

**WHATCOM COUNTY CONTRACT
INFORMATION SHEET**

Whatcom County Contract No.
202512023

Originating Department:	Administrative Services
Division/Program: (i.e. Dept. Division and Program)	Human Resources
Contract or Grant Administrator:	Bea Acland, HR Manager
Contractor's / Agency Name:	Midwest Employers Casualty

Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes No If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____

Does contract require Council Approval? Yes No If No, include WCC: _____
Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)

Is this a grant agreement? Yes No If yes, grantor agency contract number(s): _____ ALN: _____
Complete ALN field if contract involves direct federal grants/cooperative agreements or pass-through federal funds

Is this contract grant funded? Yes No If yes, Whatcom County grant contract number(s): _____

Is this contract the result of a RFP or Bid process? Yes No If yes, RFP and Bid number(s): _____ Contract: _____ Cost Center: 55004001

Is this agreement excluded from E-Verify? No Yes If no, include Attachment D Contractor Declaration form.

If YES, indicate exclusion(s) below:

Professional services agreement for certified/licensed professional. Goods and services provided due to an emergency
 Contract work is for less than \$100,000. Contract for Commercial off the shelf items (COTS).
 Contract work is for less than 120 days. Work related subcontract less than \$25,000.
 Interlocal Agreement (between Governments). Public Works - Local Agency/Federally Funded FHWA.

Contract Amount:(sum of original contract amount and any prior amendments):

\$ 120,069

This Amendment Amount:

\$ _____

Total Amended Amount:

\$ _____

Summary of Scope:

Council approval required for; all property leases, all Interlocal agreements, contracts or bid awards exceeding \$75,000, and grants exceeding \$40,000 and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, except when:

1. Exercising an option contained in a contract previously approved by the council.
2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance.
3. Bid or award is for supplies.
4. Equipment is included in Exhibit "B" of the Budget Ordinance.
5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.

Stop loss protection for the self-insured workers' compensation program with Midwest Employers Casualty.

Term of Contract: One year

Expiration Date: 12/31/26

Contract Routing:	1. Prepared by: Bea Acland	Date: 11/21/25
	2. Attorney signoff: Jesse Corkern by email	Date: 11/26/25 / JC
	3. AS Finance reviewed: Andrew Tan by email	Date: 12/01/25 / AT
	4. IT reviewed (if IT related):	Date: _____
	5. Contractor signed:	Date: _____
	6. Executive contract review: JL	Date: 12/10/2025
	7. Council approved, if necessary: AB2025-836	Date: 2025.12.09
	8. Executive signed: <i>Satpal Sidhu</i>	Date: 12/13/2025
	9. Original to Council:	Date: _____

WHATCOM COUNTY
ADMINISTRATIVE SERVICES



HUMAN RESOURCES

County Courthouse
311 Grand Avenue, Suite #107
Bellingham, WA 98225-4038
(360) 778-5305
hr@co.whatcom.wa.us

Melissa Keeley
Director

MEMORANDUM

TO: Satpal Sidhu, County Executive
FROM: Bea Acland, HR Manager
RE: **Workers Compensation – Stop Loss Insurance Policy**
DATE: December 1, 2025

Enclosed is a Client Authorization to Bind Coverage for excess/stop loss coverage for workers' compensation claims over \$1,000,000 for your review and signature.

The estimated premium is \$120,069 for 2026 coverage plus a \$9,300 Broker Fee and a \$100.00 Agency Bill Administration Fee. Final premium will be based on actual worker hours during 2026.

Background and Purpose

The County protects its financial assets in the self-insured workers' compensation program with reserves and with insurance coverage for very large claims (also called stop loss or excess insurance). Each year, Arthur J. Gallagher, broker for the Washington Counties Risk Pool, seeks bids from the market, analyzes quotes, and provides options for coverage.

