

Response to Request for Proposal

City of Independence, Missouri

November 2020





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Section A: Executive summary



Executive summary

Dear selection committee:

We have achieved our success and stature as the largest privately held broker in the country by being fiercely aggressive in driving results with a passion for service.

Lockton places close to \$2 billion (P&C) out of the Kansas City office. We have more than 1,000 associates in the Kansas City area. This talent under “one roof” allows us to offer a wide range of risk management services, loss control, claim advocacy, risk analysis and day-to-day servicing needs our clients deserve and expect.

We place more than \$600 million in premium in Kansas City for our top-five markets. Our key marketing differentials are:

- Product line expertise and depth.
- Industry specialization such as utilities, public entities (largest provider in the Kansas City region), healthcare, transportation, construction, retail, food processing, food service and manufacturing.
- Innovation
- Market relationships and leverage (we have the premium volume to get the best underwriters companies have to offer and access to senior decision makers to drive results).
- Bench strength.

We have the requisite and unique knowledge of municipalities and utilities risk profile and characteristics, which include sovereign immunity statutes, large property footprint with partial catastrophic exposure, aviation, professional liability unit, equipment breakdown perils, and robust risk control needs. Our Kansas City office insures more than \$15 billion in public entity property values (individual, direct placements).

Insurance brokers serve as a valuable resource in presenting your risk profile in its most favorable light. Brokers help design the proper program and achieve the appropriate coverage limits and attachment points. It is an acquired skill to blend all of these elements at the best premium the market can offer, most particularly for the public sector.

Insurance markets that write or entertain public entity business prefer brokers that have specialty knowledge of the sector. Successful brokers develop a rapport with markets by best defining what a successful relationship is and getting the markets to provide solutions uniquely tailored to your risk profile. Relationships are strengthened over time by a carrier’s claim-paying performances and ability to alter pricing and program design.

If we are again approved as your broker, we will continue to use market forces to demand excellence in program design and pricing. This requires specialty knowledge of the tort claims environment, contract construction and your unique risk profile.

Our revenue growth is organic and leads our industry. It is fueled by our culture, our client retention, and our business philosophies. Our success in Kansas City and across the nation is driven by our culture of passionate service in managing your total cost of risk.



If you choose Lockton as your broker, you will continue to experience the following:

- We will be a very proactive business partner that will bring you cutting-edge programs and services in our industry that are tailored to the needs of the City.
- We will do the little things, the basic blocking and tackling of the service model, better than anyone else in our industry. We pride ourselves on doing things the right way — the first time.
- We will hold ourselves accountable for what we have committed to do. If we say we are going to do it, we do.
- We will provide timely responses, communicate effectively and often, and do everything we can so there are no surprises.
- We will be a strong advocate for the City of Independence in the marketplace. You will have the best property and casualty program the market can offer in terms of rate, coverage, and retention.
- We will service your business with the same team that presents the City to the insurance marketplace.
- We are proud of our many accomplishments achieved working together. We have enjoyed servicing as your insurance broker and hope we may continue to do so.

Sincerely,

LOCKTON COMPANIES

Patrick D. Meyers
Senior Vice President



Section B: Background and qualifications



B-1.

Describe your national, statewide and local service capabilities, and, with more specificity, your experience with public entities.

Lockton writes more than 99% of its accounts as commercial business and less than 1% as personal lines.

Lockton places nearly \$2 billion of annual property and casualty premiums out of our Kansas City office.

We estimate our public entity annual property and casualty premium to be in excess of the \$20 million and has been for three years.

We are the largest broker in Kansas City, nearly five times the size of our closest competitor. Over 50 Associates work with our public entity clients. No other broker has the depth, breadth and availability of specialized resources, relevant tools, support services that can be accessed location (Kansas City), including specialists in fidelity, property, environmental, cyber, risk finance, and professional liability. Lockton Public Entity Practice is staffed with a core account team that has handled this class of business since the 1980s. The account team is active in local and national PRIMA, and the team members are often asked to speak on sovereign immunity, the state of the market and general issues. To our knowledge, we are the only broker to have received a vendor service award for excellence from Missouri PRIMA.

Lockton Public Entity Practice immerses our Associates in the dynamic environment of the marketplace and requires us to respond on a proactive every day. Because of our diverse client portfolio, we are exposed to a wide variety of problems to solve, which strengthens our expertise and ability to respond.

All Lockton services are executed in-house. We work never outsource or subcontract work to other providers, except for specialty markets accessible through wholesalers.

Impact for the City

- Specialized resources to support the account management team, including training
- Ability to support and augment the City's risk management goals and objectives
- A business model that allows engagement of expertise to assist claim resolution and specific client needs.
- Risk finance and analytics teams to support decision-making in retaining risk in insurance programs



Lockton has experience with many of the public entities in the region. We now manage or have managed most large public entities in the area (more than 50 entities).

Missouri government entities handled locally

- Board of Police Commissioners
- City of Independence, Missouri
- St. Louis Community College Students
- City of Kansas City, Missouri Population
- Housing Authority, Kansas City, Missouri
- State of Missouri Population
- North Kansas City School District Students
- Kansas City Public Library
- Kansas City Area Transportation Authority
- City of Lee’s Summit
- Liberty School District
- City of Springfield
- City of Jefferson

Additional regional government entities handled locally

- City of Omaha, NE
- City of McPherson, KS
- City of Wichita, KS
- Johnson County, KS
- Housing Authority of Kansas City, KS
- Kansas Department of Transportation
- Water District One — Johnson County, KS
- University of Kansas
- Kansas University Medical Center
- Kansas Association of City/County Management
- State of Kansas
- Kansas City Area Transit Authority
- Salina Airport Authority
- KCI Airport
- St. Louis Community College
- New Mexico Municipal League
- Kansas Department of Transportation
- Associated Electric
- State of Missouri Colleges and Universities
- Land Bank of KCMO
- City of Merriam, KS
- Linn State College
- City of Topeka, KS
- Douglas County, KS



Your account team has experience with many of the public entities in the region. We now manage or have managed most large public entities in the area (more than 50 entities).

Lockton Companies' philosophy is to operate as a business partner with our clients, much like the City would view its consultants, auditors and outside legal counsel. We are excited about our commitment to focus our experience in their sector. Our demonstrated expertise, coupled with our unique market advantages, differentiate Lockton from other insurance brokers.

To be successful in the placement of public sector business, a broker has to be active in all facets of the public entity world. One has to be proficient and knowledgeable of the markets, "sovereign immunity," exposures and in general, the "issues." You also need specialized resources that you have experienced — crime, environmental, claims adjusting, risk finance, professional liability, privacy liability, to name a few.

Sovereign immunity expertise

Lockton's Public Entity Practice is staffed with an account team that has handled business for this class since the early 1990s. This account team is active in local and national PRIMA and is often asked to speak on sovereign immunity in particular, and other "issues." We are also a resource to various state risk management staff and legislature on this topic.

The members of your team have a strong working knowledge of the Kansas Tort Claims Act Statute. The members of your team have a strong working knowledge of tort claims statutes.

We have four units that handle public entity business in Kansas City. Unlike our competitors, we do not "piecemeal" services. We stand ready to advise you on any "risk" issue you may face.

We have been very successful in tailoring policies to afford or restrict coverage at the governing bodies' discretion.

Lockton, in conjunction with SIRPRO, has designed an excess liability policy form that has served as a model for the nation on many coverages. We look forward to discussing the evolution of the coverage form and its unique features.

Government associations

Lockton is involved with national, regional and local governmental associations. Lockton's activities include serving as members of industry task forces and advisory committees; speaking, writing and advertising in industry publications; conducting seminars/workshops and exhibiting.

We are active in Public Risk Management Association and the State Risk and Insurance Managers Association. Locally, we are active members of RIMS and the KS/MO PRIMA. To our knowledge, we are the only one to receive a Vendor Service Award from the local PRIMA Chapter.

Day-to-day activity

"WE LIVE SERVICE!® is our motto, and we hope it has been your experience, as it is our passion.



B-2.

Identify the primary broker and members of the service team who will participate in the daily administration of the City’s account and provide a concise description of qualifications, names, relevant experience, and office location of each.

