if any, to be provided by the Plan. The Plan Administrator's decisions in these matters shall be controlling, binding, and final. By this Agreement the Plan Administrator is delegating to Principal such ministerial authority as is necessary to process or otherwise resolve undisputed claims, eligibility questions, or other matters governed by this Agreement; but the Plan Administrator reserves ultimate authority with respect to those and all other aspects of the Plan. In any action to review any decision by the Plan Administrator, the Plan Administrator shall be deemed to have exercised its discretion properly unless it is proved duly that the Employer has acted arbitrarily and capriciously.

**8. Liability to Others**

- a. The Employer agrees to indemnify, defend and hold harmless Principal for any and all liability, including but not limited to reasonable attorney fees, arising in any way from any claim for eligibility in or benefits from the Plan except as to Principal's duty to indemnify the Employer as stated in Paragraph 3(a) and (b) of this Agreement. In addition, the Employer agrees to indemnify Principal for any and all liability, including but not limited to reasonable attorney fees arising in any way from (i) the claims of third parties in any case in which Principal has acted in accordance with this Agreement, the Plan or the directions of or information provided by the Plan Administrator; or (ii) any recovery or attempted recovery against Principal with respect to benefits paid by Medicare under statutes or regulations governing the coordination of benefits between the Plan and Medicare, including but not limited to 42 U.S.C. Section 1395y.
- b. Because a third party may assert a claim against one or both of these Parties which is not described in Paragraph 8a, any such claim is a responsibility of these Parties jointly or individually as determined by the actual circumstances of the claim. Accordingly the Employer and Principal agree to cooperate in responding to any such claim and to apportion any liability, including but not limited to reasonable attorney fees, as between themselves according to those actual circumstances of the claim.
- c. If any claim described in either Paragraph 8a or 8b results in litigation, these Parties agree to confer promptly and in good faith to determine whether it is governed by 8a or by 8b, and then how best to proceed cooperatively in defense.

**9. Resolution of Disputes**

The Parties agree to act in utmost good faith to resolve any controversy or dispute arising out of or related to this Agreement promptly through negotiations of executives or responsible representatives of each Party. In the event of a dispute, the disputing Party shall give the other Party written notice of the dispute and, within twenty (20) days of receiving that notice, the receiving Party shall present its response. Both the notice and the response shall include a statement of each Party's position, a summary of the evidence and arguments supporting its position, and the name of the executive or other representative who will negotiate on behalf of that Party. Negotiations shall be held at a mutually acceptable time and place, beginning no later than thirty (30) days following the receiving Party's receipt of the notice of the dispute, and continuing thereafter as often as the negotiators reasonably deemed necessary to resolve the dispute. Unless otherwise agreed, if the dispute has not been resolved within sixty (60) days from the first negotiation session, or if this negotiation process has not been fulfilled by either or both of the Parties, then either Party may pursue any and all other available legal remedies. Any legal claim by Principal against Employer shall be made in compliance with the California Tort Claims Act.

**10. Assignment**

This is a contract for specific services. Neither Party may assign or further delegate any of its rights or obligations without the written consent of the other Party, except that Principal may assign its rights and obligations to a corporate affiliate with prompt written notice to the Employer.

**11. Force Majeure**

The obligations of either Party under this Agreement shall be suspended during the continuance of any force majeure applicable to that Party. For this purpose, the term "force majeure" means any cause not reasonably within the control of the Party claiming suspension of obligations, including but not limited to acts of God, war, riot, weather-related disaster, earthquake, governmental action, and unavailability or breakdown of necessary equipment. The Party claiming suspension of obligations shall take reasonable steps to resume performance as soon as possible without incurring unreasonably excessive costs.

**12. Whole Agreement**

This Agreement constitutes the entire contract between these Parties with respect to the subject matter hereof and supersedes all oral negotiations and prior understandings between the Parties, whether oral or written.

**13. Amendment or Revision**

This Agreement may be amended or modified only by a written instrument, signed by authorized representatives of both Parties and designated as an Addendum or otherwise identified by these Parties to this Agreement. The failure of either party to require strict adherence of the other to the requirements of this Agreement shall in no way affect the perspective rights of either party to enforce same nor shall any waiver of any breach of this contract be construed as a waiver of any subsequent breach or a waiver of modification of the provisions of this Agreement.

**14. No Third Party Beneficiaries.**

This Agreement and the terms and provisions hereof are solely for the benefit of named parties to this Agreement and shall not benefit in any way or confer any rights upon any person not specifically a party to this Agreement.

**15. Notices**

All notices or other communications required or permitted to be made under this Agreement shall be in writing and shall be deemed to have been given on the earliest of the date of actual delivery or receipt, and shall be addressed to the Parties at:

To Employer: The City of Carson  
701 E. Carson Street  
Carson, CA 90745  
Attn: Director of Human Resources and Risk Management  
Copy to: City Manager  
Fax: (310) 830-2741

To Principal: Principal Life Insurance Company  
711 High Street  
Des Moines, IA 50392  
Attn Account Manager  
Fax (866)389-7671

**16. Choice of Law and Severability**

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California in a court of competent jurisdiction in the County of Los Angeles. If any provision of this Agreement is held to be unenforceable by a court or regulatory agency of competent jurisdiction, then the remaining provisions shall continue in full force and effect.