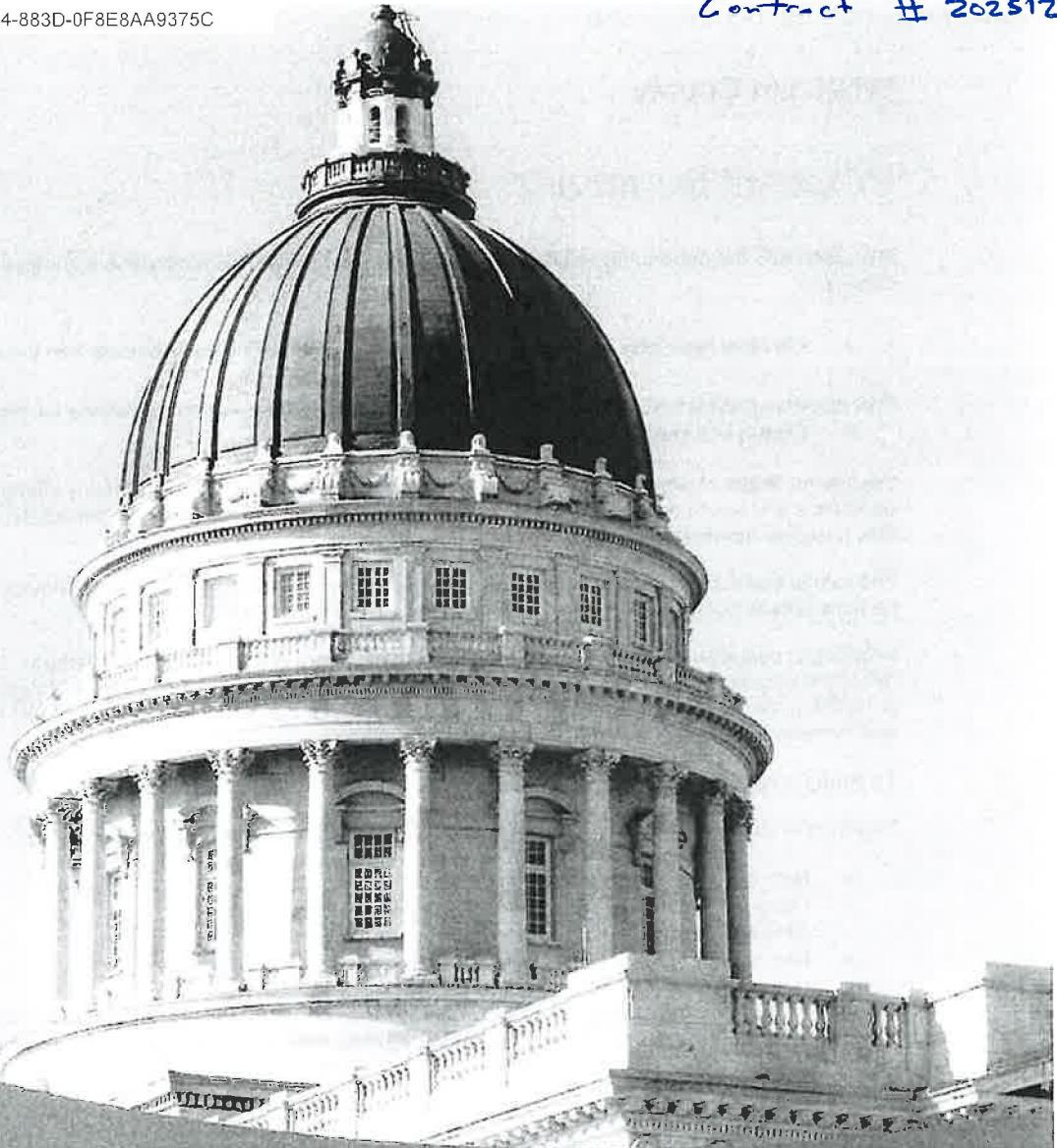
Current coverage for 2025 is with Midwest Employers Casualty Company. The rate of .0679 per worker hour is a 6.43% increase over last year's rate. The Self-Insured Retention remained at \$1,000,000 per claim for law-enforcement, and increased from \$750,000 in 2025 to \$1,000,000 in 2026 for non-law-enforcement.

Midwest was the only available option for 2026 coverage. There are very few companies in this market who are willing to write for municipalities in Washington state.

Funding Amount and Source

The workers' compensation program is funded through internal rates charged to departments based on hours worked by risk classification (law enforcement, laborers, office, etc.). Premiums are paid from cost center 55004001.