ACCOUNT MANAGEMENT TEAM



Pat Meyers
MBA
Senior Vice President
Producer
816.960.9151
pmeyers@lockton.com



Tony Richardson
ARM
Senior Vice President
Unit Leader
816.960.9768
trichardson@lockton.com



Cheri Weathers
ARM, AIS
Vice President
Account Executive
816.960.9688
cweathers@lockton.com



Sean Edwards
Account Manager
816.960.9430
sedwards@lockton.com

LOSS CONTROL



Tom Metzner
CSP, ASP, ARM-P, CFPS
Vice President
Senior Loss Control Consultant
816.960.9458
tmetzner@lockton.com

WC RISK CONTROL



Catherine Puls
ARM, AIC, SCLA
Vice President
Workers' Compensation
Claims Manager
816.960.9873
cpuls@lockton.com

CLAIMS



Kurt Bielby
CPCU, ARM, AIC, AINS, AU, RPLU,
ARM-E
Assistant Vice President
Senior Liability Claims Consultant
816.960.9506
kbielby@lockton.com

ENVIRONMENTAL



Matt Pateidl
ARM
Vice President
Senior Environmental Specialist
816.960.9465
mpateidl@lockton.com

EXECUTIVE RISK



Cindy DeLuca
CLCS, AINS
Assistant Vice President
Account Executive
816.960.9511
cdeluca@lockton.com

CYBER



Nathan Waddell
JD
Account Executive
816.960.9076
nwaddell@lockton.com

AVIATION/DRONE



Robert Hopson
AIA, HAI, NATA, NBAA, AUVSI
Vice President
Aviation Specialist
Lockton Financial Services
816.960.9143
rhopson@lockton.com

SURETY



Charissa Lecuyer
ARM, AIC
Assistant Vice President
Senior Surety Specialist
816.960.9860
clecuyer@lockton.com





Patrick D. Meyers



MBA
Senior Vice President
Producer
pmeyers@lockton.com

Property & Casualty

Joined Lockton in 2005

Prior Experience

Marsh
Sedgwick

EXPERTISE

With more than 30 years of brokerage and risk management experience, Pat is a seasoned team leader and client advocate. He has the ultimate responsibility for making certain that all resources are delivered to achieve the desired value and results.

EDUCATION

M.B.A. in finance | Rockhurst University; Kansas City, Missouri
B.A. in philosophy/theology | Rockhurst University; Kansas City, Missouri

CIVIC AFFILIATIONS

American Public Transit Association; Electric Institute; AGRIP | Speaker
Missouri/Kansas PRIMA | Frequent Speaker
BOMA Insurance | Instructor
Utility Service Alliance | Former Board Member
Missouri PRIMA | Chapter Service Award
Bishop Sullivan Center | Chair
Partnership for Children | Board Member
UMKC Bloch School of Management | Advisory Board

PUBLIC ENTITY PRACTICE LEADER

Oversee all accounts — providing strategic marketing, claims advocacy and risk management advice.





Tony Richardson

ARM

Senior Vice President
Unit Leader
trichardson@lockton.com

National Accounts

Joined Lockton in 2000

EXPERTISE

Tony is an experienced Unit Leader who is responsible for a Kansas City unit that is focused on the energy sector. In addition to managing his unit, Tony's responsibilities include new business development, program design and service for his national account energy clients.

EDUCATION

B.S. in finance and insurance and risk management | Indiana State University;
Terre Haute, Indiana

PROFESSIONAL DESIGNATION

Associate in Risk Management (ARM)

PROFESSIONAL AFFILIATIONS

GAMMA IOTA Sigma
National Insurance Fraternity
Financial Management Association

NATIONAL ACCOUNTS

Airgas, Inc. | Ferrellgas | Great Plains Energy Inc. (KCP&L) | Midcontinent Independent System Operator (MISO) | Koch Industries, Inc. | Thermal Energy Corporation (TECO) | Starwood Energy | Socata North America, Inc. | Transport Logistics International, Inc.





Cheri Weathers

ARM, AIS
Vice President
Account Executive
cweathers@lockton.com

National Accounts

Joined Lockton in 1998

EXPERTISE

Cheri is an Account Executive who works with national accounts. Her responsibilities range from the marketing of new and renewal business, market research for acquisitions and emerging energy technologies, and ongoing daily service to clients.

Cheri has experience with various energy-related companies, which include Starwood Energy Group Global, Blossman Gas and municipalities with power utilities including the City of Independence, Missouri. She also advises clients within the emerging and fast-growing alternative energy sector, including solar and biomass projects. Cheri's book of business includes over \$2 billion in operating wind energy values.

EDUCATION

B.S. in marketing and international studies | Kansas State University; Manhattan, Kansas

PROFESSIONAL DESIGNATIONS

Associate in Risk Management (ARM)
Associate in Insurance Services (AIS)





Sean Edwards

Account Manager
sedwards@lockton.com

National Accounts

Joined Lockton in 2016

Prior Experience

Indian Hills Country Club

EXPERTISE

As an Account Manager, Sean supports the account service team by handling day-to-day tasks on behalf of clients. He also assists with billing, checking policies, and creating and maintaining marketing and policy files.

NATIONAL ACCOUNTS

CP Energy Holdings | Koch Industries | MFA Oil Company | Blossman Gas





Thomas E. Metzner

CSP, ASP, ARM-P, CFPS
Vice President
Senior Loss Control Consultant
tmetzner@lockton.com

Loss Control

Joined Lockton in 2002

Prior Experience

Chubb Insurance
Fireman's Fund Insurance

EXPERTISE

Tom believes in a proactive management approach that aligns with a company's risk management goals. Through extensive hands-on experience and data analytics, he is able to provide suggestions that help promote a safe work environment. His education, work history and professional affiliations enable him to explore alternatives that are innovative and practical from a cost-benefit standpoint. His consulting work focuses on identifying potential exposures that can lead to losses, while simultaneously evaluating policies and procedures, with the ultimate goal of reducing the chance of loss and improving profitability.

EDUCATION

B.S. in engineering technology, fire protection and safety | Oklahoma State University; Stillwater, Oklahoma

PROFESSIONAL DESIGNATIONS

Certified Safety Professional (CSP)
Associate Safety Professional (ASP)
Associate in Risk Management-Public Entities (ARM-P)
Certified Fire Protection Specialist (CFPS)

PROFESSIONAL AFFILIATIONS

American Society of Safety Professionals (ASSP) | Member
Society of Fire Protection Engineers (SFPE) | Member
Partnership for Emergency Planning | Member
Overland Park, Kansas | Volunteer Firefighter

NATIONAL ACCOUNTS

Tyson Foods | Techtronic Industries (TTI) | PriceSmart | Fike Corporation |
American Century Investments | City of Kansas City (MO) | Publishers Clearing House |
Mayo Clinic | The Marvin Companies | Hallmark | assisted living/nursing home facilities





Catherine Puls



ARM, AIC, SCLA
Vice President
Workers' Compensation Claim Manager
cpuls@lockton.com

Claims

Joined Lockton in 2001

Prior Experience

CIGNA Property & Casualty
RSKCo

EXPERTISE

Cathy leads a team of Workers' Compensation Claims Consultants whose focus is serving as an advocate and resource for her clients. She has been in the claims industry for more than 30 years, assisting employers in managing their workers' compensation programs and mitigating their losses. She is experienced in managing legacy programs for her clients and works hard to bring resolutions to claims with former carriers.

EDUCATION

B.A. in psychology and English | University of Kansas; Lawrence, Kansas

PROFESSIONAL AFFILIATIONS

Associate in Risk Management (ARM)
Associate in Claims (AIC)
Senior Claim Law Associate (SCLA)

NATIONAL ACCOUNTS

Payless ShoeSource | Kellogg's | PepsiCo | Frito Lay | Krispy Kreme Doughnuts |
Tyson | Dillard's | Menards





Kurt Bielby

CPCU, ARM, AIC, AINS, AU, RPLU, ARM-E
Assistant Vice President
Senior Claims Consultant
kbielby@lockton.com

Claims

Joined Lockton in 2003

Prior Experience

Thomas McGee, LC
Allstate Insurance Company
Cameron Mutual Insurance Company

EXPERTISE

As a Senior Claims Consultant, Kurt assists his clients in managing their property and liability claims to the best result possible. He has extensive experience in the management of property, general liability, employment practices liability, product liability, auto liability and municipal liability claims and is adept at litigation management.

Kurt has worked in the insurance industry since 1982 in various claims roles. His experience includes assisting clients in managing and analyzing claim service and performance of third-party administrators, interpreting policy coverage language, and conducting claim reviews. He performs as an advocate and liaison for clients when dealing with insurance carriers regarding claim issues.

EDUCATION

B.S.B.A. in management | Missouri Western State University; St. Joseph, Missouri

PROFESSIONAL DESIGNATIONS

Chartered Property Casualty Underwriter (CPCU)
Associate in Risk Management (ARM)
Associate in Claims (AIC)
Associate in General Insurance (AINS)
Associate in Underwriting (AU)
Registered Professional Liability Underwriter (RPLU)
Associate in Risk Management-ERM (ARM-E)

NATIONAL ACCOUNTS

Airgas, Inc. | hh gregg | Energy Transfer Partners | LNR Property, LLC | Ferrellgas | Commerce Bancshares





Matthew Pateidl

ARM

Vice President
Senior Environmental Specialist
mpateidl@lockton.com

Environmental Risk

Joined Lockton in 1994

EXPERTISE

In Matt's role as a Senior Environmental Specialist, he is responsible for developing and maintaining relationships with insurance companies that underwrite environmental risks. He is a national resource working directly with Producers, Unit Leaders and Account Executives to assist clients and understand their needs. He coordinates and manages the marketing and placement of coverage for those risks. Matt's responsibilities include identifying potential environmental exposures, negotiating with the markets, drafting manuscript endorsements for difficult coverages, assisting with claims situations and being an overall resource with regard to environmental regulations.

Matt was in the Loss Control Department prior to his current position. His experience with environmental regulations has been crucial in assisting Lockton's clients with regard to developing risk transfer strategies for their environmental risks.

