

WHATCOM COUNTY CONTRACT INFORMATION SHEET

Whatcom County Contract No. _____

Originating Department: _____	
Division/Program: <i>(i.e. Dept. Division and Program)</i> _____	
Contract or Grant Administrator: _____	
Contractor's / Agency Name: _____	
<p>Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes No</p> <p>Yes No If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____</p> <p>Does contract require Council Approval? Yes No If No, include WCC: _____</p> <p>Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)</p> <p>Is this a grant agreement? Yes No If yes, grantor agency contract number(s): _____ ALN: _____</p> <p><small>Complete ALN field if contract involves direct federal grants/ cooperative agreements or pass-through federal funds.</small></p> <p>Is this contract grant funded? Yes No If yes, Whatcom County grant contract number(s): _____</p> <p>Is this contract the result of a RFP or Bid process? Contract</p> <p>Yes No If yes, RFP and Bid number(s): _____ Cost Center: _____</p> <p>Is this agreement excluded from E-Verify? No Yes If no, include Attachment D Contractor Declaration form.</p> <p>If YES, indicate exclusion(s) below:</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Professional services agreement for certified/licensed professional. <input type="checkbox"/> Contract work is for less than \$100,000. <input type="checkbox"/> Contract work is for less than 120 days. <input type="checkbox"/> Interlocal Agreement (between Governments). </div> <div> <input type="checkbox"/> Goods and services provided due to an emergency <input type="checkbox"/> Contract for Commercial off the shelf items (COTS). <input type="checkbox"/> Work related subcontract less than \$25,000. <input type="checkbox"/> Public Works - Local Agency/Federally Funded FHWA. </div> </div>	
<p>Contract Amount:(sum of original contract amount and any prior amendments): \$ _____</p> <p>This Amendment Amount: \$ _____</p> <p>Total Amended Amount: \$ _____</p>	<p>Council approval required for; all property leases, all Interlocal agreements, contracts or bid awards exceeding \$75,000, and grants exceeding \$40,000 and and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, except when:</p> <ol style="list-style-type: none"> 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.
Summary of Scope: _____	
Term of Contract: _____	Expiration Date: _____

Contract Routing:	1. Prepared by: _____	Date: _____
	2. Attorney signoff: _____	Date: _____
	3. AS Finance reviewed: _____	Date: _____
	4. IT reviewed (if IT related): _____	Date: _____
	5. Contractor signed: _____	Date: _____
	6. Executive contract review: _____	Date: _____
	7. Council approved, if necessary: _____	Date: _____
	8. Executive signed: _____	Date: _____
	9. Original to Council: _____	Date: _____



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 Nos. IL 100292093 / CA 0D69293



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



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.

<i>Service Team</i>	<i>Role</i>	<i>Email</i>	<i>Phone</i>
Julie McCallum Area Senior Vice President	Producer	Julie_McCallum@ajg.com	(425) 586-1040
Shelby Hand Client Service Manager	Client Service Manager	Shelby_Hand@ajg.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 Estimated Cost* SIR	\$110,991.00 \$110,991.00 \$1M law enforcement/\$750K all other	\$120,069.00 \$120,069.00 \$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
Core 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
Endorsements including but not limited to:	
Significant policy endorsements include, but are not limited to, those listed on the attached quote/policy form/endorsements.	
Exclusions including but not 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 Insurer/TPA Name: Midwest Employers Casualty Company
Policy Term: 01/01/2026 – 01/01/2027	

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@ajg.com
Policy Term: 01/01/2026 – 01/01/2027	



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.ajg.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 ²	Gallagher U.S. Owned Wholesaler, MGA, Or Intermediary % And/or Fee
Excess Workers' Compensation	Midwest Employers Casualty Company	N/A	\$120,069.00	N/A

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 requested will be determined 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. The commission rate is a 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 more details on actual 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 Owners Package:** 15-16.8%
- **Workers Compensation:** 8-11%
- **All Other Commercial:** 10-20%
- **Executive/Professional Lines:** 15-17.5%
- **Medical Malpractice:** 10-12%

