

Contract for Broker Services

Between Chatham County and Mark III Brokerage, Inc.

THIS AGREEMENT (“Agreement”) made the 1st of November 2024 between Chatham County (“County”) whose business is at Courthouse Annex 12 East Street, Pittsboro, NC 27312 and Mark III Brokerage, Inc. (“Contractor”), a North Carolina Corporation whose business address is 211 Greenwich Road, Charlotte, North Carolina 28211. Either the County or the Contractor may be referred to herein as a “Party” or collectively as the “Parties.”

The County has agreed to contract with Contractor as the employee benefits broker effective November 1, 2024 to June 30, 2028. Thereafter, the Agreement is renewable on an annual basis.

Responsibilities of Contractor:

1. Contractor will act as the broker for all of the employee benefits insurance programs implemented for the County.
2. Contractor’s responsibilities include:
 - a. Prepare and market the request for proposals. Once the responses have been received, evaluate the responses. The specifications will be developed with the input from the County.
 - b. The criteria for the requests for proposal will be based on, but not limited to the following:
 1. Outstanding service, including but not limited to, strong client service support, home office underwriting, contracts and legal service departments, claims processing, and related customer service.
 2. Competitive plan designs.
 3. Competitive rates or fee structure.
 4. Future stability of rates.

5. Providing comprehensive experience reports to the client so that an evaluation can be made as to the plan performance.
 6. Carrier flexibility when plan design changes are necessary to meet the needs of the County.
 7. Provides ongoing quality service and a service team that is dedicated to solving problems that arise during the plan year.
- c. Contractor will provide an employee benefits web site. The web site will include the following:
1. Medical Insurance Program.
 2. Supporting Wellness Strategies.
 3. Dental Insurance Program
 4. Description of the Section 125 benefits.
 5. Forms available online for the employees to download.
 6. Product information online.
- d. If the enrollment data is available from the County in an electronic file format, Contractor will provide an electronic enrollment for the appropriate benefits included in the plan. The elections collected will be:
- Medical Coverage
 - Dental Coverage
 - Group Life Coverage
 - Disability Coverage
 - Medical and Dependent Care Spending Account Elections
 - Various Payroll Deduction Elections
- e. If an electronic enrollment is conducted, Contractor will return the enrollment results back to the County in Excel, which can be downloaded in to your payroll system. This is not a requirement, but it is available if the County wishes to take advantage of the system.
- f. The communication will be handled in two phases;
1. Group Meetings - At the group meetings, the County's employees are given information concerning all of the benefits. To review all of the

benefits, the meeting will last approximately thirty minutes. The amount of content communicated during the group presentation is up to the County.

2. Individual Meetings - The employees are given time to meet with an enroller on a one-on-one basis. These meetings will be held at specific times and at the work locations. At this time, questions may be asked and forms completed. A copy of the election form is given to the employee as a confirmation.
- g. Contractor will coordinate the Section 125 program. This includes premium conversion and flexible spending accounts.
- h. Non-commissioned Enrollment Team - All of the Contractor's enrollment team are non-commissioned benefits counselors.
- i. Contractor will produce Section 125 booklets for all of the County's employees. The information is in a concise and informative format. The brochure will give all County employees all of their benefits information in one document.
- j. Contractor will provide full time service personnel to answer questions that County employees and staff might have. Contractor's service staff's core responsibility is only to address the needs of the County. They are not responsible for marketing. We are advocates for the County, not the insurance company.

Medical Plan Marketing and Evaluation Services - Contractor has the expertise to market and evaluate the medical plan. We will perform the following functions:

- a. Specification Preparation

With the guidance and assistance from the County, Contractor will prepare specifications that give the carriers/vendors an accurate assessment of the County's existing health insurance; including census, claims activity, current plan design, and requested plan designs. The specifications outline the County's concerns and goals.

- b. Marketing the Specifications

Contractor will contact the qualified carriers and vendors to determine their interest in evaluating the County's medical plan. Carriers/vendors

that express an interest are sent the specifications to obtain a response. Mark III is responsible for gathering the responses from the qualified carriers/vendors.

c. Evaluate the Responses

Once all proposals are received, the County and Contractor will narrow down the most competitive carriers/vendors based on, but not limited to, the following criteria:

1. Quality of Care provided to the County's employees and their dependents.
2. Sound financial status of the selected carriers/vendors.
3. Outstanding service, including but not limited to, strong client service support, home office underwriting, contracts and legal service departments, claims processing, and related customer service.
4. Networks, which provide excellent access to hospitals and physicians in the locations where employees reside. Carriers/vendors will complete a Provider Access Report (Geo-Access Report) using criteria which will provide complete coverage for your employees.
5. Managed care expertise.
6. Competitive rates or fee structure.
7. Future stability of rates/fees.
8. Providing comprehensive experience reports to the County so that an evaluation can be made relative the plan performance.
9. Carrier flexibility when plan design changes are necessary to meet the needs of the County.
10. Provides quality ongoing service and a service team that is dedicated to solving problems that arise during the plan year.
11. An ongoing employee education program to assist the employees' understanding of the plan's operation.
12. The flexibility to expand the network to cover new employees.

Contractor will provide a comprehensive evaluation, giving a side-by-side comparison of each vendor's offer.

The finalists are given the opportunity to make presentations to the County. This gives the staff the chance to ask questions and evaluate the carriers based on their responses. Contractor has taken a long-term approach when creating a relationship with the employer and the County's satisfaction with the programs that are implemented will always be imperative.