EDUCATION

B.S. in safety management with an emphasis on loss control | Central Missouri State University; Warrensburg, Missouri
Techniques in Adjusting Water Intrusion Claims | University of Madison; Wisconsin, School of Engineering

PROFESSIONAL DESIGNATION

Associate in Risk Management (ARM)

PROFESSIONAL AFFILIATIONS

Texas Workers' Compensation Commission | Field Safety Representative
Associated General Contractors of America | Member

CIVIC AFFILIATIONS

United Way | Young Leaders Society
Christmas in October | Team Coordinator

NATIONAL ACCOUNTS

Chicago Bridge and Iron (CB&I) | Burns & McDonnell | Ferrellgas | Getty Realty Corp. | Global Petroleum | HNI Corp. | INVESCO | Kansas City Southern | Rockefeller Group | Starwood Capital Group | SunEdison Inc.





Cindy DeLuca

CLCS, AINS
Assistant Vice President
Account Executive
cdeluca@lockton.com

Lockton Financial Services

Joined Lockton in 2011

Prior Experience

State Farm
AFLAC

EXPERTISE

As an Account Executive, Cindy manages the executive risk and policies for a number of clients across a range of industries including construction, healthcare, technology, manufacturing and hospitality. She works on behalf of her clients to insure directors and officers liability, employment practices liability, fiduciary liability, crime, and miscellaneous professional liability.

EDUCATION

B.S.B.A. | Sterling College; Sterling, Kansas

PROFESSIONAL DESIGNATIONS

Commercial Lines Coverage Specialist (CLCS)
Associate in General Insurance (AINS)

PROFESSIONAL AFFILIATION

Property and casualty and life and health license, Missouri Resident/Kansas Nonresident (2007)

CIVIC AFFILIATION

Church | Active Member and Volunteer





Nathan Waddell

JD
Account Executive
nwaddell@lockton.com

Cyber Technology Practice

Joined Lockton in 2019

Prior Experience

AXIS Insurance
AIG
Brown & James, P.C.

EXPERTISE

Nathan is a member of Lockton Kansas City's Cyber Technology Practice and serves as the media liability specialist. As an Account Executive in the Cyber Technology practice, Nathan provides expertise in the areas of media E&O, data security, privacy liability and technology E&O.

Before joining Lockton, Nathan was a claims attorney with two industry-leading insurance carriers and as a result now has the opportunity to apply the lessons learned resolving thousands of claims and proactively counsel clients on strategies to best avoid a loss scenario.

EDUCATION

J.D. | Marquette University Law School; Milwaukee, Wisconsin
B.A. in philosophy and political science | University of Missouri; Columbia, Missouri

PROFESSIONAL AFFILIATIONS

American Bar Association | Forum on Communications Law
American Bar Association | Forum on the Entertainment and Sports Industry
American Bar Association | Media, Privacy and Advertising Law Committee
American Bar Association | Cybersecurity and Data Privacy Committee
Missouri Bar Association | Intellectual Property Law Committee
Missouri Bar Association | Media Law Committee
Kansas City Metro Bar Association | Media Law Committee, Program Chair for the 33rd Annual Media and the Law seminar hosted in Kansas City, Missouri





Robert Hopson



AIA, HAI, NATA, NBAA, AUVERSI
Vice President
Aviation Specialist
rhopson@lockton.com

Strategic Consulting

Joined Lockton in 2005

Prior Experience

Marsh USA

EXPERTISE

Robert is an experienced Aviation Specialist who manages aviation placements for the Kansas City office. He provides complete placement of complex aviation programs that address Lockton clients' needs for any type of aviation coverage. He enjoys strong relationships with underwriters, all domestic aviation insurers and the London markets. Using his extensive computer background, Robert created and maintains client-driven databases that enhance his account service. He is also a pilot with experience in several single-engine and multi-engine aircrafts. Previously, Robert was a Regional Practice Leader with Marsh for 10 years.

Robert has experience working with many aviation-specific exposures, including corporate fleets, airports, aircraft product manufacturers, university flight school, charter operators, fixed-based operators, repair facilities, EMS operators and owner-flown aircraft. He currently focuses on large corporate accounts, aircraft management/charter and university flight school accounts.

EDUCATION

B.B.A. | Baker University; Baldwin City, Kansas

PROFESSIONAL DESIGNATIONS

Aviation Insurance Association (AIA)
Helicopter Association International (HAI)
National Air Transportation Association (NATA)
National Business Aviation Association (NBAA)
Association for Unmanned Vehicle Systems International (AUVERSI)

NATIONAL ACCOUNTS

Baldor Electric (ABB Ltd.) | Coca-Cola Bottling Co. Consolidated | Dillard's |
Mecum Auto Auctions | Jack Links Beef Jerky | Simmons Foods, Inc. | TD Ameritrade |
Tyson Foods, Inc. | Windstream Corporation |





Charissa Lecuyer

Assistant Vice President
Senior Surety Specialist
clecuyer@lockton.com

Surety

Joined Lockton in 2007

Prior Experience

Jackson County Circuit Court

EXPERTISE

Charissa is a Senior Surety Specialist who is committed to providing the best service in the industry to her clients. Her responsibilities include managing the day-to-day surety needs of a variety of construction and commercial accounts.

EDUCATION

A.A. | Longview Metropolitan Community College; Lee's Summit, Missouri

NATIONAL ACCOUNTS

Ash Grove | Performance Contracting, Inc. | Kemira Water Solutions, Inc. |
Michael's Stores | Morgan Stanley



B-3.

Indicate whether or not you meet the eligibility criteria listed in Section 4.

- 1. The respondent must be an established legal entity, licensed and authorized to do business in the State of Missouri.**

Lockton is an established legal entity, licensed and authorized to do business in the State of Missouri.

- 2. The respondent must identify an individual who, if selected, will be designated as the primary broker (“Primary Broker”) on the City’s account. The Primary Broker must maintain a Missouri property and casualty agency license.**

Patrick (Pat) Meyers will be designated as the primary broker on the City’s account. He will maintain a Missouri property and casualty agency license.

- 3. The Primary Broker must have a minimum of five (5) years’ experience in providing the same or similar services as contained in this RFP, preferably with public entity clients in Missouri.**

Pat Meyers, primary broker, has in excess of the minimum five (5) years experience in providing the same or similar services as contained in this RFP.

- 4. The respondent must have access to the City’s incumbent insurance carriers, risk retention groups, and pools.**

Lockton has placed and managed the City’s insurance programs and therefore has established solid, direct relationships with the City’s incumbent insurers, risk retention groups and pools.

B-4.

In the last five (5) years, have you ever had a contract for services with a public City terminated for cause? If so, describe the circumstances surrounding the termination.

The Kansas City Series team has not lost a public city/municipality for cause in the past five (5) years.



Section C: Service capabilities



Describe how you will perform the Scope of Services by addressing each numbered item.

C-A.

Give the City access to the insurance marketplace

1. Work with the City to formulate marketing and/or renewal goals, timelines, and objectives.

We like to start the renewal process 120-180 days out from policy expiration, or sooner to meet certain deadlines set by the client. 90 days out we schedule a prerenewal meeting to address exposure changes and marketing strategy. 30 days out we schedule the renewal meeting to present our final proposal.

2. Obtain from the City and maintain property schedules and loss runs to submit to carriers.

At 120 days from renewal, we request updated exposure information from the client for the renewal, However, throughout the year, we can work in a variety of ways to make sure schedules are up to date. Depending on the preference of the client, we can add/delete locations whenever there is a change, or we can do a true-up quarterly or biannually. Loss summaries are updated throughout the year and are available to the client upon request.

We will continue to help the City improve the presentation of your risk profile. We will work with MPR on appraisals and even assist with desk top appraisals, we will benchmark against other Cities to improve contents reporting by location.

3. Work with the City to timely complete applications and underwriting forms.

We are always willing to help complete any parts of the applications we can or set up a call to walk through the applications. We send expiring exposures/applications along with the new ones to help aid in this process. Additionally, when applicable we use Lockton applications that carriers are agreeable with and we deem to be easier to understand/complete.

4. Access all necessary insurance carriers either directly or by use of a wholesaler. The use of a wholesaler must be disclosed to the City.

We have access to necessary markets domestically and globally along with very close working relationships with secondary brokers when need be. We have an outstanding relationship with both States and Glatfelter. Our national peers are limited here.

5. Provide the City with renewal quotations from carriers, including complete pricing and coverage summaries in a format designated by the City.

These are presented 30 days from renewal at the renewal meeting.

6. As requested by City, competitively market the City's insurance program to other carriers and present competitive quotations from each selected market.

Each year at the prerenewal meeting, we discuss the necessity of marketing and which lines we agree we should market based on client satisfaction and prerenewal market indications.



7. Negotiate with carriers to secure any requested endorsements, riders, limits, and amendments.

Lockton’s brand recognition and carefully cultivated carrier relationships allow us to have a strong hand in the marketplace to secure what we need for our clients.

8. Bind coverage as instructed by the City.

After the renewal meeting, we will bind, issue auto ID cards, renewal certificates as soon as we receive the official bind order from the City.

9. Provide copies of all binders to the City prior to policy inception.

As soon as we receive the official bind order, we start working up the binders for the insured to receive before policy inception. This also goes for the auto ID cards and certificates.

10. Receive and review from the carriers all policies, endorsements, invoices, and schedules to ensure accuracy and conformity with the quoted coverage.

