

Richard A. White, Jr.
Retirement Administrator



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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: February 19, 2014
To: Board of Retirement
From: Richard White, Retirement Administrator *rw*
Subject: Actuarial Services Contract

Summary: The agreement between MCERA and Segal Consulting for actuarial services expires June 30, 2014 which makes it necessary for the Board of Retirement to approve a new three-year agreement for continued actuarial services.

Staff Recommendation: Approve Standard Services Agreement for actuarial services with Segal Consulting for the period of July 1, 2014 through June 20, 2017 at the service fees contained in the agreement.

Background: The Board of Retirement engaged the actuarial services of Segal Consulting in March, 2011 for a three-year term which expires on June 30, 2014. Segal was hired by the Board subsequent to a competitive search for an actuarial service provider in 2011.

Discussion: The Board of Retirement chose to hire Segal Consulting for actuarial services based upon a competitive search process conducted in 2011 after the Board decided not to continue the relationship with the prior actuary. Actuaries with special knowledge of 1937 Act retirement systems is limited with Segal Consulting providing actuarial services to over one-half of these systems and they also provide actuarial services to other California public retirement systems, as well, which makes them a premier and very experience provider of actuarial services in this state.

The Board of Retirement, MCERA staff and our plan sponsors have had the opportunity to work with Segal Consulting over the past three years on the annual actuarial valuations, one triennial study and numerous special projects – such as the recently adopted actuarial funding policy and the new PEPPA tiers. For the perspective of staff, it appears that the relationship with Segal Consulting and our consulting actuaries (Andy Yeung and Paul Angelo) has been very positive and a continued relationship is desirable. Our retirement system to the direct south has also recently renewed their contract with Segal Consulting. Thus, it not recommended that the Board conduct another formal search process at this time and opt to renew the existing contract with Segal Consulting.

As to the contract, the new contract is similar to the current one with a couple of notable additions:

- This contract adds a “key person” provision to the contract which can be found under General Terms and Conditions number 5 (Actuary’s agents). This provision designates Paul Angelo as a principal agent on the contract and provides protection to MCERA that Mr. Angelo will continue to service as our principal consulting actuary.
- This contract adds compliance with the new GASB Statement No. 67 regulations as a new task to be performed by the actuary. Please note that Segal has provided an overview of the scope of work necessary to implement the new disclosures which will require significant actuarial work and coordination between MCERA and our plan sponsors. The amount of work required is not able to be defined at this point. As a result, Segal recommends establishing an additional budget item amount of \$20,000 to \$40,000 to cover these costs that will be billed at the hourly rates in the contract.
- Annual fees have been revised for the new three year term for the annual actuarial valuation, the triennial experience study and the quarterly retainer fee. The hourly rate schedule for work performed outside the scope of the aforementioned items has also been revised.

The proposed contract is included for your review and discussion.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STANDARD SERVICES AGREEMENT**

This Agreement ("Agreement"), dated as of _____, 2014, is by and between the Mendocino County Employees' Retirement Association ("MCERA"), and Segal Consulting ("ACTUARY"), for the performance of actuarial services.

RECITALS

WHEREAS, MCERA may retain independent contractors to perform special services to or for MCERA pursuant to the County Employees' Retirement Law of 1937 (the "37 Act"); and

WHEREAS, MCERA desires to obtain Actuarial Consulting Services; and

WHEREAS, MCERA desires to engage ACTUARY to perform actuarial services as required by the 37 Act including but not limited to Government Code section 31453; and

WHEREAS, ACTUARY represents and warrants that it meets the standards of a qualified actuary in accordance with the provisions of the Employee Retirement Income Security Act of 1974 and that it has special experience and qualifications in providing actuarial services for retirement systems operating under the 37 Act; and

NOW, THEREFORE it is agreed that MCERA does hereby retain ACTUARY to provide the services described in Exhibit "A", and ACTUARY accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A Definition of Services
Exhibit B Payment Terms
Exhibit C Insurance Requirements

The term of this Agreement shall be from July 1, 2014 through June 30, 2017.

The compensation payable to ACTUARY hereunder shall not exceed the Payment Terms described in Exhibit B, and shall be paid in arrears on a quarterly basis for the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MCERA:

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

By: _____
Richard A. White
Retirement Administrator

ACTUARY:

SEGAL CONSULTING

By: _____
Signature
Name: _____
Title: _____

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

SEGAL CONSULTING ADDRESS:

100 Montgomery Street, Suite 500
San Francisco CA 94104-4308

ATTEST:

By: _____
Judy Zeller
Administrative Assistant

INSURANCE REQUIREMENTS:

KRISTIN McMENOMEY, Director
General Services Agency

By: _____
Risk Manager

APPROVED AS TO FORM:

By: _____
Jeff Berk
MCERA Legal Counsel

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR STATUS:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that ACTUARY is acting in the capacity of an independent contractor. ACTUARY is not the agent or employee of MCERA in any capacity whatsoever, and MCERA shall not be liable for any acts or omissions by ACTUARY nor for any obligations or liabilities incurred by ACTUARY.