During the plan year Contractor will track the claims to look for trends and monitor the service level of the carrier/vendor. Prior to the County receiving the renewal from the carrier/vendor, Contractor will evaluate the initial experience and develop our renewal, separate of the carrier/vendor. Once Contractor has completed its initial evaluation, Contractor will meet with the County to discuss our initial assessment.

At the renewal meeting, Contractor will compare their estimates against the carrier/vendor's using the following criteria:

- a. Claims activity.
- b. Competitiveness of the carrier's reserving philosophy. This will be determined by comparing their assumptions to industry norms.
- c. Competitiveness of the carrier's retention. This will be determined by comparing their costs to industry norms.
- d. Changes in the demographic composition of the County and how that has changed over time. How these demographics (manual rate) impact the renewal.
- e. How competitive/aggressive the carrier is when weighing the manual rate vs. the experience rate or vice versa.
- f. Industry trending factors.

Based on the initial results of our meeting and how satisfied the Parties are with the renewal, will determine the next step. If the renewal is competitive and there is not a significant financial or benefit change that is required, no action would be taken. If the response from the carrier/vendor were uncompetitive, then further negotiation would take place. If a satisfactory response from the carrier/vendor does not occur, then Contractor will market the plan in question to see if a more competitive offer can be attained from other qualified vendors.

At the County's request, Contractor will provide budget projections throughout the plan year, to help the County plan for financial considerations.

COBRA Administrative Services - Contractor will assist in identifying a COBRA administrator for the County.

Market and Evaluate Section 125 Services – As directed, Contractor will market and evaluate the Section 125 program.

Market and Evaluate Section Voluntary Benefits – As directed, Contractor will market and evaluate the Voluntary Benefits.

Flexible Spending Accounts – Contractor will pay for the administrative costs of the Flexible Spending Accounts.

Wellness Planning and Implementation:

Contractor will bring its experience and knowledge of the marketplace with respect to assisting the County in implementing a Wellness Program.

The goals are to:

- To positively effect the health of the population.
- Design and implement an integrated health and wellness program.
- Drive member engagement and responsibility for their health.
- Provide tools and incentives that result in healthy behaviors.
- Positively influence change in the health care utilization based on demonstrated results.
- Strategies can include:
 - Premium differentials and other financial incentives.
 - Employee clinics and pharmacies.
 - Screenings and Biometrics.
 - Health risk assessments.

- Accountability Standards.

The cost for these strategies will vary based on resources and situational implementation costs.

ACA Tracking and Reporting tool:

Contractor will make available to the County an ACA Tracking and Reporting tool Program for Compliance.

Contractor acknowledges and accepts the vendors rights with respect to the Program and Reports and any copies under all applicable national and international laws and treaties for the protection of Intellectual Property Rights, including, but not limited to, trade secrets, copyrights, trademarks and patents.

By signing this Agreement, the County accepts the vendors rights noted above as well.

The County agrees to not cause or permit unauthorized copying, reproduction or disclosure of any portion of the Program or Reporting, or the delivery or distribution of any part thereof to any third party other than the Federal Government, for any purpose, without the prior written consent of Contractor and the vendor.

This restriction shall continue beyond the termination of this Agreement. In the event you become aware of any unauthorized use, copying, reproduction or disclosure of the Program or Reports , you agree to notify Contractor and the vendor, in writing, as soon as commercially reasonable.

You may not transfer any of your rights under this Contract to any party, whatsoever, without the written consent of Contractor and the vendor.

By accepting the rights granted by Contractor through the vendor, County agrees that it will not, without the prior written consent of Contractor and the vendor.

(a) sell, license, sublicense, grant rights to, distribute, lease or otherwise transfer or allow the transfer of the Program, or any backup copy, to third parties;

(b) use the Program or Reports in any manner inconsistent with the rights granted herein;

(c) use the Program or Reports in any manner for the purpose of monitoring or evaluating a greater number of employees than such number of employees anticipated;

(d) modify or create derivative works of the Program or Reports provided or separate the Program's component parts; or

(e) unless specifically permitted under applicable law without the possibility of contractual waiver, attempt to decompile, disassemble or reverse engineer the Program, or otherwise attempt to (i) derive source code or underlying ideas, algorithms, structure or organization from the Program or (ii) defeat, avoid, bypass, remove, deactivate or otherwise circumvent any software protection mechanisms in the Program, including without limitation any such mechanism used to restrict or control the functionality of the Program.

Contractor will pay for the Administrative costs.

Responsibilities of the County:

1. The County agrees to support Contractor's efforts to collect information necessary to bid the various employee benefits programs. This information would include census and payroll information.
2. The County agrees to support Contractor's efforts to communicate the employee benefits and Section 125 program by making the employees available during working hours.
3. The agrees to take and remit the payroll deductions for the various firms involved in the employee benefits programs.
4. The County will not take payroll deductions for insurance products that compete with the employee benefits offered through the Contractor.
5. The County will discourage vendors who solicit insurance products that compete with the employee benefits programs from contacting employees during normal work hours at the worksite.

Compensation:

Medical Plan Consulting Cost: Contractor will perform the Health Plan Consulting for \$35,000.00 per annum.

Ancillary and Voluntary Benefits Consulting Cost:

Contractor receives industry standard commission on all other products; the benefits enrollment team receive no incentive compensation.

For services provided in this Agreement, Contractor will be the exclusive Consultant and Broker for the County.

Chatham County

Signed: _____

By: _____

Date: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Roy Lynch, Finance Director

Mark III Brokerage, Inc.

Signed: _____

By: _____

Date: _____