Within 90 days of policy inception, the City will receive the reviewed policies either hard copy or electronically. Within five days inception, the City will receive invoices, installment schedules and subjectivities.

11. Provide copies of all policies to the City no later than ninety (90) days after policy inception.

After the policies go through our policy checking process, they will be provided within 90 days after policy inception.

12. Field questions from the City relating to coverage issues between the City and the carriers.

The City can contact any member of the account team to help address coverage issues, questions or concerns.





Provide Administrative Support.

1. Process requests for certificates of insurance, bonds, and auto identification cards.

This question addresses one of our core competencies: day-to-day blocking and tackling. Many competitors have outsourced certificates of insurance to national servicing centers or foreign countries. Lockton is different. Our teams handle all elements of service. The Associates who understand your business negotiate and place the insurance, review the policies for accuracy and handle day-to-day needs like certificates of insurance.

We issue all certificates of insurance within 24 hours. Most are done immediately upon your request. Lockton's Technical Services Unit is dedicated to issuing certificates and auto ID cards.

2. Process endorsements as requested.

Requested changes to an insurance policy are reviewed with the City representative for accuracy and then submitted to the insurer in a timely manner. Once the endorsement to the policy is received, the Lockton team will review and deliver to the City within one week (five working days) of receipt with errors identified and corrective action already in progress.

3. Update limits and schedules as requested.

Lockton will work with the City throughout the policy term to update exposure schedules as requested and work with the City's insurer to update policies as needed to accommodate the City's changes in exposures.

4. Timely pay, on behalf of the City, all insurance premiums directly to the carriers.

Premiums are paid to insurers in compliance with payment terms of each individual carrier, usually 30 to 45 days from transaction effective date (with the exception of Bermuda).

Lockton will provide invoices to the City as soon as payment terms are provided by the insurer. The Lockton team will attempt to consolidate premiums due into one payable invoice for convenience when possible. Premiums are paid to insurers in compliance with payment terms of each individual carrier, usually 30 to 45 days from transaction effective date (with the exception of Bermuda).

5. Timely invoice the City quarterly for insurance premiums.

Lockton will provide invoices to the City as soon as payment terms are provided by the insurer. The Lockton team will attempt to consolidate premiums due into one payable invoice for convenience when possible.





Provide Ancillary Services

1. Loss Control, including building inspections and training, and serving on the City’s Safety Committee.

Lockton has pioneered a unique three-pronged approach to helping our clients manage risk: loss prevention, claims management, and cost control. The City’s Lockton team has taken a hands-on approach in these areas, the first being loss control/prevention.

LOSS CONTROL SERVICES

WHAT WE DO

- Safety and risk management program improvement.
- OSHA consultation.
- Safety, health, security and environmental audits.
- Organizational efficiency and behavioral-modification consulting.
- Supervisor safety training.
- Process safety management.
- Industry-specific best practices development and implementation process.
- Local, state and federal regulatory compliance.

BENEFITS TO YOU

Lockton’s team of engineers and safety specialists know exactly where in your workplace to look for hazards and other potential risks.

Awareness is critical to ensuring workplace safety. Our Loss Control team understands the best approaches to influence the employees who impact the safety process.

Count on our Loss Control team to share with you our examples of making facilities around the world some of the safest places to work.

Depend on Lockton’s decades of industry experience to ensure your safety programs are compliant.

Let us help you prevent claims.



Tom Metzner, Sr. Loss Control Consultant, has worked with various departments of the City for many years. During his tenure he has participated in the formation of the City Safety Steering committee and consulted on how the City safety Committee should be structured, goals, and objectives.

Through data analytics, he has monitored claim trends to identify opportunities for safety interventions. As an example, he partnered with Municipal Services on engineering controls to prevent injuries when removing manhole covers, as well as revisiting the training and making it more formalized.

Other areas where Tom was able to assist the City and it's internal teams include:

- Attending and representing Independence Power & Light during property insurance inspections and work with the safety team on any safety observations.
- Investigating contributing factors related to slip and fall injuries in the Police parking lot, and he has worked with the City's risk management team to improve snow and ice control.
- Responded to various requests and inquiries, in partnership with Charlesworth Consulting, including property valuations of key City buildings.



2. Training opportunities for City staff, preferably through a web portal.

Lockton has an abundance of training opportunities available to the City. These outsourced training and education services are aimed to enhance the technical knowledge, skills and credentials of the City’s safety managers and employees. Lockton Risk Control Services believes in both a consultative and training approach. Below is a list of our consulting and training topics.

INDUSTRY/BEST MANAGEMENT PRACTICES TRAINING TOPICS

- Safety culture
- General liability exposures/controls
- Employee engagement
- Crisis management/communications
- Site security exposures/controls
- Accident investigation
- Effective safety committees
- Transitional-duty programs
- Conflict Management
- Improving Your Culture and Morale Workshop
- Increasing Your Emotional Intelligence
- Supervisor Training
- Workplace Violence and Intruder Response Training
- Advanced Issues In Workers’ Compensation
- All Things Property: Making your business more resilient
- Improve Your Workers’ Compensation Program by Learning To Think Like A Claims Manager
- Understanding Liability Claims
- Someone Got Hurt. Now What? Effective workers’ compensation strategies to reduce costs, increase profits and improve human capital
- Lockton Cyber Intel Center

CONSULTING

- Industry benchmarking
- Safety program development
- Safety program assessments
- Loss data analysis
- Safety culture assessments
- Behavior-based safety
- Accountability programs
- Task safety analysis
- Carrier loss control management services
- Safety perception surveys
- Contract safety language development
- Accident investigation
- Regulatory compliance
- OSHA inspection best practices (while not subject to, this is still a benchmark)
- Safety committee assistance
- Project safety audits
- Fleet program assessment
- Employee incentive programs

TRAINING

- REGULATORY DRIVEN TRAINING TOPICS**
- OSHA 10 hour
 - OSHA recordkeeping
 - Fall protection
 - Fire protection/prevention
 - Hazard communication
 - Electrical safety
 - Stairways and ladders
 - Scaffolding
 - DOT compliance
 - Manual material handling
 - Confined space entry
 - Personal protective equipment
 - Health hazards
 - Silica
 - Trenching and excavation
 - Crane safety
 - Hand and power tools
 - Rigging
 - OSHA 30 hour
 - Lockout/tagout



Lockton INSIGHT

WHAT

A collaborative process between you and Lockton's experts, designed to reveal insights about your claims performance.

HOW

Powered by cutting-edge diagnostics and analytics tools, we dig deep to understand both your data and your business.

WHY

Allows you to make confident, informed decisions.

THE RESULT

We turn your data into insights and give you peace of mind that your program is competitive or help you identify opportunities for improvement.

CUSTOM RESEARCH AND BENCHMARKING

- By industry
- By geography
- By NCCI/occupation codes
- By type of injury (part, name, cause)
- By date (accident, report, valuation, closure)
- By type of claim (medical only, lost time, litigated)

LOCKTON.COM/INSIGHT



Click here to learn more information.

Claims analytics

Lockton INSIGHTSM

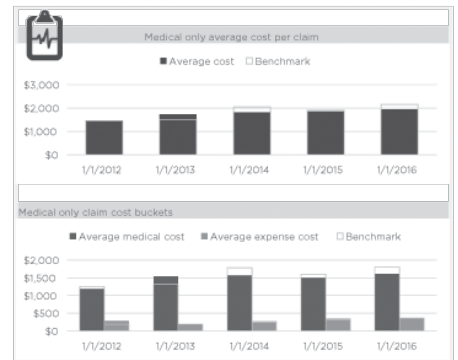
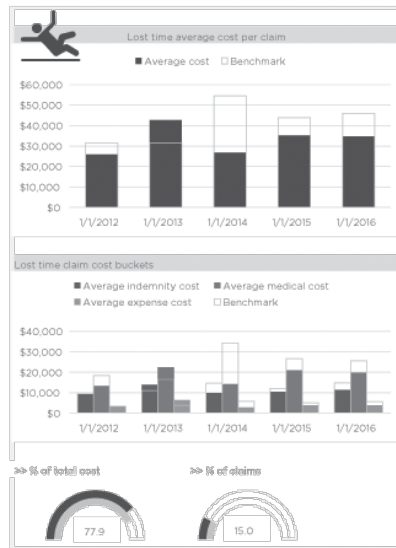
Lockton INSIGHT provides information about what's driving your workers' compensation, general liability or auto liability losses. These drivers can include claim causes, locations, demographics and handling processes. Lockton's approach allows for customized benchmarks to best address your objectives.

Cathy Puls, along with the claims cost control and analytics teams, will continue to provide access and assistance with this beneficial tool. In recent years, Lockton has developed INSIGHT dashboards for use in measuring claims outcomes and recommending actions to remediate issues. These dashboards have been presented to various City departments outlining trends and issues in their claims data with positive feedback.

Industry research data is powered by Lockton's proprietary Infolock[®] P&C database. Using automated monthly data feeds from our partners, Infolock is one of the largest databases in the industry and allows us to perform research and advanced analytics. With a vast history of claims and incurred losses, it goes beyond traditional loss run data by also offering payment data, reserve history, work status history and adjuster notes, to name a few.