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



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 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.ajg.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:

Print Name (Specify Title)

Company

Signature

Date: _____





Whatcom County

Date prepared: 11/24/2025



Visit MECasualty.com to learn more

 PEOPLE+PROCESS+TECHNOLOGY=RESULTS

 **Midwest**
Employers Casualty
| a Berkley Company

ABOUT

MIDWEST EMPLOYERS CASUALTY (MEC)

Midwest Employers Casualty (MEC) provides excess workers compensation insurance to individual self-insureds and self-insured groups, as well as captive solutions. Beyond coverage, MEC delivers valuable resources and expertise that improve outcomes for clients and their injured workers while mitigating expenses. We focus on what matters most: worker recovery and better claims resolutions.



THE MEC DIFFERENCE

Our skilled people, proven processes, and innovative technology achieve measurable results and create lasting value.

- **Account Executives:** MEC Account Executives provide decades of industry-specific experience to enhance your workers compensation program through strategic support, advanced analytics tools, direct access to in-house claims experts, and ongoing risk management guidance.
- **XCEL Analytics®:** Our patented AI solution helps identify high-risk claims early. This enables faster interventions, lower costs, and better outcomes for injured workers.
- **Claims Advantage™:** MEC's multidisciplinary Claims Team—featuring our Chief Medical Officer, Attorneys, Claim Consult Managers and Medical Management Consultants—applies comprehensive expertise to resolve complex claims efficiently and reduce costs through tailored strategies.
- **MEC MSA Solutions:** Our MSA Solutions generate significant cost savings within the insureds' retained layer. Our team of experts completes hundreds of pre-MSA and MSA reviews annually, successfully positioning claims for settlement, resulting in average savings of \$153,306 per claim.¹
- **Benchmark Reports:** Offer insights into your program's performance, empowering you to make data-driven decisions to optimize your workers compensation strategy by uncovering cost-saving opportunities and identifying areas for enhancement.

OUR PRODUCTS

We provide workers compensation excess of loss insurance products to individual employers and groups. These include:

- **Excess Workers Compensation:** Specific and aggregate coverage for individual/group self-insured employers.
- **Captives:** MEC offers Group, Single-Parent and Agency Captives. In addition to providing A+ XV Fronting Paper, we offer Specific Excess and Aggregate Reinsurance protection for our captive clients, while providing them with the flexibility to work with a TPA of their choice..

We distribute our products nationwide through retail and wholesale agencies. If you are an insured, please contact your agent/broker to request a quote.



Midwest Employers Casualty is a member company of W. R. Berkley Corporation, a Fortune 500 company, and has an A.M. Best rating of A+ (Superior).

Products and services are provided by one or more insurance company subsidiaries of W. R. Berkley Corporation. Not all products and services are available in every jurisdiction, and the precise coverage afforded by any insurer is subject to the actual terms and conditions of the policies as issued. ¹As of September 30, 2025



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Midwest
Employers Casualty
a Berkley Company