ACTUARY shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

ACTUARY shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold MCERA harmless from any and all liability which MCERA may incur because of ACTUARY's failure to pay such amounts.

In carrying out the work contemplated herein, ACTUARY shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of MCERA.

ACTUARY does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and County laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of MCERA is to insure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by MCERA.

Notwithstanding the foregoing, if MCERA determines that pursuant to state and federal law ACTUARY is an employee for purposes of income tax withholding, MCERA may upon two (2) week's written notice to ACTUARY, withhold from payments to ACTUARY hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **STANDARD OF CARE:** ACTUARY represents and warrants that it meets the standards of a qualified ACTUARY under the provisions of the Employee Retirement Income Security Act of 1974, and that it has specific experience providing services to public retirement systems, and, in particular, systems organized and operating under the 37 Act. ACTUARY further agrees that it shall perform its obligations under this Agreement with the competence, care, skill, prudence and diligence prevailing in the actuarial industry and which a prudent person acting in a like capacity to that of ACTUARY and familiar with actuarial services would use in the conduct of a like enterprise with like aims. ACTUARY shall be responsible for and cause any and all of its employees, agents and representatives providing services in connection with this Agreement to exercise the same Standard of Care.
3. **QUALITY OF SERVICES:** ACTUARY's services will meet the requirements and standards set forth in this Agreement. ACTUARY will promptly correct any errors or omissions in the provision of such services, at no cost or expense to MCERA, in a timely manner after requested by MCERA.
4. **ACTUARY's WORK SCHEDULE:** ACTUARY and MCERA will agree in advance on ACTUARY's work schedule.
5. **ACTUARY's AGENTS:** ACTUARY designates Paul Angelo, FSA, as its principal agent to perform the services described in Exhibit A. Actuary will not remove said individual or ACTUARY's Project Manager from the work without the prior written consent of MCERA's Retirement Administrator, which MCERA may withhold in its discretion, but such restriction shall not apply to instances of employment termination, serious illness, death, or other cause beyond ACTUARY's control.

Upon request by MCERA's Retirement Administrator, ACTUARY will replace any additional personnel or subcontractors assigned by ACTUARY to perform services under this Agreement, who are in MCERA's opinion, unable to effectively carry out the responsibilities of this Agreement.

6. **INDEMNIFICATION OF MCERA:** ACTUARY shall indemnify, defend, and hold harmless MCERA, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever including damages to property and injuries to, or death of persons, reasonable attorney's fees, expert fees and court costs occurring or resulting, or alleged to be occurring or resulting, to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connections with ACTUARY's performance or its obligations under this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting, or alleged to be occurring or resulting, to any person, firm, or corporation for damage, injury, or death arising out of or connected with ACTUARY's performance of its obligations under this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of MCERA. "ACTUARY's performance" includes ACTUARY's action or inaction and the action or

inaction of ACTUARY's officers, employees, agents and subcontractors.

7. **INSURANCE AND BOND:** ACTUARY shall at all times during the term of the Agreement with MCERA maintain in force those insurance policies designated in the attached Exhibit C, and will comply with all those requirements as stated therein.
8. **WORKERS' COMPENSATION:** ACTUARY shall provide Workers' Compensation insurance, as applicable, at ACTUARY's own cost and expense and further, neither ACTUARY nor its carrier shall be entitled to recover from MCERA any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
9. **CONFORMITY WITH LAW AND SAFETY:**
 - A. In performing services under this Agreement, ACTUARY shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. ACTUARY shall indemnify and hold MCERA harmless from any and all liability, fines, penalties and consequences from any of ACTUARY's failures to comply with such laws, ordinances, codes and regulations.
 - B. **Accidents.** If a death, serious personal injury or substantial property damage occurs in connection with ACTUARY's performance of this Agreement, ACTUARY shall immediately notify Mendocino County Risk Manager's Office by telephone. ACTUARY shall promptly submit to MCERA a written report, in such form as may be required by MCERA of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of ACTUARY's sub-contractor, if any; (3) name and address of ACTUARY's liability insurance carrier; and (4) a detailed description of the accident and whether any of MCERA's equipment, tools, material, or staff were involved.
 - C. **CONTRACTOR** further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the COUNTY the opportunity to review and inspect such evidence, including the scene of the accident.
10. **PAYMENT:** For services performed in accordance with this Agreement, payment shall be made to ACTUARY as provided in Exhibit B.
11. **TRAVEL EXPENSES:** ACTUARY shall not be allowed or paid travel expenses unless set forth in this Agreement.