LOSS SOURCE ANALYSIS

Severity drivers



claim count and total cost by claim type

Accident Year start	Lost time		Medical only		Report only	
	Claim Count	Total cost	Claim Count	Total cost	Claim Count	Total cost
1/1/2012	39	\$1,010,801	189	\$277,990	12	\$123
1/1/2013	30	\$1,280,050	164	\$284,300	16	\$144
1/1/2014	48	\$1,988,318	260	\$399,871	22	\$260
1/1/2015	38	\$1,337,727	232	\$428,624	23	\$232
1/1/2016	41	\$1,437,610	212	\$413,738	17	\$166
Total	196	\$6,341,896	1,017	\$1,802,893	91	\$886

Cost definition
Total incurred

Claim type
Lost time Medical only Report only

Open/close status
Closed Open

Litigation indicator
No Yes Unknown



Claims management

Lockton’s Claims team includes dedicated professionals with experience in virtually all lines of coverage and industry specialization. Providing seamless access to a global network of claims professionals, we are uniquely suited to guide you through complicated claims issues and to advocate on your behalf. We work with insurance carriers, third-party administrators, self-insured programs and independent adjusters to get the best possible outcome on every claim at every stage of the claim process.

Cathy Puls, Sr. Workers’ Compensation Claims Manager, has played a vital role in assisting the City with workers’ compensation claim challenges. In addition to assisting the City on complex claims and litigation issues, she has also participated in the City’s RFP process to select a new third party claims administrator. Lockton will continue to provide this level of expertise to assist the City in improving their workers’ compensation claims management goals.

What Lockton does	Benefits to the City of Independence, MO
<p>Evaluate your current claims needs, program, and structure.</p> <p>Develop effective claims management programs.</p> <p>Partner with you and outside entities to implement efficient programs and procedures.</p>	<p>Best practices increase efficiency and savings. Claim management “loopholes” can exist at every step of the process. Lockton’s Claim Consultants are experts at identifying and closing them, increasing efficiency, and saving you money.</p>
<p>Maintain relationships with insurers and experts and leverage for your benefit.</p> <p>Counsel you on coverage issues and advance your position when insurers assume an adverse posture.</p> <p>Provide overall claim service expectations to carriers and claims service markets; audit them against these expectations.</p> <p>Support clients through written claim escalation agreements with most national carriers.</p> <p>Track emerging loss, exposure, and legal trends.</p>	<ul style="list-style-type: none"> • Claims advocacy is one of the most important services provided by Lockton’s Claims Consultants. Having a strong, educated advocate on your side can be the difference between having coverage or no coverage for a major claim. • Strong partnerships to achieve the best possible claim outcomes. We leverage global resources on your behalf to create workable solutions and improve claims outcomes. Our goal is to provide timely, productive forums to communicate with high-level decision makers at carriers on claims issues.
<ul style="list-style-type: none"> • Gauge the success of the program, and make changes to provide maximum efficiency and results • Monitor success of the program and claims activity; conduct regular audits and reviews of the program to drive improved results 	<p>Lockton’s Claims Consultants will track claims activity and provide comprehensive strategies to maximize outcomes not only on current claims, but also to minimize future claims and their impact.</p>



Claims cost control

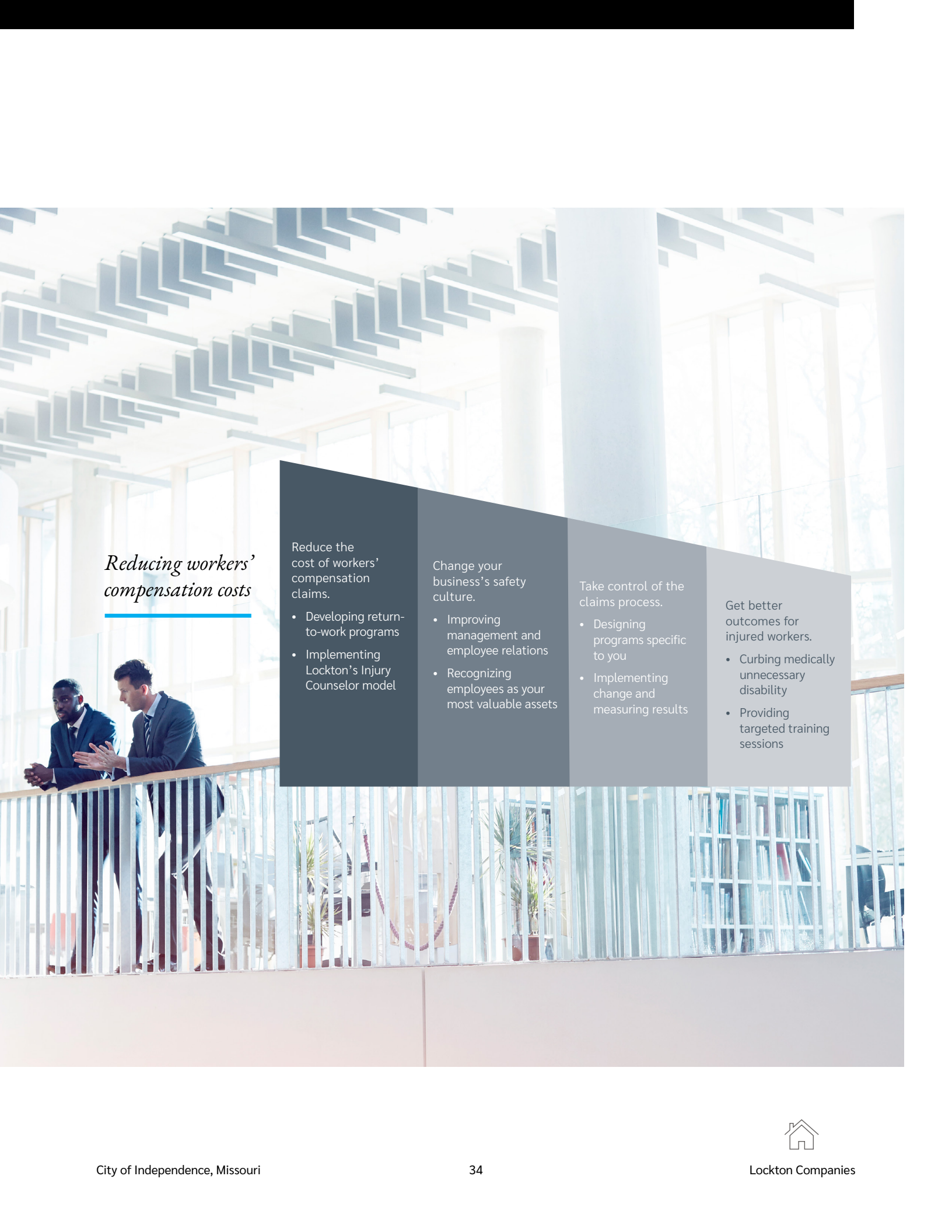
Lockton Claims Cost Control works to maximize control over workers' compensation losses, resulting in significant cost savings. Our unparalleled approach is to integrate the client's and Lockton's safety and loss prevention services to intensify your prevention efforts; build a strong, sustainable return-to-work program; and reduce losses.

Claims Cost Control reduces your workers' compensation costs by implementing immediate postinjury management efforts that positively influence decisions made throughout the life cycle of the claim. We start with a comprehensive analysis of your current efforts and then work with you to develop a proactive approach to workers' compensation claims management. The result is a customized program that helps injured employees through the treatment process and assists them in staying healthy.

With the maturation of many municipalities' understanding of the principles of postinjury claim management, it has become important to actively train, educate and equip our clients to apply the latest principles in a way that meets their needs. Successful postinjury management is applicable to every industry, and Lockton offers tailored tools and services to fit every client's unique needs.

Employees are your most important asset. Keeping them satisfied and actively engaged following an occupational injury or illness is vital to them, their families and your business.





Reducing workers' compensation costs

Reduce the cost of workers' compensation claims.

- Developing return-to-work programs
- Implementing Lockton's Injury Counselor model

Change your business's safety culture.

- Improving management and employee relations
- Recognizing employees as your most valuable assets

Take control of the claims process.

- Designing programs specific to you
- Implementing change and measuring results

Get better outcomes for injured workers.

- Curbing medically unnecessary disability
- Providing targeted training sessions



4. Benchmarking and analytics

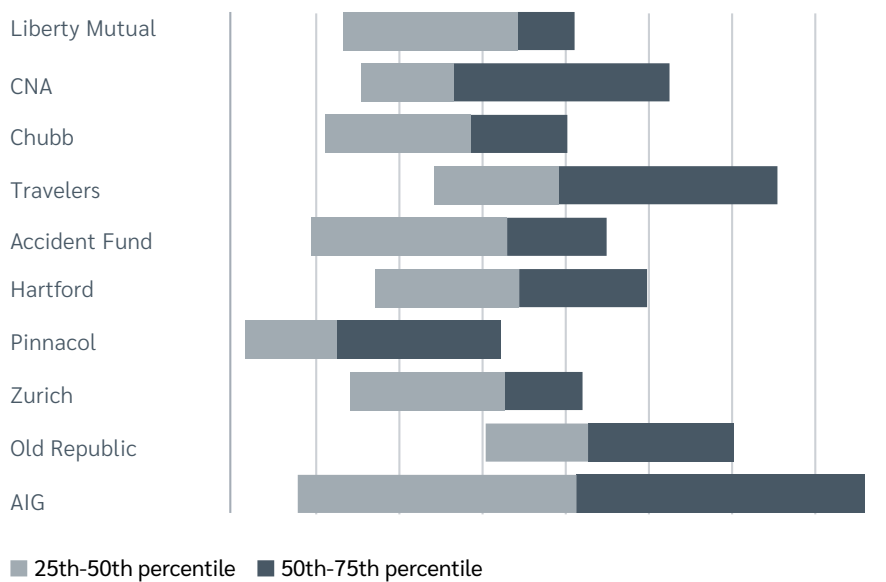
Tools and resources available for benchmarking activities



Market

Benchmarks should be utilized to help guide renewal strategies and make informed purchasing decisions. This benchmark data provides market intelligence on business key policy data such as rates, benchmarking loss costs, retention levels and insurance limits.