MEC10250427

Insurer: Midwest Employers Casualty Company

Policy Effective Date: 01/01/2026

Insured: Whatcom County
Policy #: EWC008904

Quote Date: 11/24/2025
Quote Expiration Date: 60 Days

POLICY TERMS		QUOTE OPTIONS	
Named States	0259871 WA		
<u>SPECIFIC:</u>			
Specific Limit	STATUTORY		
Specific Retention	\$1,000,000		
<u>EMPLOYERS LIABILITY:</u>			
Employers Liability Limit	\$1,000,000		
Employers Liability Retention	See Specific		
<u>AGGREGATE:</u>			
Aggregate Limit	NA		
Aggregate Retention	NA		
Estimated Aggregate Retention	NA		
Minimum Aggregate Retention	NA		
<u>RATING BASE:</u>			
Est. Annual Worker Hours	1,768,324		
Est. Annual Manual Premium	\$2,399,030		
Length of Policy (Years)	1.000000		
Est. Policy Normal Premium	\$2,399,030		
Rate Per Worker Hour	0.0679		
<u>PREMIUM:</u>			
Total Est Policy Prd Premium (Including Flat Charges)	\$120,069		
Policy Minimum Premium	\$108,062		
Deposit Premium	\$120,069		
Deposit Flat Charge(s)	NA		
<u>Total Deposit Due</u>	\$120,069		
Terrorism Risk Ins Act of 2002 (incl in Total Deposit Due above)	\$3,602		
Commission	0%		

CONDITIONS / COMMENTS:

* MECC must be notified of any aircraft changes occurring during the policy period.

Insurer: Midwest Employers Casualty Company

Policy Effective Date: 01/01/2026

Insured: Whatcom County
Policy #: EWC008904

Quote Date: 11/24/2025
Quote Expiration Date: 60 Days

Quote Option(s) 0259871 Include(s) the following Endorsements:

CMB-6-CLS	Amendment to Schedule Item 6
CMB-11	Amendment to Schedule Item 11
CMB-160	Foreign
CMB-199	Policyholder Disclosure Notice of Terrorism Insurance
ISI-251	Aircraft Per Employee Retention Surcharge - \$1,000,000
ISI-260	Authorized Volunteers
ISI-261	Voluntary Compensation
ISI-266	Endemic Disease and Repatriation
ISI-280	Jones Act
ISI-WA (03-25)	Washington

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act as amended, (the "Act"), is included in the quote for your policy.

As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act.

However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism, as defined in the Act is shown below, and does not include any charges for the portion of losses covered by the United States government under the Act.

Quote Option	<u>0259871</u>
TRIA Charge:	\$3,602

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Name of Insurer: Midwest Employers Casualty Company

Name of Insured: Whatcom County

MEDICAL COST MITIGATION

Midwest Employers Casualty (MEC) collaborates with premier vendors to negotiate discounts on the significant cost drivers on large claims, including hospital and surgical bills, attendant care rates, long-term facility rates, durable medical equipment, and prosthetics.

To enhance billing integrity and transparency, our vendors use innovative technological solutions to identify inappropriate charges and questionable billing patterns. This has resulted in substantial reductions in errors, abuse, and fraud in medical billing for our clients.

CLAIMS ADVANTAGE™

MEC's multidisciplinary Claims Team—featuring our Chief Medical Officer, Attorneys, and Medical Management Consultants—applies comprehensive, no-cost expertise to resolve complex claims efficiently and reduce expenses through tailored strategies.

FUNCTIONAL RESTORATION CENTERS OF EXCELLENCE

Injured workers often need a variety of interventions to help them cope with their injuries. We partner with Functional Restoration Centers of Excellence that specialize in treating and helping the most seriously disabled workers. Our experts can evaluate each case individually and recommend the best and most cost-effective long-term solution for each injured worker.

OTHER MEDICAL COST MITIGATION SERVICES

- Durable Medical Equipment
- Home Health Services
- Transportation Services
- Home & Vehicle Modification
- Orthotics & Prosthetics
- Electrotherapy

MEC IMPACT STORY STEVEN, AGE 50

THE ACCIDENT

Steven was at work in 2015 when he slipped and fell on a wet floor, causing lower back and shoulder injuries.

MEC'S APPROACH

Steven had shoulder surgery after the accident and major back surgery a year later. He was at maximum medical improvement but required long-term pain medications. Steven attended an ERP, restored his physical function, and weaned off of pain medications.

MEC prepared a medical cost projection for the TPA. Our analyst and attorney met with the TPA and employer to review and encourage a settlement strategy. All parties agreed that a settlement was the best outcome.

THE RESULTS

MEC worked with the TPA to prepare a settlement offer that Steven accepted, which provided appropriate medical care and avoided the potential for complications with long-term opioid utilization.