Please feel free to contact me at (360) 778-5308 if you have any questions or concerns regarding my recommendation.



Proposal of Insurance

Whatcom County

311 Grand Avenue, Suite 107
Bellingham, WA 98225-4082

Presentation Date: November 25, 2025

Arthur J. Gallagher Risk Management Services, LLC
AJG License No. IL 180299093 CA 9109283


Gallagher
Insurance | Risk Management | Consulting

Whatcom County

Proposal Summary

We appreciate the opportunity to quote your business insurance. This proposal is a summary of policy terms and conditions.

- We have been able to achieve renewal goals by negotiating your renewal with the incumbent carrier.

This proposal provides coverage highlights along with the attached carrier quotations for the following coverages:

- Excess Workers' Compensation

We are not aware of any changes in your exposures to loss, nor are we aware of any changes in your business operations that would necessitate additional coverage options. Please notify us immediately if you are planning any new business operations.

The values and schedules are per the expiring policy or the information you have previously provided. It is your responsibility to notify us of all necessary changes to your schedules.

Information contained in this proposal is intended to provide a brief overview of coverages. It should be used for reference purposes only. It is not intended to provide a full list of policy exclusions, limitations, and conditions. The provided quotes should be reviewed for further details. Coverage afforded to you is subject to all terms, conditions, and exclusions of the bound and issued policies.

To Bind Coverage:

Please refer to the attachment document titled, "*Client Authorization to Bind Coverage*":

- Note any changes you desire to be made
- Place a check mark next to the coverage(s) you wish to accept
- Date and Sign
- Return prior to the effective date of coverage

Thank you for allowing Gallagher to service your insurance needs. We appreciate your business and look forward to working with you in the coming year. Please contact me if you have any questions.

Sincerely,
Shelby Hand

Shelby Hand
Client Service Manager

Enclosure



Insurance | Risk Management | Consulting

Whatcom County

Your Gallagher Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

Service Team	Role	Email	Phone
Julie McCallum Area Senior Vice President	Producer	Julie_McCallum@aig.com	(425) 586-1040
Shelby Hand Client Service Manager	Client Service Manager	Shelby_Hand@aig.com	(425) 492-1858

Whatcom County

Premium Summary

The estimated program cost for the options are outlined in the following table:

Line of Coverage		Expiring	Renewal Option
		Midwest Employers Casualty Company	Midwest Employers Casualty Company
Excess Workers' Compensation	Premium	\$110,991.00	\$120,069.00
	Estimated Cost*	\$110,991.00	\$120,069.00
	SIR	\$1M law enforcement/\$750K all other	\$1M for all risk classes
AJG Broker Fee		\$8,578.00	\$9,300.00
Agency Bill Administration Fee		N/A	\$100.00
Total Cost		\$119,569.00	\$129,469.00

*Estimated Cost includes all taxes, fees, surcharges and TRIA premium (if applicable)

Carrier	Policy Year	Worker Hours	Rate per Hour	Premium	Risk Class	SIR	Risk Class	SIR
MidWest Casualty	2021-22	1,640,000	0.0451	\$73,964	6905 & 6906	\$600,000	All other	\$500,000
MidWest Casualty	2022-23	1,655,045	0.0559	\$92,517	6905 & 6906	\$750,000	All other	\$500,000
MidWest Casualty	2023-24	1,665,045	0.0609	\$100,792	6905 & 6906	\$750,000	All other	\$500,000
MidWest Casualty	2024-25	1,764,271	0.0638	\$112,560	6905 & 6906	\$750,000	All other	\$500,000
MidWest Casualty	2025-26	1,739,675	0.0638	\$110,991	6905 & 6906	\$1,000,000	All Other	\$750,000
MidWest Casualty	2026-27	1,768,324	0.0679	\$120,069			All	\$1,000,000
Change over expiring term:		1.65%	6.43%	8.18%				

Premiums are due and payable as billed and may be financed, subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required. Note: Unless prohibited by law, Gallagher may earn compensation for this optional value-added service.

Gallagher is responsible for the placement of the following lines of coverage: Excess Workers' Compensation, Environmental Liability.