12. **TAXES:** Payment of all applicable federal, state, and local taxes shall be the sole responsibility of ACTUARY.
13. **OWNERSHIP OF DELIVERABLES:** Except to the extent that they incorporate ACTUARY'S proprietary software, know-how, techniques, methodologies and report formats (collectively, "ACTUARY's Proprietary Information"), all documents, data, and other tangible materials authored or prepared and delivered by ACTUARY to MCERA under the terms of this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of MCERA, once paid for by MCERA. To the extent that ACTUARY's Proprietary Information is incorporated into such Deliverables, MCERA shall have a perpetual, nonexclusive, worldwide, royalty-free license to use, copy, and modify ACTUARY's Proprietary Information as part of the Deliverables, in the ordinary course of MCERA'S business.

In ACTUARY's contracts with other contractors, ACTUARY shall expressly obligate its Subcontractors to grant MCERA the aforesaid assignment and license rights as to that ACTUARY's Documents and Materials. ACTUARY agrees to defend, indemnify and hold MCERA harmless from any damage caused by a failure of ACTUARY to obtain such rights from its Actuaries and/or Subcontractors.

ACTUARY shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by ACTUARY and incorporated into the Deliverables.

MCERA's rights under this paragraph 13 shall not extend to any computer software used to create such Deliverables.

14. **CONFLICT OF INTEREST:** ACTUARY covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement. Without limitation, ACTUARY represents to and agrees with MCERA that ACTUARY has no present, and will have no future, conflict of interest between providing MCERA services hereunder and any other person or entity which has any interest adverse or potentially adverse to MCERA, as determined in the reasonable judgment of the Retirement Administrator.

This conflict of interest and future service provisions and limitations shall remain fully effective five (5) years after termination of services to MCERA hereunder.

15. **CONFIDENTIALITY:** ACTUARY agrees that any information, whether proprietary or not, made known to or discovered by during the performance of or in connection with this Agreement for MCERA, will be kept confidential and will not be disclosed to any other person. ACTUARY agrees to immediately

notify MCERA by written notice in accordance with Paragraph 17 of this Agreement if requested to disclose any information made known to or discovered by during the performance of or in connection with this Agreement.

- A. Member Records. ACTUARY acknowledges that when performing services under this Agreement, ACTUARY may be exposed to member records and that such member records are considered confidential and protected from public disclosure by law. ACTUARY will maintain the confidentiality of all member records according to all applicable federal, state, county and local laws, regulations, ordinances and directives relating to confidentiality.

ACTUARY will inform all of its Agents of the confidentiality provisions of this Agreement.

- B. MCERA's Proprietary Rights. Except to the extent that they incorporate ACTUARY's trade secrets, proprietary software, techniques, methodologies and report formats (collectively, "ACTUARY'S Proprietary Information"), all documents, data and other tangible materials authored or prepared and delivered by ACTUARY to MCERA under the terms of this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of MCERA, once paid for by MCERA. To the extent that ACTUARY'S Proprietary Information is incorporated into such Deliverables, MCERA shall have a perpetual, nonexclusive, worldwide, royalty-free license to use, copy, and modify ACTUARY'S Proprietary Information as part of the Deliverables, in the ordinary course of its business.
- C. MCERA'S Policies, Procedures and Strategies. ACTUARY will protect the security of and keep confidential all materials, data, and other information received by ACTUARY regarding MCERA's assets and its policies, procedures and strategies for the evaluation, acquisition, development, management and disposition of same.
- D. ACTUARY'S Proprietary Materials. Absent ACTUARY'S written consent authorizing disclosure, MCERA will use all reasonable means to protect and maintain the confidentiality of any of ACTUARY'S materials which ACTUARY considers to be proprietary, so long as public disclosure of such material is not required by law. In the event an action is commenced against MCERA under the California Public Records Act or otherwise which challenges MCERA'S refusal to disclose ACTUARY'S proprietary material, ACTUARY will defend MCERA in the action at ACTUARY'S expense, and will pay any judgment for damages or attorneys' fees that may be entered as a result of MCERA's refusal to disclose ACTUARY'S confidential material.

