

**Yando, Lori**

---

**From:** Nathan, Garry  
**Sent:** Friday, April 01, 2016 1:26 PM  
**To:** Yando, Lori  
**Subject:** Library Window Phase II bid

I have reviewed the low bid from Bennett Contracting, Inc for the Library Window Restoration Project Phase II and find it acceptable. The low bid was \$32,724 and the unit price for window K was \$8850 for a total project cost of \$41,574. The Library Grant is for \$73,186 and the City's local match is \$24,396 for a total project cost of \$97,582. The Phase I was \$54,517 and if Phase II is awarded for \$41,574 the total project cost will be \$96,091.

Can this be added to the agenda for the next BOM mtg

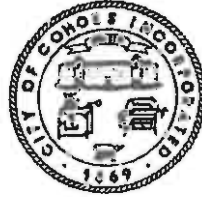
**Garry F. Nathan, P.E.**

**City Engineer**  
**City of Cohoes**  
97 Mohawk Street  
Cohoes, NY 12047  
518-233-2131  
518-233-2162 - Fax  
[gnathan@ci.cohoes.ny.us](mailto:gnathan@ci.cohoes.ny.us)  
<http://www.ci.cohoes.ny.us>

**Cohoes...A Community that Cares**

**COMPTROLLER'S  
OFFICE**

97 Mohawk Street  
Cohoes, New York  
12047-2897



**City of Cohoes**

Phone: (518) 233-2124

Fax: (518) 233-2155

April 5, 2016

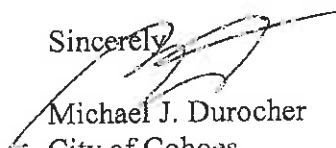
To: Mayor Shawn Morse:

I request Legislative approval to enter into a contract with Orion Demolition and Environmental Services, LLC at 49 Wilshire Drive, Albany, NY 12205 for professional services associated with the cleanup and disposal of hazardous material from the properties located at 109 & 111 Saratoga Street. The CLDC recently took title to 113 Saratoga Street and the bank that owns 109 Saratoga Street will reimburse the City of Cohoes half the costs associated with the cleanup. While to date the contract cost is only \$15,500 it is anticipated to exceed \$50,000 once the disposal fees are billed.

I have attached the written proposal from Orion Demolition and Environmental services for your review.

Please feel free to contact me should you have any questions.

Sincerely,



Michael J. Durocher  
City of Cohoes  
Comptroller



# ORION

Demolition & Environmental Services, LLC

45 Wilshire Drive  
Albany, NY 12205  
(518) 669-3723

March 2, 2016

Mr. Michael Jacobson  
Director – Economic & Community Development  
City of Cohoes  
97 Mohawk Street  
Cohoes, NY 12047

Project: 109-111 Saratoga Street – Cohoes, NY  
Orion DES Quote #2016-023

H-9711-2000

Mr. Jacobson:

Orion Demolition & Environmental Services, LLC is pleased to provide the following lump sum proposal for the abatement services required at the above-referenced project. The following Scope of Work was developed during our site visit and in accordance with the specifications provided by the owner.

This proposal is intended to be utilized by the owner for evaluating feasibility and costs associated with the downsizing, sale or redevelopment of the site and as an offer to perform the work.

Scope of Work:

- Notification and posting of Asbestos Abatement Project through the NYSDOL.
- Mobilization of labor, equipment, materials and supervision to and from site.
- Installation of temporary orange construction fencing around the perimeter of the site.
- Management and cleanup of fire-damaged debris in accordance with NYSDOL ICR 56 requirements for controlled demolition activities.
- Removal and legal disposal of all friable asbestos-containing material to a certified landfill facility permitted to accept such material.
- Includes required project closeout documentation per NYSDOL requirements.

Exclusions:

- Hazardous material abatement or remediation other than asbestos including but not limited to lead, PCB, refrigerants, mercury, UST, soils, oils, paints, solvents, etc.
- Disconnection, relocation, isolation or termination of utility services.
- Third-party monitoring, consulting, testing, engineering or analytical services.

- Temporary water hydrant water source.
- Import and placement of structural fill material including topsoil, seed or stone.
- Removal, repair or replacement of asphalt, sidewalks, curbs or adjacent structures.

Lump Sum Pricing:

NYS DOL Notification Fee:	<b>\$4,000.00</b>
Labor & Equipment:	<b>\$11,500.00</b>
Disposal – Per 100 CY Load:	<b>\$3,750.00</b>

Project Schedule:

- Orion DES anticipates approximately **ONE (1)** week(s) for safe and successful project completion from a start date mutually agreed upon by the contractor and owner.

Terms & Conditions:

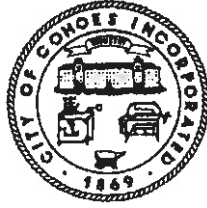
- Orion DES shall retain the value of all ferrous and non-ferrous scrap metal as a credit to the owner has been included in our lump sum pricing for this material.
- The terms of this quotation shall be incorporated into and made a part of any future Contractual Agreement between both parties.
- Owner to provide Tax Exempt or Capital Improvement Certification otherwise applicable sales tax may apply.
- Net 15 payment terms apply; no percentage of payment shall be retained for any period of time. A deposit of \$5,000 will be required to initiate project commencement.
- Quote is based on current landfill, fuel, material, etc. cost at the time of estimate. Any increases after 30 days will apply on a cost-plus basis.
- All work will be completed in an open shop environment during normal business hours, Monday-Friday, unless otherwise stated.