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Where permitted by law, Gallagher may assess a \$100 Agency Bill Administration Fee on all new and renewal policy placements where Gallagher is responsible for collecting client premium and remitting payment to insurance carriers and other third parties. In connection with such billing obligations, Gallagher assumes additional administrative, financial and compliance obligations that introduce significant risks to Gallagher's business. Should you change to direct bill, where available, or premium finance the transaction, you will not incur the Agency Bill Administration Fee.

Named Insured

Named Insured	Excess Workers' Compensation
Whatcom County	X

Note: Any entity not named in this proposal may not be an insured entity. This may include affiliates, subsidiaries, LLCs, partnerships, and joint ventures.

Whatcom County

Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost-effective insurance program.

Line Of Coverage	Insurance Company ** (AM Best Rate/Financial Strength)	Market Response *	Admitted ***
Excess Workers' Compensation	Midwest Employers Casualty Company (A+ XV)	Recommended Quote	Admitted

*If shown as an indication, the actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

**Gallagher companies use AM Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the AM Best website at <http://www.ambest.com/ratings>.

***If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Whatcom County

Coverage Highlights

Excess Workers' Compensation

	Recommended Quote
Policy Term	01/01/2026 - 01/01/2027
Carrier Information	Midwest Employers Casualty Company
Payment Plan	Total Deposit Due: \$120,069.00
Payment Method	Agency Bill
Premium & Exposures	
Excess Workers' Compensation Premium	\$120,069.00
Terrorism – TRIA (Included)	\$3,602.00
Estimated Cost	\$120,069.00
Exposure	1,768,324 - Worker Hours
Auditable / Frequency	Auditable / Annually
Minimum Type	Minimum Premium
Minimum Amount	\$108,062
Excess Workers' Compensation Coverages	
Employer Liability Limits	\$1,000,000
Estimated Annual Payroll (Total)	1,768,324 - Worker Hours
Specific Retention	\$1,000,000
States covered under Item 3 A.	WA
Exclusions (Not including Limited to)	
Significant policy endorsements include, but are not limited to, those listed on the attached quote/policy form/endorsements.	
Exclusions (Not including Limited to)	
Significant policy exclusions include, but are not limited to, those listed on the attached quote/policy form/endorsements.	

Whatcom County

Claims Reporting By Policy

Immediately report all claims. Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

Reporting Direct to Carrier [Only When Applicable]

Coverage(s): Excess Workers' Compensation	Immediately report claims directly to:
Insurer: Midwest Employers Casualty Company	Insurer/TPA Name: Midwest Employers Casualty Company Email: newclaim@MECasualty.com
Policy Term: 01/01/2026 – 01/01/2027	Insurer/TPA Name: Midwest Employers Casualty Company

Reporting to Gallagher or Assistance in Reporting

Coverage(s): Excess Workers' Compensation	Immediately report claims directly to:
Gallagher Claim Center	Phone: 855-497-0578 Fax: 225-663-3224 Email: ggb.nrcclaimscenter@ajq.com
Policy Term: 01/01/2026 – 01/01/2027	

Whatcom County

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, Exclusions including but not limited to: limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Whatcom County

Terms and Conditions

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these "Terms") govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the "CAB") included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

Services

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher's assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

Gallagher is not required to provide Services to you if Gallagher reasonably considers that to do so would put Gallagher in breach of, or would expose Gallagher or its affiliates to fines, penalties or sanctions under any laws, regulations, professional rules or, in Gallagher's sole opinion, you have breached a term/the terms of the Policies. In such circumstances, Gallagher will be entitled to terminate its Services with immediate effect. In the event that Gallagher exercises its right to terminate its Services with immediate effect, Gallagher will not be responsible or liable to you for any direct or indirect loss which you or any other party may suffer as a result.

Please be aware that Gallagher is generally restricted from providing broking, claims handling or other services that relate to Cuba and Iran, including due to significant difficulties in processing payments and other commercial and reputational considerations.