16. REGARDING THE PLAN SPONSORS AND EMPLOYEE ASSOCIATIONS:

A. ACTUARY acknowledges that:

1. The County of Mendocino, the Mendocino County Superior Court, and the Russian River Cemetery District are the plan sponsors of the pension trust fund administered by MCERA, and an actual or potential conflict of interest would arise in the event ACTUARY should perform any Actuarial Work for the plan sponsors or any employee association during the term of this Agreement and any renewals hereof; and
2. ACTUARY's making available to the plan sponsors or Employee Association, intentionally or otherwise, any MCERA Information could substantially impact MCERA's ability to effectively administer the pension trust fund.

B. As a material inducement to MCERA to enter into this Agreement, ACTUARY agrees that during and after the term of this Agreement and all renewals hereof, if any, ACTUARY shall not, without the prior written consent of MCERA, which consent MCERA may withhold in its sole and absolute discretion:

1. Intentionally or otherwise make available any MCERA information to the plan sponsors or to any employee association; and
2. Perform any actuarial work related to MCERA pension issues for the plan sponsors or any employee association.

17. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox.

Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/OHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Telex or facsimile transmission: When sent by telex or facsimile to the last

telex or facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by telex or facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To MCERA: Mendocino County Employees'
Retirement Association
625-B Kings Court
Ukiah, CA 95482
Attn: Board of Retirement

To ACTUARY: Segal Consulting
100 Montgomery Street, Suite 500
San Francisco, CA 94101-4308
Attn: Paul Angelo, Senior Vice President
And Actuary

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

18. USE OF MCERA PROPERTY: ACTUARY shall not use MCERA property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.

19. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: ACTUARY certifies that it is in compliance with the Equal Employment Opportunity Requirement of Executive Order 11246, as amended by Executive Order 11375 and supplemented 145CFR, Part 60, Title VII of the Civil Rights Act and any other federal or state laws pertaining to equal employment opportunity and that it shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, age, sex, national origin, ancestry, marital status, political affiliation or physical or mental condition, in matters pertaining to recruitment, hiring, training, upgrading, transfer, compensation or termination.
 - A. ACTUARY shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an

"Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.

- B. ACTUARY shall, if requested to so do by MCERA, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - C. If requested to do so by MCERA, ACTUARY shall provide MCERA with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
 - D. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act, which is prohibited by law.
 - E. ACTUARY shall include the provisions set forth in paragraphs A through D (above) in each of its subcontracts.
20. DRUG-FREE WORKPLACE: ACTUARY and ACTUARY's employees shall comply with MCERA's policy of maintaining a drug-free workplace. Neither ACTUARY nor ACTUARY's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at the MCERA work site. If ACTUARY or any employee of ACTUARY is convicted or pleads *nolo contendere* to a criminal drug statute violation occurring at the MCERA work site, ACTUARY, within five days thereafter, shall notify MCERA. Violation of this provision shall constitute a material breach of this Agreement.
21. ENERGY CONSERVATION: ACTUARY agrees to comply with the mandatory standards and policies relating to energy efficiency in the State of California Energy Conservation Plan, (Title 24, California Code of Regulations), if applicable.
22. COMPLIANCE WITH LICENSING REQUIREMENTS: ACTUARY shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with the office of MCERA.
23. AUDITS ; ACCESS TO RECORDS: ACTUARY shall make available to MCERA, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to MCERA, and shall furnish to MCERA, its

authorized agents, officers or employees such other evidence or information as MCERA may require with regard to any such expenditure or disbursement charged by ACTUARY .

ACTUARY shall maintain full and adequate records in accordance with MCERA requirements to show the actual costs incurred by ACTUARY in the performance of this Agreement. If such books and records are not kept and maintained by ACTUARY within the County of Mendocino, California, ACTUARY shall, upon request of MCERA, make such books and records available to MCERA for inspection at a location within County or ACTUARY shall pay to MCERA the reasonable, and necessary costs incurred by MCERA in inspecting ACTUARY's books and records, including, but not limited to, travel, lodging and subsistence costs. ACTUARY shall provide such assistance as may be reasonably required in the course of such inspection. MCERA further reserves the right to examine and reexamine said books, records and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by MCERA, and ACTUARY shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after MCERA makes the final or last payment or within four (4) years after any pending issues between MCERA and ACTUARY with respect to this Agreement are closed, whichever is later.