Please feel free to call or email with any questions regarding this proposal.

Sincerely,  
ORION DEMOLITION & ENVIRONMENTAL SERVICES, LLC

*Joseph Loudis*

Joseph Loudis  
President  
[jloudis@oriondes.com](mailto:jloudis@oriondes.com)  
(518) 669-3723



**COMPTROLLER'S  
OFFICE**

97 Mohawk Street  
Cohoes, New York  
12047-2897

Phone: (518) 233-2124  
Fax: (518) 233-2155

**City of Cohoes**

April 5, 2016

To: Mayor Shawn Morse:

I request Board of Managers approval for the following contracts:

1) Benetech, Inc- Administrative Services for Worker Compensation self insured claims- 3 year contract

4/1/16-3/31/17	\$17,686
4/1/17-3/31/18	\$18,217
4/1/18-3/31/19	\$18,763

2) Gilroy, Kernan & Gilroy- Excess Workers Compensation Renewal- Cost \$69,749. This item will be placed on the April 12<sup>th</sup> Common Council Agenda

3) Orion Demolition and Environmental Services, LLC- Abatement Services for 109-111 Saratoga Street, cleanup and disposal of Hazardous Materials- Cost expected to exceed \$50,000 and will be placed on the Common Council Agenda on April 12<sup>th</sup>.

Please feel free to contact me should you have any questions.

Sincerely,

Michael J. Durocher  
City of Cohoes  
Comptroller

**AGREEMENT BETWEEN  
CITY OF COHOES  
AND  
BENETECH, INC.**

**FOR  
SELF-INSURED WORKERS' COMPENSATION  
THIRD PARTY ADMINISTRATION SERVICES**

AGREEMENT, made this     day of             2016 between the City of Cohoes, (hereinafter referred to as "Client") and Benetech, Inc. (hereinafter referred to as "Administrator") with its principal place of business located at P.O. BOX 348, One Dodge Street, Wynantskill, NY 12198.

**WITNESSETH:**

WHEREAS, Client and Administrator wish to enter into an agreement for the provision of Self-Insured Workers' Compensation Third Party Administrative Services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY CONVENANT AND AGREE AS FOLLOWS:

**ARTICLE I – SERVICES TO BE PERFORMED**

For consideration set forth below, Administrator shall perform the Self-Insured Workers' Compensation Third Party Administration Services hereinafter set forth under Article III of this AGREEMENT.

**ARTICLE II – DEFINITIONS**

The following definitions shall apply to terms which appear in this Agreement.

- 2.1 "Record Only Claim" shall mean the creation and maintenance of a data file in those instances in which an accident (first or third party) involving only actual or alleged minor injury or property damage requiring minimal or no medical treatment or remedy had come to the Client's attention and, even though no injury or property damage had been formally reported, claimed or as anticipated, Client requests the maintenance of record of the incident and associated data for informational tracking purpose (to determine frequency of incident, safety awareness, possible repeat occurrences, etc.).
- 2.2 "Medical Only Claim" shall mean any reported Workers' Compensation accident or claim involving an injured worker who is, will, or may be entitled to medical benefits but has not lost and does not appear likely to lose time from work or submit a claim for indemnity benefits.

2.3 "Indemnity Claims" shall mean:

- (i) any reported Workers' Compensation accident or claim with respect to which the injured worker would be entitled to medical benefits but in addition has lost or appears likely to lose time from work or submit or has submitted a claim for indemnity benefits, including any claim originally classified as a Medical Only Claim which becomes an Indemnity Claim if and when the injured worker becomes eligible for indemnity benefits;
- (ii) any claim in litigation;
- (iii) claims which would otherwise be classified as Medical Only Claims involving an injured worker who has returned to work on alternative or "light" duty due to restrictions from the work-related injury, but follow-up by a claim representative will be needed to facilitate a return to full duty; and
- (iv) claims which merit investigation by claim representative or private investigator due to a question regarding compensability.

2.4 "Qualified Claim or Loss" shall mean any claim, loss, monetary demand, occurrence or suit occurring within the Term of this Agreement, provided the type of claim or loss is one which is to be administered hereunder.

2.5 "Allocated Loss Adjustment Expenses" shall mean any cost or expense incurred by Administrator in connection with administration, investigation, adjustment, settlement or defense of claims on behalf of the Client, including but not limited to any of the following:

- a. subrogation;
- b. automobile or other physical damage appraisal;
- c. all court cost, fees and expenses;
- d. fees for service of process;
- e. fees and expenses to attorney for legal services;
- f. the cost of services of undercover operations and detectives;
- g. fees to obtain medical cost containment services, including but not limited to bill review services;
- h. the cost of employing experts for the purpose of preparing maps, photographs, diagrams, and chemical or physical analysis, or for experts' advice or opinion;
- i. the cost of obtaining copies of any public records, and cost of depositions and court reporters or recorded statement
- j. And any other similar cost, fee or expense reasonable or chargeable for the investigation, negotiation, settlement or defense of Qualified Claim or indemnification and/or salvage rights of the Client.