**17. Term and Termination**

- a. The initial term of this Agreement will begin on the Effective Date and continue until November 1, 2018. Thereafter, unless earlier terminated by either Party, this Agreement may be renewed at Employer's sole option for up to three successive one-year terms.
- b. This Agreement is terminable by Principal upon written notice if Employer fails to maintain adequate funds in the Plan Account to pay all Plan benefits in the ordinary course of business, or fails to make prompt payment in full of the fees and expenses due to Principal for the performance of this Agreement, or if the benefits of the Plan fail to qualify as Excepted benefits.
- c. Following the initial term of this Agreement, this Agreement may be terminated by either Party upon ninety (90) days' notice to the other Party, with or without cause.
- d. Principal will provide administrative services with respect only to claims incurred on or before the date of termination for a period of 90 days following the termination date. Plan Administrator shall maintain adequate funds in the Plan Account during this time period to fund such claims. All provisions of this Agreement shall apply. Any claims received by

Principal within 90 days of termination shall be referred back to Employer. Any claims received by Principal after 90 days of termination will be destroyed with written notice of same to Employer and phone calls will be referred to the new claims administrator.

**18. Insurance**

a. Insurance Required. Principal shall maintain the following insurance coverages:

- (1) Commercial General Liability Insurance for bodily injury (including death) and property damage which provides limits of not less than Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate as respects products/completed operations if applicable.

a. Coverages included shall be:

- i. Premises and Operations;
- ii. Broad Form Property Damage;
- iii. Blanket Contractual Liability;
- iv. Products/Completed Operations;
- v. Personal Injury Liability;
- vi. Cross-liability and Severability of Interest; and
- vii. Independent Contractors Liability.

- (2) Automobile Liability Insurance for bodily injury (including death) and property damage which provides coverage limits of not less than One Million Dollars \$1,000,000 combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

- (3) Statutory Workers' Compensation and Employers' Liability Insurance for not less than One Million Dollars (\$1,000,000) per occurrence applicable to Employers' Liability coverage for all employees engaged in services or operations under this Agreement. The policy shall include broad form all-states/other states coverage. Coverage shall be specifically endorsed to include the insurer's waiver of subrogation in favor of Employer, its directors, officers, representatives, agents and employees, a copy of which shall be provided to Employer. Should any such work be subcontracted, Principal shall require each subcontractor of any tier similarly to comply with this Paragraph 18, all in strict compliance with federal and state laws.

- (4) Professional Liability Insurance for damages arising out of Principal's acts, errors or omissions. The policy shall provide a coverage limit of not less than Five Million Dollars (\$5,000,000) per claim/aggregate as respects Principle's services under this Agreement. Such insurance shall be maintained for a period of not less than three (3) years following termination or expiration of this Agreement.

- (5) Network Security and Privacy Liability Insurance with a minimum limit of Five Million dollars (\$5,000,000) per claim, including coverage for third party notification, credit monitoring and fraud protection.

- (6) Fidelity/Commercial Crime Insurance with minimal limits per claim of Two Million Dollars (\$2,000,000).

b. Special Provisions

- (1) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Principal, and any approval of said insurance by the Employer or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Principal pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
- (2) Employer acknowledges that some insurance requirements contained in this Paragraph 18 may be fulfilled by a funded self-insurance program of Principal. However, this shall not in any way limit liabilities assumed by Principal under this Agreement.
- (3) Should any of the work under this Agreement be subcontracted, Principal shall require each of its subcontractors of any tier to provide the aforementioned coverages, or Principal may insure subcontractor(s) under its own policy(ies).
- (4) Employer reserves the right to withhold payments to Principal in the event of material noncompliance with the insurance requirements of this Paragraph 18.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have signed this Amendment on the dates indicated below.

CITY:

CITY OF CARSON, a California municipal corporation

  
Albert Robles, Mayor

Date: \_\_\_\_\_

ATTEST:

  
Donesia L. Gause, City Clerk

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

  
Sunny K. Soltani, City Attorney  
[MGM]

CONSULTANT:

PRINCIPAL LIFE INSURANCE COMPANY, an Iowa corporation

By: Kara M. K. Hoogensen  
Name: Kara M. K. Hoogensen  
Title: Vice President  
Date: 11.8.2017

By: Kenneth S. Galt  
Name: Kenneth S. Galt  
Title: Vice President  
Date: 11.8.2017

Address: \_\_\_\_\_  
\_\_\_\_\_

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

**IOWA NOTARY ACKNOWLEDGMENTS**  
[EACH PARTY SIGNATURE must be notarized individually.]

**Acknowledgment of Individual**

STATE OF IOWA

COUNTY OF Polk

On this 8th day of November, 2017, before me, a Notary Public, personally appeared Kara Henningsen, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their voluntary act and deed.

\_\_\_\_\_  
Notary Public

Print Name: Christine Toledo

(Seal, if any)



My commission expires: 07/24/2020



**IOWA NOTARY ACKNOWLEDGMENTS**  
[EACH PARTY SIGNATURE must be notarized individually.]

**Acknowledgment of Individual**

STATE OF IOWA

COUNTY OF Polk

On this 8<sup>th</sup> day of November, 2017, before me, a Notary Public, personally appeared Randall G. Colzer, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their voluntary act and deed.

\_\_\_\_\_  
Notary Public

Print Name: Christine Toledo

(Seal, if any)

My commission expires: 07/24/2020



#### FEE ADDENDUM 1

The following fees will be determined annually by The Principal Life Insurer as otherwise provided in the Agreement.

Administrative Services Fee	
Dental	\$6.20 per employee

Broker Fee	\$1.50 per employee
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Client Name Acct Number and Eff Date

Classification: Customer Confidential

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