24. TIME OF ESSENCE: Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.
25. TERMINATION BY MCERA FOR CONVENIENCE: MCERA has and reserves the right to suspend, terminate or abandon the execution of any work by ACTUARY without cause at any time upon giving to ACTUARY ten (10) days prior written notice. In the event that MCERA should abandon, terminate or suspend ACTUARY's work, ACTUARY shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit B hereto prior to the effective date of said suspension.
26. TERMINATION BY MCERA FOR DEFAULT: MCERA may immediately terminate all or any part of this Agreement by delivering to ACTUARY a written Notice of Termination for Default that specifies the Effective Termination Date, under any one of the following circumstances:
 - A. Upon notice and with ten (10) calendar days to cure the default, if ACTUARY fails to perform the work specified in this Agreement within the time specified or any extension thereof;

- B. If ACTUARY fails to perform any other provision of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances fails to cure such default within ten (10) calendar days (or such longer period as MCERA may authorize in writing) after receipt of written notice from MCERA specifying such default;
- C. Upon notice but without further cure period, if ACTUARY repeatedly fails to perform according to this Agreement following notice and failure to cure;
- D. Upon notice and with ten (10) days to cure the default, if ACTUARY materially breaches any of the warranties, representations and covenants made in this Agreement;
- E. Without notice or cure period if ACTUARY is subject to criminal indictment or conviction, or is found civilly or criminally liable by a trial court, jury or administrative body in connection with any matter involving breach of trust, breach of fiduciary duty, fraud, or theft; or
- F. Without notice or cure period if ACTUARY attempts or purports to assign this Agreement, or any portion hereof, or any of its rights or obligations hereunder, without obtaining MCERA's prior written consent.

27. RIGHTS, REMEDIES AND RESPONSIBILITIES UPON TERMINATION: If this Agreement is terminated, all of the terms and conditions of this Agreement shall continue to apply through the effective termination date. The following provisions also apply to any termination of this Agreement.

- A. Post-Termination Responsibilities. If MCERA terminates this Agreement, and unless otherwise expressly directed by MCERA, ACTUARY will: (i) take all necessary steps to stop providing services under this Agreement on the effective termination date, or sooner, as provided in the notice of termination and (ii) continue to perform those services, if any, which are not terminated.
- B. Recovery of Reasonable Damages Upon Default. If MCERA terminates this Agreement in whole or in part for default pursuant to Section 26 above, MCERA is entitled to recover from ACTUARY all reasonable damages resulting from such default. By way of example and not limitation, MCERA may procure, upon such terms and in such manner as MCERA may deem appropriate, services similar to those terminated, and ACTUARY will be liable to MCERA for any excess cost of such similar services.
- C. Payment When Terminated for Convenience. If MCERA terminates this Agreement for convenience pursuant to Section 25 above, MCERA will pay ACTUARY for work already satisfactorily performed but for which ACTUARY has not been compensated through the effective termination

date.

- D. **Payment Withheld for Default.** MCERA shall not authorize and shall withhold payment for services provided if MCERA terminates this Agreement for default pursuant to Section 26 above. In the event the damages caused by such default are less than the withheld payment for services, MCERA will pay the amount withheld in excess of the damages to ACTUARY.
 - E. **Excusable Default.** If, after MCERA issues a notice of termination for default pursuant to Section 26 above, it is determined for any reason that ACTUARY was not in default, or that such default was excusable, then the rights and obligations of the parties will be the same as if MCERA had issued a notice of termination for convenience pursuant to Section 25.
 - F. **Good Faith Transfer.** Upon any termination of this Agreement by MCERA, and to the extent directed by MCERA, ACTUARY will cooperate with MCERA in good faith to affect a smooth and orderly transfer of such services and all applicable records to a successor designated by MCERA. Upon termination of this Agreement, ACTUARY will retain all MCERA records according to the record retention provisions set forth above.
 - G. **Cumulative Nature of Rights and Remedies.** The rights and remedies provided MCERA by this Section are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any other provisions of this Agreement. The running of any grace period for cure of a default pursuant to Section 26 above does not limit MCERA's right to terminate this Agreement for convenience at any time, pursuant to Section 25 above.
28. **CHOICE OF LAW:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
29. **ADVERTISING OR PUBLICITY:** ACTUARY shall not use the name of MCERA, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of MCERA in each instance.
30. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between MCERA and ACTUARY relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written

document signed by both parties.