2.5.1 "Allocated Loss Adjustment Expenses shall not include any fee, cost or expense which this Agreement specifically provides. Such expenses shall be included in the services to be provided by administrator hereunder at no additional or separate cost to Client.

2.6 "Late Reported Claims" shall mean claims which are within the definition of Claims and which are reported after the cancellation or expiration of this Agreement and any renewals hereof.

### **ARTICLE III-SCOPE OF WORK**

During the term of this AGREEMENT, Administrator shall provide the following services:

3.1 All customary and appropriate Workers' Compensation Claim handling functions for all Qualified Claims or Losses.

Such claims handling functions generally include but not limited to the investigation of each Qualified Claim or Loss to the extent deemed necessary by Administrator, or as otherwise directed in writing by Client; adjusting, settling, or litigating all Qualified Claims within the stated discretionary settlement authority limit or with specific approval of Client if outside the stated authority limit; investigation and pursuit of subrogation activities on behalf of Client; determination of appropriate claim reserve; and the performance of necessary and customary administrative and clerical work in connection with each Qualified Claim or Loss. In Addition, the following services will apply to the type of claims listed:

3.1.1 Record Only Claims. With respect to Record-Only Claims, no services will be provided with the exception of recording and maintaining the relevant data, and no medical bills will be paid.

3.1.2 Medical Only Claims. With respect to Medical- Only Claims, Services will be limited to the recording of the claim and associated data, contact with the Client to verify Medical-Only claim status, and the payment of medical bills and expenses in accordance with the terms of this agreement.

3.1.3 Lost-Time Claims. With respect to Lost-Time Claims, a Claims Professional will provide whatever services may reasonably be required to make a determination regarding compensability, pay the appropriate level of indemnity benefits, and attempt to achieve a return to full active duty.

3.1.4 In no event shall Administrator have any obligation or liability with respect to any claims resulting from the Client's untimely handling of said claim. However, Administrator shall have full responsibility for any fines, penalties, or cost, including legal fees imposed by any regulatory body, agency, or third party or which occur in any manner as a result of errors, omissions or non-compliance by the Administrator.



- 3.2 Administrator shall prepare and issue indemnity payments to Client's injured employees.
- 3.3 Administrator shall provide the Client with an explanation of services, claim reporting information and forms, and location coding schemes.
- 3.4 Administrator shall complete all forms required to be used in adjustment of Workers' Compensation Claims by the New York State Workers' Compensation Board (the "Board") and the New York State Workers' Compensation Act (the "Act") with the exception of the Employers First Report of Injury, which shall be prepared by Client.
- 3.5 Administrator shall be entitled to engage outside vendors when deemed necessary based on their professional judgment. Administrator will provide notice of any new vendors utilized.
- 3.6 Administrator shall communicate to Client in a manner mutually agreed to by the parties and make recommendations regarding proposals to resolve any Workers' Compensation Claims in a timely fashion.
- 3.7 Should Administrator determine that a particular claim meets any of the Client's excess insurance reporting requirements about which it has been specifically informed by Client in writing, the Administrator shall notify the Client's excess insurance carrier accordingly.
- 3.8 The Client shall promptly report all claims to Administrator.
- 3.9 At Client's request, Administrator shall meet with the Client on a quarterly basis to review open claims and other matters related to Client.
- 3.10 Administrator shall provide weekly or bi-weekly statements of funds drawn from all funding accounts. The funding will be in the manner presently in use by the Client.
- 3.11 Administrator shall make necessary paid claims and reserve reports available to Client, provide monthly loss-runs by year, delineated by District/Department/Division /fund, type of injury, and cause of injury or such other delineations as may be reasonably requested by Client. In addition, Administrator will provide quarterly claim review reports.

**ARTICLE IV-FEES**

In consideration of the terms and obligations of this AGREEMENT, the Client agrees to pay, and Administrator agrees to accept, as full compensation for all services rendered under this AGREEMENT the following annual amounts:

<b>Year</b>	<b>Amount</b>
04/01/16 – 03/31/17	\$17,686.00
04/01/17 – 03/31/18	\$18,217.00
04/01/18 – 03/31/19	\$18,763.00

The Administrator specifically agrees that the fees for the below mentioned services shall be provided at cost to the Client and that Administrator shall not receive any income or benefit from these fees.

- A. Hearing Representation
- B. Private investigation
- C. Consultant Medical Exams
- D. Vocational Rehabilitation
- E. Managed Care Program
- F. Medical Rehabilitation

Administrator shall notify Client for prior authorization of Private Investigation services and Vocational rehabilitation.

Before any payments can be made Administrator shall submit invoices, in a form and manner to be mutually agreed to by the parties to the Client’s Treasurer, or other appointee, for review and approval. Each invoice and Claim Form shall itemize and detail the services rendered and any necessary disbursements, if applicable. The approval of invoices and payment of fees shall not be unreasonably delayed or withheld.

**ARTICLE V-TERM OF THE AGREEMENT**

This AGREEMENT shall commence on 04/01/16 and will continue in effect through 03/31/19.