INSURED SAVINGS: \$675,560 SAVED BELOW THE ORIGINAL \$1 MILLION SIR



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RISK MANAGEMENT SERVICES

Midwest Employers Casualty (MEC) offers comprehensive risk management services to ensure that our clients receive innovative solutions that will lower their total cost of risk.

ACCOUNT EXECUTIVES

Our Account Executives have decades of industry-specific experience and offer strategic support to strengthen your workers compensation program. They will help you leverage our best-in-class analytics tools, connect you with our in-house claims experts, and serve as your ongoing resource for risk management guidance.

BENCHMARK & XCEL ANALYTICS® REPORTS

- **Benchmark**
Our custom report shows how your workers compensation program is performing compared to your peers' programs.
- **XCEL Analytics®**
Reports identify high-risk claims early within your retained layer using our patented predictive analytics. Identifying these claims early allows you to implement a plan of action to reduce costs and achieve better outcomes for injured workers.

ONLINE RISK MANAGEMENT RESOURCES

MEC's online risk management resources offer you on-demand access to a broad selection of digital tools, webinars, podcasts, presentations, handouts, and workplace safety posters.

ON-DEMAND WEBINARS

We offer access to a broad selection of no-cost, on-demand webinars from MEC experts that provide insights on essential topics to help you strengthen your excess workers compensation program. This includes identifying emerging trends, medical and legal issues, and data-driven insights into the rapidly changing workers comp insurance landscape.

ON-DEMAND SAFETY TRAINING VIDEOS

Through our alliance with Safety Source, you have use of more than 600 on-demand, industry-specific training videos to supplement your company's safety training program. The library contains categories, such as healthcare, transportation, public entities, retail, and school districts. It also includes subject-focused videos such as janitorial, driver safety, forklifts, material handling, ergonomics, and back injury prevention.

SAFE PATIENT HANDLING & MOBILITY

We work closely with our healthcare clients to evaluate their readiness to implement their safe patient handling program. We provide guidance throughout the entire process, resulting in a fully implemented, robust, safe patient handling and mobility program.



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THE MEC CLAIMS ADVANTAGE

Midwest Employers Casualty's (MEC) approach to claims management is built on partnership and shared expertise. MEC's suite of workers compensation resources streamline the claims management and reporting process to optimize outcomes for the insured and the injured worker. Our multidisciplinary team brings extensive experience and expertise to mitigate costs and deliver results for our insureds and broker partners.

THE MEC DIFFERENCE

Our collaborative process combines unparalleled medical and legal expertise and coordination with all invested parties to ensure effective claim management, quality care, and cost minimization.

- We bring together all invested parties, including claims administrators, account representatives, brokers, and field nurses, to jointly resolve complex claim issues.
- Only excess carrier with a unit of claims experts dedicated to reducing costs within your clients' retained layer.
- MEC complements what broker and TPA partners provide through our specialized solutions, claims expertise, and customer-centric service.

CATASTROPHIC CLAIM MANAGEMENT

- Dedicated Catastrophic Claims Unit has free resources available for all policyholders and their TPAs:
 - 24-hour claim reporting CAT hotline
 - Assistance with initial investigations for compensability and potential subrogation
 - Valuation by Chief Medical Officer and CAT nurses
 - Hospital bill negotiation for acute care charges.
- Offer front-of-the-line access to medical Centers of Excellence to leverage advanced technology and ensure optimal outcomes for catastrophically injured workers.



XCEL ANALYTICS®

- Leverages our patented, advanced predictive analytics to identify high-risk claims early in their life cycle.
- Automated risk scoring, prioritization, and targeted intervention strategies help mitigate claim risk and support injured workers in achieving the best possible functional outcomes.
- Prioritizes the well-being and recovery of the injured employee while driving cost savings.

COLLABORATION WITH MEC

To learn more about how MEC's **People + Process + Technology** focus delivers the results you need to attract new clients and confidently expand your business, contact us today.



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