Treatment of Information

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information (including transfers outside the United States in compliance with applicable laws) to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law. The parties agree that confidential information does not include aggregate, anonymized or de-identified data. In addition, we may also utilize your aggregated, anonymized, or de-identified information in connection with benchmarking, risk modeling and other data analytics, service or product improvements, and offerings, and similar business purposes. You further agree we may use your information with artificial intelligence or other automated applications for the purposes of improving or delivering our services to you.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects' rights, as applicable. To the extent applicable under associated data protection laws, you are a "business" or "controller" and Gallagher is a "service provider" or "data processor." You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallagher's Privacy Policy located at <https://www.aig.com/privacy-policy/>. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

Whatcom County

Dispute Resolution

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we'd like to clearly outline the resolution process.

- A. If the parties have a dispute regarding Gallagher's services or the relationship governed by this Proposal ("Dispute"), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms.
- B. The party asserting a Dispute must provide a written notice ("Notice") of the claim to the other party and to the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration proceedings and will each pay their own attorneys' fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years' experience in commercial and insurance coverage disputes.
- C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of \$500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion prepared and signed by the arbitrator(s). Except as may be required by law, neither you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

Electronic Delivery

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

Miscellaneous Terms

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

Whatcom County

Compensation Disclosure Schedule

Client Name: Whatcom County

Coverage(s)	Carrier Name(s)	Wholesaler, MGA, Or Intermediary Name ¹	Est. Annual Premium
Excess Workers' Compensation	Midwest Employers Casualty Company	N/A	\$120,069

1 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

2 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

Note: When placing business with insurance companies, Gallagher Companies receive commission based on negotiated contractual terms with those carriers percentage of the premium excluding taxes and fees. Major lines of coverage, and their typical range of commissions are listed below. If you wish to receive compensation paid to Gallagher Companies, please contact your Gallagher representative.

- **Accident & Health:** 15-25%
- **Aviation:** 14-15%
- **Contract Bonds:** 20-30%
- **All Other Bonds/Surety:** 30-35%
- **Builders Risk:** 15-18%
- **Property:** 15-22%
- **Inland Marine:** 20-22.5%
- **Ocean Marine:** 15-17.5%
- **Casualty:** 14-15%
- **Commercial Auto:** 12.5-15%
- **Package / Business Auto:** 15-20%
- **Workers Compensation:** 15-20%
- **All Other Commercial Lines:** 10-15%
- **Executive/Professional:** 15-20%
- **Medical Malpractice:** 15-20%

Compensation to Gallagher may also be disclosed in a Client Services Agreement or Consulting Services Agreement.

Whatcom County

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 11/25/2025, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

Coverage/Carrier	
<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Workers' Compensation Midwest Employers Casualty Company
Included*	TRIA - Excess Workers' Compensation

*For this coverage, TRIA cannot be rejected

Fee Agreement: *In lieu of or In addition to* commission received by Gallagher for the policy term reflected herein, effective 1/1/2026 Gallagher will receive a fee of \$9,300 for:

- Placement of Insurance Coverages
- Maintenance and Management of the Account
- Loss/Risk Control Services
- Claim Advocacy Services
- Consulting Services
- Data Analytics Program Studies
- Program Administration

Fee Breakdown

Broker Fee: \$9,300

Agency Bill Administration Fee: \$100

By signing below, you are acknowledging that the fee listed above is fully earned and is NOT refundable. The fee is due and payable within thirty (30) days of your execution below. Any placements that require the payment of additional state or federal taxes and/or fees are the client's responsibility.

You further acknowledge and agree that the Proposal, this Client Authorization to Bind Coverage (including this Fee Agreement) reflect your understanding of the services to be provided by Gallagher as they have been discussed with and fully disclosed to you, and the above fee is consistent with your understanding. Any disputes arising out of the Proposal, this Client Authorization to Bind Coverage and/or the performance of services by Gallagher shall be governed by the laws of the State of Illinois.

Exposures and Values

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

Additional Terms and Disclosures

Gallagher is not an expert in all aspects of your business. Gallagher's Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Whatcom County

Gallagher's liability to you arising from any of Gallagher's acts or omissions will not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential, reliance or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of the claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.aig.com/privacy-policy/>.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: Satpal Singh Sidhu, County Executive

Print Name (Specify Title)

Whatcom County

Company
DocuSigned by:

Satpal Singh Sidhu

1192C7C18B564E3

Signature

Date: 12/13/2025

Approved by Council December 9, 2025