**ARTICLE VI-REPRESENTATIONS**

In order to induce the Client to enter into this AGREEMENT, Administrator has made the following representations:

6.1 Administrator is familiar with the nature and extent of this AGREEMENT, the services contemplated by this AGREEMENT, the locality and all local conditions, and all federal, state and local laws, ordinance, rules, regulations, and orders of public authorities that in any manner affect cost, progress, or performance of the services contemplated by this AGREEMENT;

6.2 Administrator shall give notice and comply with all laws, ordinances, rules, regulations, and orders of public authorities bearing on the performance of the services contemplated by this AGREEMENT;

6.3 Administrator will meet with the Client to formulate a specific return-to-work program for each Client participant;

6.4 Administrator will train Client employees charged with processing Workers' compensation claims;

6.5 Administrator shall provide the required notification to the Client excess insurance and excess employer's liability insurance carriers;

#### **ARTICLE VII-AVAILABLE DATA**

All technical or other data relative to work in the possession of the Client or in the possession of Administrator shall be made available to the other party to this AGREEMENT without expenses to the other party.

#### **ARTICLE VIII-COOPERATION**

Administrator shall cooperate with representatives, agents and employees of the Client and the Client shall cooperate with representatives, agents, and employees of Administrator to the end that work may proceed expeditiously and economically.

#### **ARTICLE IX-EXTRA WORK**

If Administrator is the opinion that any work it has been directed to perform is beyond the scope of this AGREEMENT and constitutes EXTRA WORK, Administrator shall promptly notify the Client of that and before engaging in any said EXTRA WORK. The Client shall be the sole judge as to whether or not it constitutes Extra Work. In the event that the Client determines that such work does constitute Extra Work, it shall provide extra compensation to Administrator on a negotiated basis.

#### **ARTICLE X- RIGHT TO AUDIT**

10.1 Whenever it is deemed appropriate, the Client reserves the right to audit the claim records and other records of the Administrator, as they pertain to the Workers' Compensation Program. The Client also reserves the right to assign outside auditors and to conduct on-site audits of Administrator's records and files.

10.2 Administrator may not charge extra fees for providing data tape(s) or for space and equipment utilized by outside auditors. Upon completion of the audits, the Administrator's representatives shall make themselves available to the Client and its representatives in order to resolve any deficiencies and shortcomings of the Administrator services.

## **ARTICLE XI ACCOUNTING RECORDS**

Proper and full accounting records shall be maintained by administrator. The records shall clearly identify the cost of the work performed under this AGREEMENT, and shall be subject to periodic and final audit by the Client upon request. The records shall be accessible to the Client for a period of two (2) years following the date of final payment by the Client to Administrator for the performance of the services contemplated herein.

## **ARTICLE XII-MODIFICATION**

This AGREEMENT may only be modified by formal written amendment executed by both the Client and Administrator.

## **ARTICLE XIII- MATERIALS**

All rights, title and ownership in all materials, including open and closed claims files and historical data whether saved in paper or computerized format, prepared under the provisions of this AGREEMENT shall be in the Client, including the right of republication. The Client reserves the right to take custody of this claims file and/ or make copies of any information deemed appropriate. The Client reserves the right to monitor and audit claims files.

## **ARTICLE XIV- RELATIONSHIP**

Administrator is, and will function as, an independent contractor under this AGREEMENT for any purpose. The employees of the Administrator shall not in any manner be, or be held out to be, agents or employees of the Client.

## **ARTICLE XV INDEMNIFICATION**

Administrator shall defend, indemnify and save harmless the Client, its employee and agents, from and against all claims, damages, loses and expenses (including, but not limited to, reasonable attorney's fees) arising out of, or in consequence of, any negligent or intentional act or omission of Administrator, its employees, or its agents, to the extent of their responsibility for such claims, damages, losses and expenses.

## **ARTICLE XVI-INSURANCE**

Administrator agrees to procure and maintain for the entire term of this AGREEMENT, without the additional expense to the Client, insurance policies of the kinds and in the amount that would normally be required as an administrator.

## **ARTICLE XVII-TERMINATION OF CONTRACT**

The Client and the Administrator shall have the right at any time to terminate the services required of Administrator upon ninety (90) days advance notice in writing to the other party.

In the event of a termination of this Agreement, Administrator shall be entitled to compensation for all work theretofore authorized and performed pursuant to this AGREEMENT in accordance with Article IV of this AGREEMENT. Additionally, in the event of the termination of this AGREEMENT under this Article, all historical data and records, including claim files, pertaining to this AGREEMENT shall be delivered within twenty (30) days after the termination of the ninety day (90) notice period to the Client or its duly authorized representative. In case of the Administrator's failure to make such delivery, the Administrator shall be liable to the Client for any damages that the Client may sustain by reason thereof.

## **ARTICLE XVIII-DISSOLUTION**

In the event of dissolution of Administrator as a partnership or corporation during the term of this AGREEMENT, Administrator shall give thirty (90) days advance notice in writing to the Client of any such dissolution.

In the event of the Administrator's dissolution, all historical data and records, including claim files, pertaining to this AGREEMENT, shall be delivered within 30 days after termination of the 90 day notice period to the Client or its duly authorized representative. In case of the Administrator's failure to make such delivery, the Administrator shall be liable to the Client for any damages that the Client may sustain by reason thereof.

## **ARTICLE XIX-LICENSES**

Administrator shall at all times obtain and maintain all licenses required by the State of New York to perform the services required under this AGREEMENT.