31. **HEADINGS:** Herein are for convenience of reference only and shall in no way affect interpretation of the Agreement.
32. **MODIFICATION OF AGREEMENT:** This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
33. **ASSURANCE OF PERFORMANCE:** If at any time MCERA believes ACTUARY may not be adequately performing its obligations under this Agreement or that ACTUARY may fail to complete the Services as required by this Agreement, MCERA may request from ACTUARY prompt written assurances of performance and a written plan acceptable to MCERA, to correct the observed deficiencies in ACTUARY's performance. ACTUARY shall provide such written assurances and written plan within ten (10) calendar days of its receipt of MCERA's request and shall thereafter diligently commence and fully perform such written plan. ACTUARY acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.
34. **SUBCONTRACTING/ASSIGNMENT:** ACTUARY shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without MCERA's prior written approval.
 - A. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
 - B. ACTUARY shall use the subcontractors identified in Exhibit A and shall not substitute subcontractors without MCERA's prior written approval.
 - C. ACTUARY shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between ACTUARY and its subcontractors.
35. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 6), Ownership of Deliverables (Paragraph 13), and Conflict of Interest (Paragraph 14), shall survive termination or expiration.
36. **SEVERABILITY:** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this

Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

37. **PATENT AND COPYRIGHT INDEMNITY:** ACTUARY represents that it knows of no allegations, claims, or threatened claims that the Deliverables provided to MCERA under this Agreement infringe any third party's patent, copyright or other proprietary right. ACTUARY shall defend, indemnify and hold harmless MCERA of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that the Deliverables or the use thereof for their intended purpose, infringe any patent, copyright or other proprietary right of any third party.
- A. MCERA will: (1) notify ACTUARY promptly of such claim, suit or assertion; (2) permit ACTUARY to defend, compromise, or settle the claim; and, (3) provide, on a reasonable basis, information to enable ACTUARY to do so. ACTUARY shall not agree without MCERA's prior written consent, to any settlement, which would require MCERA to pay money or perform some affirmative act in order to continue using ACTUARY Products.
1. If ACTUARY is obligated to defend MCERA pursuant to this Section 37 and fails to do so after reasonable notice from MCERA, MCERA may defend itself and/or settle such proceeding, and ACTUARY shall pay to MCERA any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with MCERA's defense and/or settlement of such proceeding.
- a. In the case of any such claim of infringement, ACTUARY shall either, at its option, (1) procure for MCERA the right to continue using the Deliverables; or (2) replace or modify the Deliverables so that that they become non- infringing, but equivalent in functionality and performance.
- b. Notwithstanding this Section 37, MCERA retains the right and ability to defend itself, at its own expense, against any claims that the Deliverables infringe any patent, copyright, or other intellectual property right.
38. **OTHER AGENCIES:** Other tax supported agencies within the State of California who have not contracted for their own requirements may desire to participate in this contract. ACTUARY is requested to service these agencies and will be given the opportunity to accept or reject the additional requirements. If ACTUARY elects to supply other agencies, orders will be placed directly by the agency and payments made directly by the agency.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT A

DEFINITION OF SERVICES

I. Actuarial Services Overview

The 37 Act requires an actuarial valuation covering the mortality, service and compensation experience of the members and beneficiaries (as well as the assets and liabilities of the retirement fund) at intervals not to exceed three (3) years.

Pursuant to the MCERA Board policy, an actuarial valuation is performed annually. An experience investigation of economic and non-economic assumptions is performed every third year.

A. June 30, 2014, 2015 and 2016 Actuarial Valuation Studies.

ACTUARY will do all of the following:

- (1) Conduct the June 30, 2014, 2015 and 2016 Actuarial Valuations;
- (2) Attend one meeting annually with the MCERA Board to present and discuss the results of the actuarial valuation studies.

B. Experience Investigation for the period July 1, 2011 through June 30, 2014.

ACTUARY will do all of the following:

- (1) Conduct an Experience Study for the period July 1, 2011 through June 30, 2014;
- (2) Attend one meeting with the Board to present and address the experience study findings and recommendations.

C. Routine Consulting Services.

As requested by MCERA, ACTUARY will perform routine short consulting services, paid through an annual retainer.

D. Benefit Calculations and Special Projects.

As requested by MCERA, ACTUARY will review benefit calculations and perform specified actuarial projects on an hourly time charge basis unless otherwise agreed upon in advance of the project. The scope of this work will be determined on a project-by-project basis.

II. Tasks to be performed by ACTUARY.

A. Annual June 30, 2014, 2015 and 2016 Actuarial Valuation Studies.

ACTUARY will do all of the following:

- (1) Conduct annual actuarial valuations, including a calculation of funding progress of the system based on the funding method used to develop the system's contribution requirements. Prepare final valuation report as of June 30 of each year containing findings and recommendations and certifying the methods and procedures, including an evaluation of assets and liabilities of the retirement fund, a determination of the rates of contributions for the next fiscal year and the disclosure items required under GASB Statement No. 25. Develop content and format to satisfy new disclosure requirements under GASB 67;
- (2) Provide the actuarial certification required for the Comprehensive Annual Financial Report (CAFR).