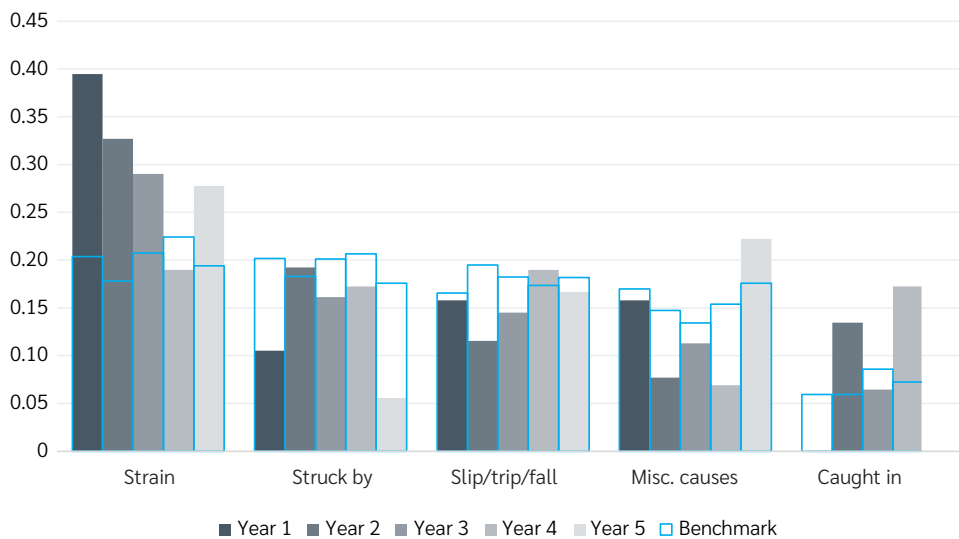
POLICY RATE CHANGE BY NATIONAL CARRIER



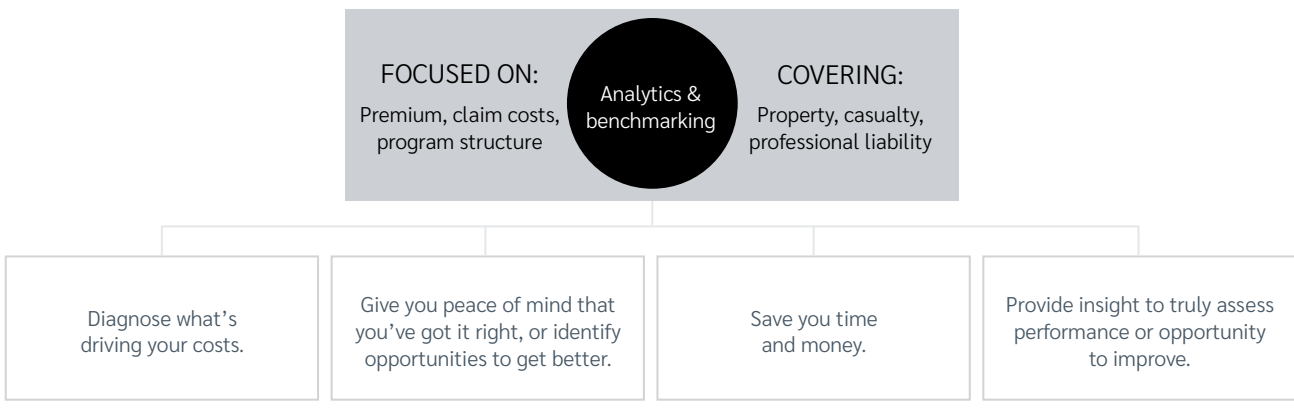
Claims

Our claims industry research is powered by Lockton’s proprietary InfoLock® database. The largest in the industry, this tool highlights our ability to perform research and advanced analytics. In addition to containing a vast inventory of claims and incurred losses, InfoLock goes beyond traditional loss run data by also offering payment data, reserve history, work status history and adjuster notes. We integrate industry and your data, allowing you to easily compare your data to your peers’.

TOP CAUSES OF INJURY BY PERCENT OF TOTAL COST



SMART DIAGNOSIS, SMARTER DECISIONS



Section D: Insurance marketplace



Please answer the following questions for both your organization as a whole and your team, defined as the group, division, or office that will be responsible for the City's account.

D-1.

Identify the percentage of private vs. public sector lines of coverage you have written and the total property and casualty premiums placed annually for each of the last three (3) years (01/01/17–today).

Below is a snapshot of premiums placed historically:

Lockton Companies — U.S.

2017 total premium placed: \$5.9B

2018 total premium placed: \$6.6B

2019 total premium placed: \$7.5B

Founders Series (which includes the City's brokerage team)

2017 total premium placed: \$1.5B

2018 total premium placed: \$1.6B

2019 total premium placed: \$1.8B

We do not track our public sector premiums but estimate Kansas City Office premiums for this sector to be over \$20 million. We place over \$15 billion in insured public entity property values.



D-2.

For each of the last three (3) years (01/01/17 – today), list the top three (3) insurers, both by number of policies and by total property and casualty premiums, with whom your team places business.

Market relationships

Group	Kansas City premium	Relationship with carrier (in years)
Chubb	\$101M	45
AIG	\$120M	34
Zurich	\$187M	50
XL	\$95M	42
Travelers	\$118M	51

Lockton represents more than 120 carriers and has access to virtually all major insurers, including a number of London markets. It is important to note that we will not access a market via a wholesaler unless it is a program and/or that is the only access.

We have listed above Lockton’s top 5 market relationships by premium volume. Lockton does not track top insurers by number of policies written.

Our key marketing differentiations are:

- Product line specialization
- Industry specialization
- Market relationships
- Creativity
- Market leverage

The past 18 months have been difficult for insurance buyers. While there has been ample capacity in the market, carriers are selectively deploying it because of losses. Particularly challenging in the public sector are property; excess casualty, law enforcement claims, employment practices, automobile and cyber.

Fortunately, we have premium volume and senior relationships with underwriters and management to drive favorable premiums.

With the world in flux, we believe you are best served with relationships that have served you (broker and carrier).



D-3.

For each of the last three (3) years (01/01/17–today), list the top three (3) insurers, both by number of policies and by total property and casualty premiums, with whom your team places its public entity business.

Carrier	Access	Lines of coverage
Travelers	Direct	All lines
Missouri Employers Mutual (MEM)	Direct	Workers' compensation
One Beacon	Direct	All lines
Genesis	Direct	All lines
Trident/Argonaut*	Direct	All lines
Glatfelter	Direct/MGA	All lines
Munich Re	Direct	All lines
Zurich	Direct	All lines
States	Direct	All lines
AIG	Direct	All lines
Hartford	Direct	All lines
Chubb	Direct	All lines
MPR	Direct	All lines

* Few brokers have direct access to Trident/Argonaut

Public entity premium is estimated to be more than \$20 million for the Kansas City office. Most probably, Travelers and Zurich are our largest markets. States is likely to be our largest SIR market.



D-4.

Describe your experience building quota share and layered property programs.

As the City has seen through their historical property placements, Lockton routinely manages layered and quota share property placements. We have structured the property program in the current quota share structure, as well as a combined quota share and layered structure.

To best insure the City's Utility exposure, Lockton has utilized its deep relationships with the energy property markets. Kansas City's Energy Practice, where the City's brokerage team resides, works within the energy insurance marketplace on a daily basis. We have called upon these relationships to secure the best terms and conditions the market has to bear, as well as finding those carriers that can assist the City in achieving its short- and long-term goals.

Lockton has developed a unique approach to the marketing and administration of large, complex property programs that offers you a competitive advantage:

Unlike other brokers, we use a defined business methodology. We target each submission to specific underwriters, which encourages their optimal participation. Once we gain a foothold for each scenario, then we establish a lead market and build on it. Finally, we may present you with several options, or there may be a compelling winner. We may leverage options against a specific market to optimize your coverage and terms. Creating disruptive solution options can also prove extremely beneficial to you. We pride ourselves on both our expertise and creative problem solving. Regardless of outcome, the entire placement process involves constant communication among us, the underwriters and you, so there are no surprises for anyone.