## **ARTICLE XX- NON DISCRIMINATION REQUIREMENTS**

In accordance with Article 15 of the Executive Law and all other State and Federal statutory and constitutional non-discrimination provisions, Administrator agrees that it shall not, by reason of race, creed, color, national origin, age, sex, or disability: (a) discriminate in hiring against any person who is qualified and available to perform the work; (b) discriminate against or intimidate any employee hired for the work contemplated by this AGREEMENT.

## **ARTICLE XXI-NON-APPOPRIATED CLAUSE**

Notwithstanding anything contained herein to the contrary, no default shall be deemed to occur in the event that no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable to the Client for payment. In that event, the Client will immediately notify Administrator of such occurrences and this AGREEMENT shall terminate, without penalty or expenses to the Client of any kind whatsoever, on the last day of the fiscal

period in which appropriations were received except as to those portions herein agreed for which funds shall have been appropriated and budgeted.

**ARTICLE XXII-INVALID PROVISIONS**

If any term, part, provision, section, subdivision, or paragraph of this AGREEMENT shall be held to be unconstitutional, invalid, or ineffective, in whole or in part, such determination shall not invalidate the remaining terms, parts, provisions, sections, subdivisions, or paragraphs thereof.

**ARTICLE XXIII-NOTICE**

All notices and documents required to be given by Administrator pursuant to this AGREEMENT shall be given or made to:

City of Cohoes  
97 Mohawk Street  
Cohoes, New York 12047

All notices and documents required to be given to the Administrator by the client pursuant to this AGREEMENT shall be given or made to:

Benetech, Inc.  
C/O Tina Panichi  
One Dodge Street  
Wynantskill, NY 12198

**ARTICLE XXIV-DISPUTE RESOLUTION:**

Prior to submitting any dispute between Client and Administrator (collectively, "Parties") related to this Agreement (a "Dispute") to litigation, a written request for resolution must be submitted to the other Party detailing the nature of the Dispute. The Parties then will meet and confer in good faith to resolve the Dispute. Thirty (30) calendar days after the written request, either party may initiate litigation.

**ARTICLE XXV-GOVERNING LAW AND VENUE**

This AGREEMENT shall be governed and constructed in accordance with the laws of the State of New York without reference to conflict of laws and principles. No provision of this Agreement shall be applied or constructed in any manner inconsistent with applicable federal or state laws and regulations. Notwithstanding the provisions of this section, the parties hereby agree that all standards with respect to the license and conduct of Benetech, Inc. as a professional Worker's Compensation Third Party Administrator will be strictly governed by the law of the State of New York. Any actions concerning this Agreement shall be brought in the Supreme Court of New York in Suffolk County.

**ARTICLE XXVI-ENTIRE AGREEMENT**

This agreement sets forth all promises, covenants, agreements, conditions and understandings between parties hereto and supersedes all prior to contemporaneous agreements, oral or written, except as herein contained. This Agreement may not be modified other than by an agreement in writing signed by each of the parties hereto.

**ARTICLE XXVII-TITLES NOT TO AFFECT INTERPRETATION**

Titles of paragraphs contained in this Agreement are inserted for the convenience of reference only. They neither form a part of this agreement, nor are they used in construction of interpretation thereof.

IN WITNESS THEROF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT to be executed as follows:

Benetech, Inc.

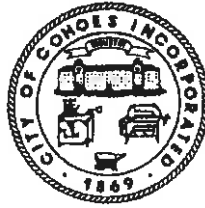
By: \_\_\_\_\_

\_\_\_\_\_  
Date

City of Cohoes

By: \_\_\_\_\_

\_\_\_\_\_  
Date



**COMPTROLLER'S  
OFFICE**

97 Mohawk Street  
Cohoes, New York  
12047-2897

Phone: (518) 233-2124  
Fax: (518) 233-2155

**City of Cohoes**

April 5, 2016

To: Mayor Shawn Morse:

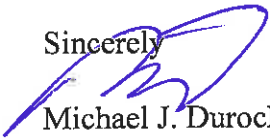
I request Legislative approval to enter into a contract with Gilroy, Kernan & Gilroy, 210 Clinton Rd New Hartford, N.Y. 13413 for the excess workers compensation renewal. The Insurance carrier remains Midwest Mutual Insurance Company.

Our agent, Gilroy, Kernan & Gilroy requested quotes from 4 insurance companies and their recommendation to the City of Cohoes was Midwest Mutual. They offered 3 options and I recommend that we raise the deductible to \$600,000 to save \$11,674 annually. The total annual premium is \$69,749.

I have attached the written proposal from Gilroy, Kernan & Gilroy showing the quotes and solicitations made.

Please feel free to contact me should you have any questions.

Sincerely



Michael J. Durocher  
City of Cohoes  
Comptroller



# A FAR FROM ORDINARY APPROACH TO RISK™

Proposal For:  
**City of Cohoes**

04/01/2016

- Introduction
- **Our Process**
- Your High Performance Team
- Disclaimer
- Carrier Financial Strength Rating
- Coverage Proposal
- Credit Policy
- Producer Compensation Transparency & Philosophy
- **Producer Compensation Disclosure**

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY

At Gilroy Kernan & Gilroy, we're always testing the limits of insurance agency-ness and taking **a far from ordinary approach to risk™**.

The way we see it, you've got a business to run. And it's our job to help you do that better than your competition. How? By diving into the deep end of your business. By asking the right questions, our proprietary four-step process reveals the best path to protection. Then, backed by a fully integrated team of insurance superheroes, we implement those solutions that will turn risk into opportunity. As your long-haul strategic partner, our goal is simple: To be as invested in your success as you are. And with a 98% retention rate, our clients clearly think we're doing things right.