Twenty (20) bound copies and one (1) electronic copy of the written final report containing the annual valuation study shall be provided to the MCERA Board upon the later of (i) six (6) months from the date of the valuation, (ii) three (3) months following the date on which all required statistical and financial data is received from. Unless otherwise agreed by MCERA and ACTUARY, ACTUARY shall present and discuss the report of actuarial studies and recommendations with the MCERA Board (and other organizations if requested by the MCERA Board) generally during the January Board meeting.

Upon request, ACTUARY will also: (i) present and discuss the report of actuarial studies and recommendations when the studies are adopted by the Mendocino County Board of Supervisors or (ii) prepare schedules or review material prepared by MCERA for inclusion in the Comprehensive Annual Financial Report (CAFR). These services are not covered under the fees in Exhibit B for the annual valuations but will be billed on an hourly basis using the rates outlined in Exhibit B for additional services.

B. Experience Investigation for the period July 1, 2011 through June 30, 2014.

ACTUARY will do all of the following:

- (1) Perform an experience investigation and evaluation that covers the mortality, service and compensation experience of the members and beneficiaries;
- (2) Prepare a written report describing methods and procedures in arriving at the economic and non-economic assumptions, including but not limited to findings and recommendations on interest assumption rates and recommendations on changes in mortality tables for both general and safety members. Such analysis should include quantification of assumption changes in dollars and rate/percent change. Unless otherwise agreed by MCERA and ACTUARY, the experience investigation report will be presented to the MCERA Board by November, 2014. The final approved assumption changes resulting from the experience investigation will be included in the June 30, 2014 actuarial valuation study.

C. Routine Consulting Services.

ACTUARY shall provide as needed, routine actuarial services at the request of the MCERA Board or MCERA administrative staff, consisting of (but not limited to) the following:

- (1) Give consultation and advisory services on policy and administrative issues arising in the routine administration of MCERA;
- (2) Respond to any questions by the accounting firm under contract during the annual audit;
- (3) From time to time make recommendations to MCERA administrative staff relative to possible improvements in the financing and benefit structure of the fund and to give effect to new developments in the retirement industry, as well as keeping the Board apprised of current trends and progress within the actuarial profession;
- (4) Prepare letter to provide annual cost-of-living adjustment to retiree benefits to be granted on every April 1st.

D. Benefit Calculations and Special Projects.

ACTUARY shall provide as needed, actuarial services at the request of the MCERA Board or MCERA administrative staff, consisting of (but not limited to) the following:

- (1) Review IRC Section 415 limitation calculations for individual Member benefits;
- (2) Calculate or review any other special benefit determinations as requested;
- (3) Respond to special analysis and studies at the request of the Board or MCERA administrative staff;
- (4) Appear at selected meetings and hearings for discussion of actuarial standards and/or the principles used in the determination of the funding requirements;
- (5) Calculate the present value of any active member's community property interest in future pension benefits;
- (6) Calculate actuarial equivalents of disability retirement benefits in connection with actions by the Board against third parties causing MCERA liability.

EXHIBIT B

PAYMENT TERMS

MCERA will pay CONTRACTOR for Actuarial Services as described in the Actuarial Fee Proposal dated February 6, 2014 and attached to this Agreement.



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

VIA E-MAIL AND USPS

February 6, 2014

Mr. Rich White
Retirement Administrator
Mendocino County Employees' Retirement Association
625-B Kings Court
Ukiah, CA 95482-5027

Re: Actuarial Fee Proposal for a 3-Year Contract Renewal

Dear Rich:

We are very pleased to provide the Association our proposed fee schedule for a 3-year contract renewal by the Board of Retirement.

ANNUAL ACTUARIAL VALUATION

Our fee for the last valuations as of June 30, 2011, 2012 and 2013 were \$48,000, \$50,000 and \$50,000, respectively. Our proposed fees for the next three valuations (adjusted to reflect an expansion of the on-going valuation from the six non-CalPEPRA tiers to include the three new CalPEPRA tiers and to provide on an on-going basis the expanded information required under the new GASB Statement No. 67¹) are as follows:

June 30, 2014 Valuation	\$56,000
June 30, 2015 Valuation	\$58,000
June 30, 2016 Valuation	\$60,000

TRIENNIAL EXPERIENCE STUDY

Our fee for the last triennial experience study as of June 30, 2011 was \$30,000. Based on the actual time charges with the last experience study of \$55,500, our proposed fee for the June 30, 2014 triennial experience study is \$35,000.

¹ Please refer to our proposed arrangement on the following page related to additional services associated with the transition from the old GASB Statement No. 25 to the new GASB Statement No. 67 for the 2013/2014 plan year.

QUARTERLY RETAINER

Our current retainer is \$6,000 per year since the inception of the contract from 2011/2012. Our proposed retainer for each of the next three years is \$6,000.