During the process, we believe it is advantageous for you to meet the potential underwriters in order to establish a relationship. Nobody can better express the philosophies and values of your company than you can. Face-to-face meetings add tremendous value by increasing an underwriter's comfort level, and these meetings always have a positive impact on negotiations by personalizing the business of underwriting. We also believe that insurers need to make you feel comfortable with your decision to place your financial security with their company.



D-5.

Identify the top two (2) wholesalers you utilize and what percentage of business you place direct vs. through wholesalers for each of the last three (3) years (01/01/17–today).

Lockton leads the industry in our ability to access insurance markets, including specialty programs, on a direct basis. This direct placement approach means that clients benefit from broader terms and conditions, better pricing, more control over information and direct access to the carrier for claims or dispute resolution.

Our approach is simple: We engage wholesalers or outside intermediaries only if they bring a unique skill set or proprietary access to a market.

To access critical markets outside the U.S. and the reinsurance markets, Lockton operates a wholesale broker and reinsurance intermediary in London and Bermuda.

The U.S. excess and surplus (E&S) and global markets can provide important capacity when building a program to meet the needs of our clients. We access these markets through wholesalers when it is in the client's best interest.

Lockton's top two utilized wholesalers/MGAs for public entity business are Glatfelter and Apex. The total annual premium placed with wholesalers/MGAs for public entities is less than 5% for each of the last five years.

We don't pass off market negotiations to distant global broking teams. When you partner with Lockton, you're choosing a dedicated team that works with you daily, knows your business and represents you in the marketplace.



D-6.

For each of the City's incumbent carriers, state if your team has direct or indirect access.

States — Lockton represents 7% of total membership

Glatfelter — Lockton is its largest trading partner in the region.

Lockton Global Energy — Lockton Kansas City's Lloyd's/London intermediary specializing in energy-related risks.

All other carriers – direct relationships

- AEGIS
- AIG
- Chubb
- Global Aerospace
- Great American
- Liberty Mutual
- Missouri Public Risk
- OneBeacon
- Safety National
- Swiss Re
- Zurich

Lockton maintains relationships and partnerships with top-level executives from all major carriers with whom we can deal directly to make sure we are getting the best possible deals for our clients. We encourage our clients to be involved in the marketing process and meet directly with underwriters.



D-7.

Does your team use a placement specialist or office? If so, please identify the location of the placement office.

The City's account will continue to be placed and serviced out of Lockton's Kansas City office. We don't pass off market negotiations to distant global broking teams. When you partner with Lockton, you're choosing a dedicated team that works with you daily, knows your business and represents you in the marketplace.

Pat Meyers and Tony Richardson work with the account service team in establishing the strategic service plan for the year and will continue to serve as your advocates within Lockton for all brokerage activities and account services.

Cheri Weathers will continue her role as the day-to-day contact on your account. She will continue to take the lead role in marketing and servicing the property and casualty program for the City.



D-8.

Does your team have experience with utility companies and/or power generation? If so, please elaborate.

Yes, the City's Lockton team is located within the Energy practice group which is led by Tony Richardson and includes Cheri Weathers, your lead contact. This group handles all of the electric utility and energy-related accounts for the Kansas City office.

This team has the technical expertise and underwriting relationships to drive results. This can be evidenced in the past two renewals. We secured an outstanding renewal in the face of running base load units as peaking units and cycling loads with multiple, weekly starts and stops. We also overcame the challenge of a diminished maintenance budget.

Pat Meyers began his career as a risk manager for Kansas City Power & Light (KCP&L). He has written some of the largest utilities in the region over his career. They include KCP&L, Westar, Sunflower Electric, Grand River Dam, Omaha Public Power, and Nebraska Public Power. Pat oversaw recovery of the largest utility loss in North America, \$450 million.

In addition to electric utility experience, Lockton Kansas City also has many of the largest water utilities in the region. They include City of Wichita, City of Independence, Kansas City Missouri and Lee's Summit.



Section E: Insurance program



E-1.

Provide examples of recent marketing efforts for similar public entity accounts including the number of proposals received and how the results compared to the expiring premium.

This is a complex answer that is different for each line of business and different for each insured. Outcomes for clients are based on the risk profile of the entity, loss history, accident rate, and the dynamics of market competition. In general, rates have averaged 10%-25% increases but again can be several hundred percent.

We feel confident that we have achieved optimal results for each of your renewals despite hoping for better outcomes on some of them. Until this year's property renewal, where we lost our "incumbent market" for general property, we achieved best in class results. As for the property, we achieved the best outcome for the cards dealt. We believe next year will bring better results.



E-2.

What do you perceive will be the greatest risk management challenge the City faces over the next 12 to 24 months? In the next five (5) years?

The City of Independence, MO like most of our public entity accounts are faced with budget constraints and efficiency goals that need to be met on an annual basis. We understand the need to budget and provide expectations for our insureds as they prepare for upcoming renewals.

In the public entity market, the current convergence of social, economic and industrywide variables has created significant headwinds for all stakeholders in the liability placement chain. Underwriters in this space also continue to grapple with an assortment of adverse exposure trends, including climate change and increased severity of weather events, COVID-19, venue changes, social unrest and media scrutiny on law enforcement activity. THIS IS YOUR LARGEST, SINGLE CHALLENGE.

To mitigate pricing and capacity issues, many public entities and pools are proactively engaged in strategies to petition for tort cap considerations, joint and several liability reform, and statutory standards for common pattern injuries. Simultaneously, buyers are considering financial levers such as adverse development covers and loss portfolio transfers to stabilize balance sheet uncertainties, as well as litigation buyout strategies for post loss/pre-trial concerns.

The prudent risk management strategy is to reinforce safety, improve current policies and procedures and stay abreast with evolving emerging risk trends. There is no one size fits all solution to these problems. We believe the ultimate solution is that all stakeholders work in close collaboration to secure an efficient risk management program.

Budgets will be strained for the next five years or more and the need to stay abreast with emerging risks as well as maintain capital expenditures will be heightened. Below is a list of industry trends/emerging risks that should be on the City of Independence's radar:

- Active shooter and workplace violence — growing and expanding
- Autonomous vehicles
- Artificial Intelligence and Big Data
- Aging Infrastructure coupled with increasing trend of losses
- Blockchain
- Cannabis and CBD
- Catastrophic events e.g., hurricanes, tornadoes, wildfires
- Civil unrest, social discontent and local conflicts
- Climate change
- Cyber threats/cyber terrorism
- Drones
- Geopolitical risks
- Internet of things/smart grid
- Millennial jurors/social inflation
- New threats to security
- Pandemics and infectious diseases
- Political climate/regulations
- Risks associated with deferred maintenance and capital expenditures
- Social and viral spread of misinformation
- Talent retention, new hires, aging workforce
- Test of the sovereign immunity doctrine, increase in freelancing



E-3.

What steps you are taking to address the hardening property market and what results have you achieved for other public entity clients.

Leveraging market contacts	Building your story	Packaging a best-in-class submission	Telling your story	Closing the deal
<p>We know underwriters and their issues and understand key pressure points. You benefit from this market expertise.</p>	<p>More than compiling an assortment of data, Lockton produces a story of your company and its risk profile for the marketplace. Our customized presentation for the City of Independence will establish a more favorable bargaining position.</p>	<p>We will assemble a comprehensive submission of the City of Independence. We are perceived by the marketplace as being straightforward. We do not bury facts. By providing an honest look at your risk profile, the right carriers will give your submissions priority attention.</p>	<p>We will schedule in-person presentations with the appropriate markets to help them fully understand your story and why they should underwrite the City of Independence. Typically, senior executives from our clients join these discussions since no one is more qualified to explain your business and your risks than you.</p>	<p>Throughout the process, and especially after written and oral presentations, your team will guide the process with carriers, managing the details until you have secured a program that supports your business.</p>

Lockton has developed a unique approach to the marketing and administration of large, complex property programs that offers you a competitive advantage:

Unlike other brokers, we use a defined business methodology. We target each submission to specific underwriters, which encourages their optimal participation. Once we gain a foothold for each scenario, then we establish a lead market and build on it. Finally, we may present you with several options, or there may be a compelling winner. We may leverage options against a specific market to optimize your coverage and terms. Creating disruptive solution options can also prove extremely beneficial to you. We pride ourselves on both our expertise and creative problem solving. Regardless of outcome, the entire placement process involves constant communication among us, the underwriters and you, so there are no surprises for anyone.

During the process, we believe it is advantageous for you to meet the potential underwriters in order to establish a relationship. Nobody can better express the philosophies and values of your company than you can. Face-to-face meetings add tremendous value by increasing an underwriter's comfort level, and these meetings always have a positive impact on negotiations by personalizing the business of underwriting. We also believe that insurers need to make you feel comfortable with your decision to place your financial security with their company.



Section F: Pricing



F-1.

1. Explain your proposed compensation structure for services (i.e. flat fee, standard commissions, etc.). No additional charges (such as sales tax, transportation, travel, out-of-pocket expenses, etc.) will be allowed unless specified on the proposal. Identify any ancillary services that can be provided for additional cost. All brokerage commissions or ancillary fees collected by the respondent shall be fully disclosed to the City on an annual basis.

Our goal is to remain a valued business partner that can enhance the overall effectiveness of your risk management program. Lockton's philosophy is to allocate and deploy all our available resources to deliver results for our clients. We remain committed to the City of Independence, MO that all of Lockton's capabilities will continue to be at your disposal.