### **Our Mission**

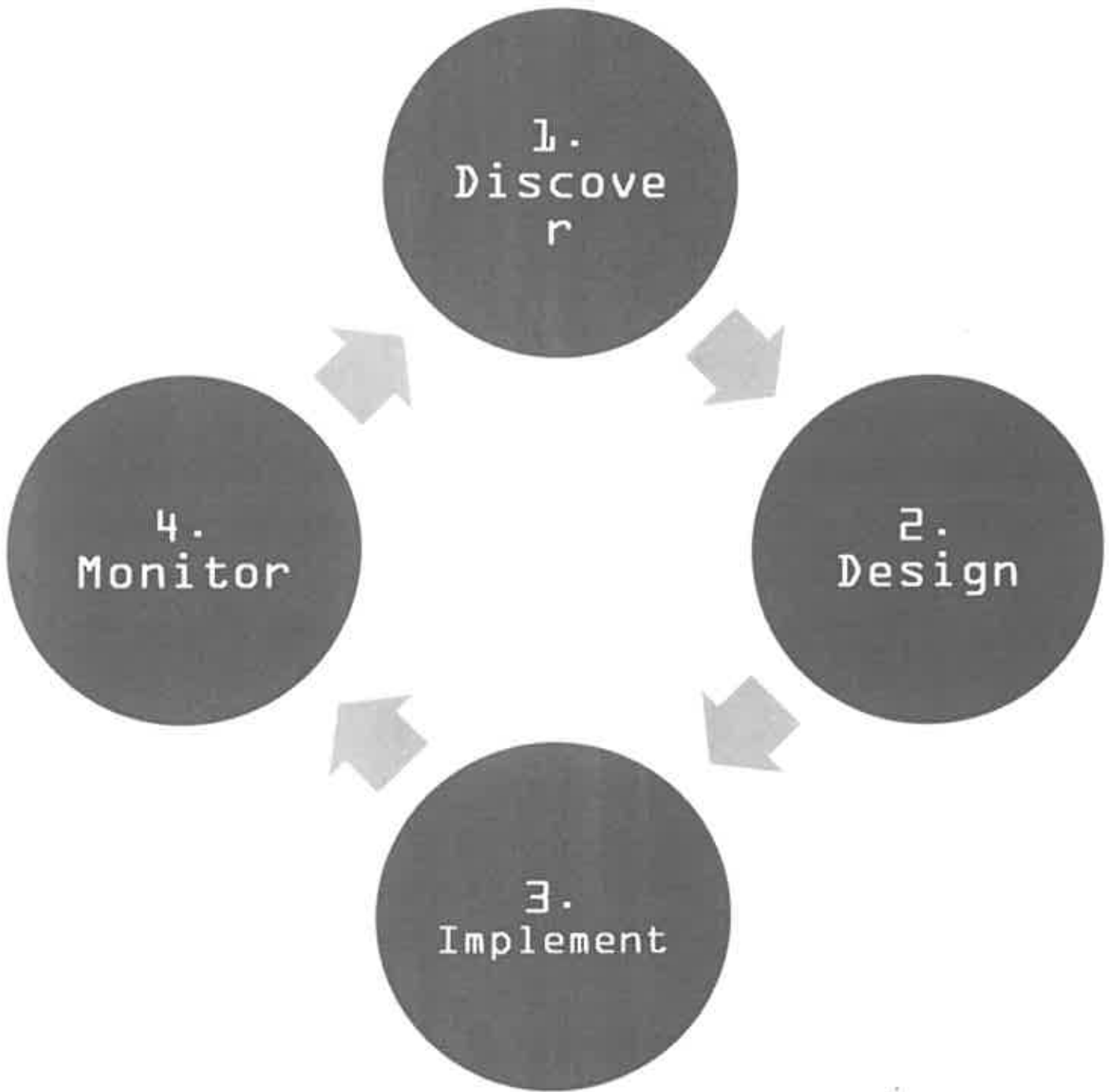
**We anticipate, understand and exceed our clients' needs in a way that "wows" them.**

**Our team applies its unique abilities to devise innovative solutions that create success for our clients.**

**We embrace the benefits of change, the highest ethics, and a deep commitment to our community.**

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
&  
GILROY



**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
&  
GILROY

Below is a list of the individuals who are responsible for working with you as a valued client.

In addition to this team, there is a whole additional team of GKG professionals behind this team providing expertise and support.

## **Jon Schloop**

### **Account Manager**

Responsibility: Primary Contact

Phone Number: 315-624-2961

Email: JonS@gkgrisk.com

## **Jason Pickett**

### **Strategic Business Advisor**

Responsibility: Strategic Planning

Phone Number: 315-624- 7808

Email: JasonP@gkgrisk.com

## **Cris Broccoli**

### **Vice President of Property & Casualty**

Responsibility: Marketing

Phone Number: 315-624-7821

Email: CrisB@gkgrisk.com

## **Jamie Zangrilli**

### **Client Advocate**

Responsibility: Processing

Phone Number: 315-624-7820

Email: JamieZ@gkgrisk.com

### **We're available 24/7...and we mean it!**

Life happens beyond 5pm. Our 24/7 service approach ensures that you can always reach us when you need us. If there is ever an emergency or you need access to important information concerning your insurance program beyond our regular business hours, just give us a call.