HOURLY RATES

Our current hourly rates for 2013/2014 and our proposed hourly rates are as follows:

	Current Year 2013/2014	2014/2015	2015/2016	2016/2017
Principal Actuary (Angelo)	\$500	\$500	\$500	\$500
Principal Actuary (Yeung)	\$430	\$440	\$450	\$460
Reviewing Actuary	\$450	\$460	\$470	\$480
Primary Support Actuary and Senior Actuarial Analysts	\$285-\$420	\$295-\$430	\$305-\$440	\$315-\$450
Actuarial Analyst	\$170-\$280	\$180-\$290	\$190-\$300	\$200-\$310
Compliance Consultant	\$430	\$440	\$450	\$460
Clerical	No Charge	No Charge	No Charge	No Charge

ADDITIONAL SERVICES DUE TO TRANSITION FROM GASB 25 TO GASB 67

As you know, GASB has issued a new Statement No. 67 that starting with the 2013/2014 plan year replaces the financial disclosure requirements that MCERA has been following under Statement No. 25. (Note that there is a companion Statement No. 68 that replaces Statement No. 27 for use in preparing the employer's financial disclosures and that Statement is effective with the 2014/2015 fiscal year).

As some of the valuation results for funding purposes can no longer be used for financial disclosure purposes, we anticipate that there will be significant amount of additional work in preparing the new disclosures. This is especially the case during the first of the implementation as results for the first and the prior year(s) have to be compiled under the new Statement. There will also be considerable effort in coordinating among MCERA's staff, outside auditor and Segal in preparing the disclosures. As some of the schedules prepared for Statement No. 67 may also be relied on by the County and the special district employers and their outside auditors for fulfilling part of the disclosure requirements for Statement No. 68, there may be a need to coordinate with them as well.

As the scope of the project is not completely defined at this time (for instance, some of the new information required under the new Statement can be compiled by Segal, the Association's outside

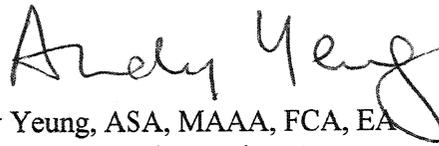
auditor or MCERA staff), we would propose that our cost to assist MCERA to comply the new Statement to be based on our actual time charges associated with completing this project. If it is essential that a budget be established ahead of time, then we would suggest a budget in the range of \$20,000 to \$40,000. However, our actual billing may turn out to be significantly different especially if there is a need for a few meetings with the other stakeholders or if Segal is requested to provide results required for disclosures under Statement No. 68.

We look forward to working with you and the Board of Retirement for the next 3 years.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Associate Actuary

AYY/gxk

EXHIBIT C

INSURANCE REQUIREMENTS

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve ACTUARY for liability in excess of such coverage, nor shall it preclude MCERA from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

ACTUARY affirms that they are aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self insurance in accordance with the provisions of the Code and ACTUARY further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. ACTUARY shall furnish to MCERA certificate(s) of insurance evidencing Workers' Compensation Insurance coverage to cover its employees, and ACTUARY shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of ACTUARY'S and subcontractors' employees.

ACTUARY shall be required to carry Automobile Liability/General Liability and property damage liability meeting California minimum statutory liability requirements.

ACTUARY shall demonstrate proof of General Liability Insurance in an amount of \$1 million per occurrence and \$2 million aggregate.

ACTUARY shall demonstrate proof of Errors and Omissions - Professional Liability insurance of \$10 million each claim/aggregate.

ACTUARY shall demonstrate proof of Employee Dishonesty and Computer Fraud insurance in the amount of \$15 million.



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
02/05/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): 800-363-0105		
	E-MAIL ADDRESS:		
INSURED The Sequal Company (Western States), Inc. 100 Montgomery Street 5th Floor-Suite 500 San Francisco CA 94104-4308 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Greenwich Insurance Company		22322
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		

Holder Identifier :

COVERAGES **CERTIFICATE NUMBER:** 570052857053 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION						EACH OCCURRENCE AGGREGATE
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT
A	Consultant Liab			MPP 0022143 08	01/30/2014	01/30/2015	Limit (1) \$10,000,000

Certificate No : 570052857053

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

"Consultant Liab" line item represents Professional Indemnity insurance.

Limit (1) \$10,000,000 per claim / \$10,000,000 Aggregate

CERTIFICATE HOLDER**CANCELLATION**

Mendocino County Employees Retirement Association 625-B Kings Court Ukiah CA 95482 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast Inc.</i>

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ACORD 25 (2014/01)

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