Lockton has the flexibility to work with clients on a fee basis, commission arrangement or a combination of both, and will do so based on your preference.

We will continue to tailor our resources to your needs accordingly, for no additional compensation. We do not have separate profit centers and do not follow a fee-for-service model. Our services are all-inclusive and come with being a Lockton client. We do not keep track of hours or limit service based upon initial service expectation. One factor that the City of Independence can count on is that Lockton will deliver "Whatever, Whenever, Wherever." We never change our compensation structure mid-term or withhold service before receiving an additional fee.

Several years ago, the Executive team of States and Lockton Kansas City met to discuss a long-term partnership. States RRG was interested in growing their "pool" and saw Lockton as a brokerage leader in the region. We talked of an "exclusive" arrangement- but Lockton raised the issue that there would be some clients sold on State's but unable or unwilling to move the brokerage- which would preclude a win that State's might otherwise enjoy. One of the deterrents a broker has in moving to a RRG or Pool that offers direct access- is the client later simply approaching on a direct basis. To address this obstacle, it was agreed that Lockton would be paid a 10% commission. If the client elected to go direct, or move to another broker, the account premium would remain the same - with no commission paid or netted out.

This arrangement benefits the new client, States and ourselves. This remuneration plan is for all existing Lockton accounts and accounts mutually agreed upon in our Region.

Our primary goal in all client relationships is transparency based on full disclosure. We simply ask to be fairly compensated for the value of service that we provide to our clients.

2. Include costs for individual years two (2) through five (5).

Lockton is proposing an annual net fee of \$68,500 plus remuneration earned from State's (at no additional expense to the City) for years two through five.

3. Identify if the fees/commissions will be capped annually for brokerage services.

Lockton is agreeable to capping our fee to the amount listed in no. 2 above for all services.



Section G: References



Provide the name, addresses, and contact person of three (3) public entities in which you have provided the same or similar services in the last two (2) years.

Kristin Danner

Corporate Safety/Risk Management Division Manager

City of Kansas City, Missouri

Email: kristin.danner@kcmo.org

Phone: 816.513.1642

Doug Stone

Director Risk Management

City of Springfield, Missouri

Email: dastone@springfieldmo.gov

Phone: 417.864.1185

Daniel White

Chief Counsel of Management of Operations

City of Lee's Summit, Missouri

Email: daniel.white@cityofls.net

Phone: 816.969.1412



Affidavit and exhibits



Appendix B

AFFIDAVIT

STATE OF Missouri)
)
COUNTY OF Jackson)

SS.

Founder Series of Lockton Companies of the City of Kansas City
_____, County of Jackson, State of Missouri

being duly sworn on her or his oath, deposes and says:

1. That I am the Senior Vice President (Name of Proposer) and have been authorized by said proposer to make this affidavit on the proposer's behalf; (Title of Affiant) of The Founders Series of Lockton Companies
2. No Councilmember, City Manager, Director of Finance and Administration, City Procurement Manager, or any City employee is financially interested in what the proposer is offering to sell to the City pursuant to this RFP, nor is the proposer a City employee or board member whose proposal creates a conflict of interest. A conflict of interest would arise if any person named in this section is in a position to affect either the decision to solicit proposals or the selection of the successful proposer;
3. Proposer has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to this RFP; and
4. Proposer is responsible for submitting with his or her proposal a record of any discussion with a Councilmember, City Manager, Director of Finance and Administration, City Procurement Manager, or any other City employee regarding this RFP; and
5. The authorized signer of this document certifies that the organization and each of its principals are not suspended or debarred by the City of Independence, State of Missouri or Federal government.

By: Tony Richardson (Name of Proposer)
Tony Richardson (Signature of Affiant)
Senior Vice President (Title of Affiant)

Subscribed and sworn to before me this 19th day of November, 2020.

JAYNE E. RITZINGER
NOTARY PUBLIC-NOTARY SEAL
STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXPIRES 10/19/2024
COMMISSION # 10429271

Jayne E. Ritzinger
NOTARY PUBLIC in and for the County of Jackson
State of Missouri

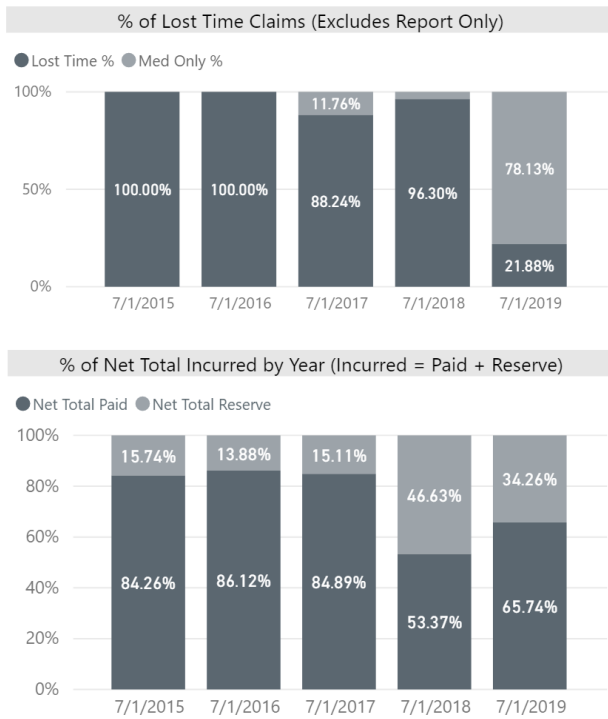
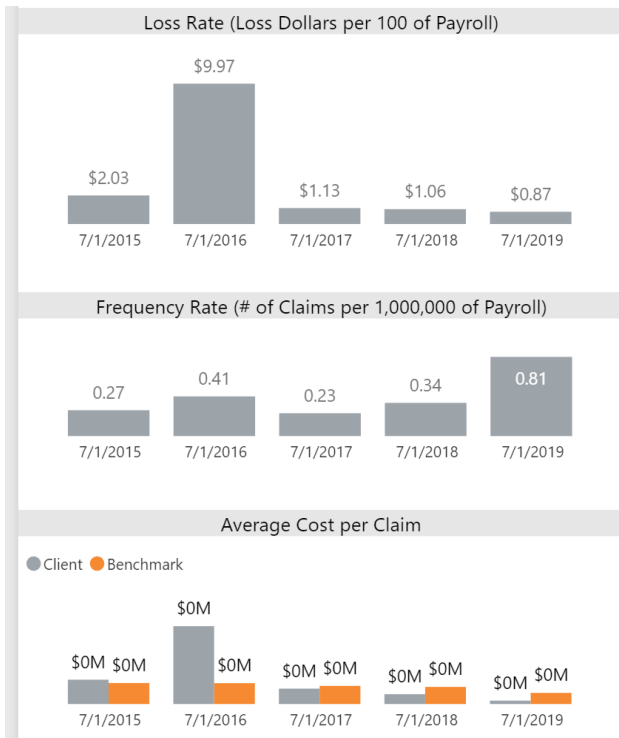
My commission expires: 10/19/2024



Sample dashboard from Lockton INSIGHT™

Benchmark Description

NCCI Codes: 5506 8810 9402 9410 8601 7520 7539 7580 7710 7220

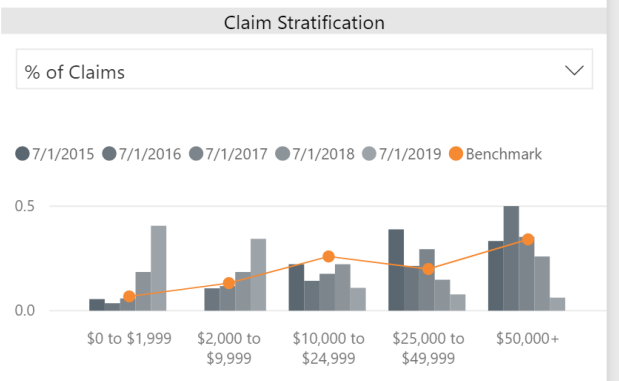


Key Metrics

Policy Period	Months of Development	Claim Count	Total Cost
7/1/2015	60	18	\$1,374,654
7/1/2016	48	28	\$6,840,384
7/1/2017	36	17	\$821,108
7/1/2018	24	27	\$834,595
7/1/2019	12	64	\$684,867
Total		154	\$10,555,607

Claim Stratification Key Metrics

Stratification Level	% of Claims	Claim Count	% of Cost	Total Cost
\$0 to \$1,999	22.1%	34	0.2%	\$25,351
\$2,000 to \$9,999	20.8%	32	1.6%	\$172,002
\$10,000 to \$24,999	15.6%	24	4.0%	\$424,453
\$25,000 to \$49,999	17.5%	27	8.6%	\$910,713
\$50,000+	24.0%	37	85.5%	\$9,023,089
Total	100.0%	154	100.0%	\$10,555,607



- Policy Valuation
- Currently Valued
 - Green to Green

- Claim Type
- Lost Time
 - Medical Only
 - Report Only

- Claim Status
- Closed
 - Open

- Litigation Status
- No
 - Unknown
 - Yes

- Cost Definition
- Total Incurred

- Cost Type
- Total





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