Simply call our main line at 315.768.8888 (toll free: 800.765.0488), dial 1, and we'll pick up!

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY

Coverage is not bound and this is a summary of proposed coverages. This is not a legal contract. Once coverage is bound, please refer to the actual policies presented for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of these policies are available for your review prior to the binding of coverage. In evaluating your exposures to loss, we have depended upon information provided by you. If there are other areas that need to be evaluated prior to binding coverage, please bring this information to our attention. Should any of your exposures change after coverage is bound, such as new operations, hiring employees in additional states, buying additional property, etc. please let us know so that we can request appropriate adjustments.

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY

# Carrier Financial Strength Rating

7

**A.M. Best's Financial Strength Rating** is an independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's balance sheet strength, operating performance and business profile.

## Financial Strength Ratings

AM Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. Rating Modifiers and Affiliation Codes may also be associated with these ratings. The following list outlines our rating scale and associated descriptions.

## Financial Size Categories (FSC)

To enhance the usefulness of our ratings, A.M. Best assigns each letter rated (A++ through D) insurance company a Financial Size Category (FSC). The FSC is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts.

Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limits to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

Secure	Vulnerable	Best's Overall Company Size Ratings	
A++, A+ (Superior)	B, B- (Fair)		Policyholder Surplus
A, A- (Excellent)	C++, C+ (Marginal)	Class V	\$10,000,000-25,000,000
B++, B+ (Very Good)	C, C- (Weak)	Class VI	\$25,000,000-50,000,000
	D (Poor)	Class VII	\$50,000,000-100,000,000
	E (Under Regulatory Supervision)	Class VIII	\$100,000,000-250,000,000
	F (In Liquidation)	Class IX	\$250,000,000-500,000,000
	S (Rating Suspended)	Class X	\$500,000,000-750,000,000
		Class XI	\$750,000,000-1,000,000,000
		Class XII	\$1,000,000,000-1,250,000,000
		Class XIII	\$1,250,000,000-1,500,000,000
		Class XIV	\$1,500,000,000-2,000,000,000
		Class XV	\$2,000,000,000 or more

## Proposed Insurance Companies

Insurance Company	A.M. Best Rating
Midwest Employers Casualty Co.	A + ( Superior) XV

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
&  
GILROY

**The coverage offered in this proposal:**

- Excess Workers Compensation

**Proposed Policy Term:**

- April 01, 2016 to April 01, 2017

**Proposed Insurance Companies:**

- Midwest Employers Casualty Company

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
&  
GILROY



**Insurance Carrier: Midwest Employers Casualty**  
**Policy Number: EWC007579**  
**Policy Term: April 1, 2016 – April 1, 2017**

Coverage	Limits	Premium
<b>Workers Compensation</b>	Statutory	\$ 80,380
<b>Employers Liability</b>		
Body Injury by Accident/Disease/Total	\$ 1,000,000	
<b>Self Insured Retention – Per Occurrence</b>	\$ 500,000	

Code	Description	Payroll	Premium
9410	Municipal NOC	\$ 461,222	
8810	Clerical Office	\$ 955,368	
8391	Auto Repair Shop	\$ 316,461	
7710	Paid Firefighters	\$ 2,490,545	
8820	Attorneys	\$ 118,696	
9102	Parks	\$ 100,624	
8838	Library	\$ 144,723	
7720	Police	\$ 2,438,327	
9403	Refuse Collection	\$ 559,156	
7520	Waterworks – Operations & Drivers	\$ 404,919	
7580	Sewer Operation	\$ 181,081	
7542	Meter Readers	\$ 56,830	
8831	Animal Control	\$ 45,043	
9026	Buildings – City Hall	\$ 31,596	
9101	Crossing Guards	\$ 47,547	
9402	Streets	\$ 263,108	
	<b>Total Payroll</b>	<b>\$ 8,615,246</b>	<b>\$ 80,380</b>
	Payroll subject to audit		

**A FAR FROM ORDINARY  
 APPROACH TO RISK**

**GILROY**  
 KERNAN  
 GILROY

**Insurance Carrier: Midwest Employers Casualty**

**Policy Number: EWC007579**

**Policy Term: April 1, 2016 – April 1, 2017**

## Forms & Endorsements

CMB -11	Amendments to Schedule Item 11
CMB-197	Policyholder Disclosure Notice of Terrorism Insurance
ISI-254-EXC	Aircraft Exclusion
CMB-NY	New York
CMB-NY-ACK	New York Acknowledgement
CMB-NY-NOT	Notice to Policyholder
CMB-NY-NOT-SXS	Notice to Policyholder
ISI- 215	Cash Flow Protection Endorsement

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY

# Premium Summary

11

Coverage	Expiring	Renewal	Difference
<b>Excess Workers Compensation</b>	\$ 81,423	\$ 80,380	- \$ 1,043
<b>\$ 550,000 retention</b>		\$ 75,513	- \$ 5,910
<b>\$ 600,000 retention</b>		\$ 69,749	- \$ 11,674

## Coverage

## Payment Terms

**Excess Workers Compensation**

Agency Bill

Annual Pay

**A FAR FROM ORDINARY  
APPROACH TO RISK**

**GILROY  
KERNAN  
&  
GILROY**

Carrier	Marketing Efforts
<b>Midlands</b>	Minimum SIR \$ 750,000
<b>Safety National</b>	Wanted split SIR \$ 650,000 police & fire/\$ 550,000 all other Premium \$ 115,000
<b>US Specialty</b>	Does not fit underwriting guidelines

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY

Due to the payment requirements of our insurance carriers, Gilroy, Kernan & Gilroy Insurance, Inc. has established a credit policy as follows:

1. **INITIAL PREMIUMS**: All premiums are due by the effective date of coverage unless other financing arrangements are made. Installments are due on installment due date.
2. **ENDORSEMENTS**: All premiums for policy endorsements or audits are due upon receipt.
3. **FINANCING**: We will work with you to obtain premium financing, if desired. Some insurance carriers provide this service. Where they do not, we have access to a number of outside finance agencies whose rates are competitive with the market. Should you decide to use premium financing, you must make this election at the time coverage is bound.
4. **CANCELLATION**: If your policy(ies) are canceled for any reason, you will be held responsible for any earned premium.
5. **REINSTATEMENT**: Should your policy(ies) be canceled for non-payment or late payment of premium, we may not be able to have your coverage reinstated. Reinstatement is at the election of your insurance carrier.

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY

**“We anticipate, understand and meet our clients’ needs in a way that “WOWs” them.”**

**“We embrace the benefits of change, the highest ethics, and a deep commitment to our community.”**

**-from the GKG Mission Statement**

We believe that transparency in the relationship is a key to our success in developing and maintaining a trusting, long-term, and mutually beneficial relationship with you, our client.

We also believe that one of our core responsibilities is to help you understand and navigate the insurance marketplace.

We know that our most successful relationships happen when our incentives are aligned with your goals.

Recently, the NYS Insurance Department resolved that all agents and brokers must disclose how we are compensated for new business we place on our client’s behalf.

Many agents, brokers and our own trade organizations are against disclosing this information; as you know, we’re a bit different than most agents and brokers.

In an effort to provide the best advice and options to our clients, stay true to our mission and accomplish all of the objectives outlined above, we are enclosing information regarding the method and amount that we are compensated by insurance companies related to your account. We choose to provide this to you, not just on new business, but at each renewal, because we feel the value of the service we provide cannot be quantified if we cannot have a candid discussion regarding its true cost.

**A FAR FROM ORDINARY  
APPROACH TO RISK**

**GILROY  
KERNAN  
GILROY**

As a company, we are compensated in two ways. Either as a consultant, in a fee-for-service arrangement, or as an insurance agent or broker, through commission payments from insurance companies. In some cases GKG may be compensated through both consultant fees and commissions from insurance companies, depending on the unique needs and policies of a particular client. As a consultant it is very clear to our clients how much we get paid. However, in our role as an insurance agent or broker, we feel a greater understanding should be established with our clients regarding how we are compensated by the insurance companies we work with.

Gilroy, Kernan & Gilroy (GKG) is licensed as an insurance agent and broker in the state of New York and is authorized by our licenses to consult with our clients about the benefits, terms and conditions of insurance contracts. Our license also allows us to offer advice concerning those insurance contracts in addition to selling insurance to, and obtaining insurance for, our clients. In this role, we receive compensation from the selling insurance company based on the insurance policy that is sold.

As an agent, Gilroy, Kernan & Gilroy is representing both our clients (the purchaser) of insurance, as well as the selling insurance company. As a broker, Gilroy, Kernan & Gilroy is representing our clients (the purchaser) of an insurance contract. Regardless of whether we are acting an agent or a broker, Gilroy, Kernan & Gilroy receives compensation from the selling insurance company based on the insurance contract that is sold.

In addition to the base commissions that Gilroy, Kernan & Gilroy receives, it is possible that we may receive bonus or contingent payments from the insurance company, based on factors which are not client specific, such as the volume of business GKG has with an insurance company or the profitability of the block of insurance contracts GKG provides to an insurance company. For our employee benefits contracts, contingent income is based primarily upon membership growth. The bonus or contingent compensation paid by insurance companies to GKG varies from insurance company to insurance company, and from insurance contract to insurance contract, and in most cases GKG does not know the exact amount of such payments until the underwriting year is closed.

**Additional Information to Note:**

- Gilroy, Kernan & Gilroy employees do not share in contingent income in an effort to ensure that they can always be objective in providing advice concerning insurance contracts to their clients.

- As an insurance agent and broker, Gilroy, Kernan & Gilroy is prohibited by law from rebating commission or other compensation to our clients or in any way providing an inducement to a client in order to sell insurance.

Attached to this statement, please find more specific information about the actual amount of compensation we receive from the insurance companies we have obtained quotes from for your insurance program. At anytime during our relationship you may obtain more exact information about the amount of compensation received or expected to be received by GKG. This additional information may be obtained by submitting a written or verbal request to a GKG representative.

**A FAR FROM ORDINARY  
APPROACH TO RISK**

**GILROY  
KERNAN  
GILROY**

Carrier	Line of Business	Commission
Midwest Employers	Excess Workers Compensation	10 %

**A FAR FROM ORDINARY  
APPROACH TO RISK**

GILROY  
KERNAN  
GILROY