

**AGREEMENT FOR ACTUARIAL SERVICES BY AND BETWEEN
THE BOARD OF ADMINISTRATION OF THE SAN JOSE POLICE
AND FIRE DEPARTMENT RETIREMENT PLAN AND SEGAL**

This Agreement is made and entered into this 1st day of July 1, 2021, by and between the BOARD OF ADMINISTRATION OF THE SAN JOSE POLICE AND FIRE DEPARTMENT RETIREMENT PLAN ("BOARD"), and THE SEGAL COMPANY (WESTERN STATES), INC., a Maryland corporation authorized to do business in California, for itself and its affiliates, collectively also known and doing business as Segal ("ACTUARY").

RECITALS

WHEREAS, Chapter 3.36 of the San Jose Municipal Code requires that at least once every five (5) years, the Board of Administration for the San Jose Police and Fire Department Retirement Plan ("Plan"), shall conduct an actuarial investigation into the mortality, service, and compensation experience of members and persons receiving benefits under the Plan, and an actuarial valuation of the assets and liabilities of the Plan;

WHEREAS, the BOARD is required, upon the basis of such investigations and valuations, to adopt such mortality, service, annuity and other tables, and such interest rates as the BOARD may deem necessary, and to determine, fix or make such revisions and changes in the rates of contribution of members and of the City as necessary to make the Plan actuarially sound and to provide the benefits provided under the Plan;

WHEREAS, the BOARD has determined that an annual actuarial valuation of the assets and liabilities of the Plan should be performed;

WHEREAS, the BOARD has determined that an Experience Study should also be performed for the Plan every three to five years;

WHEREAS, the Board has determined it is appropriate and necessary to provide for other actuarial studies, reports and recommendations from time to time, including audits of its principal actuary's work product and other consulting services;

WHEREAS, the BOARD desires to obtain the unique, expert and professional actuarial services essential for the required actuarial audit and to obtain additional professional actuarial consulting services as needed;

WHEREAS, ACTUARY has the necessary expertise and professional skill to perform such audit and actuarial services for BOARD;

WHEREAS, pursuant to Section 3.36.385 of the San Jose Municipal Code, the BOARD is authorized to enter into agreements for actuarial services; and

WHEREAS, the BOARD wishes to retain ACTUARY to perform those services specified in SECTION 1 of this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is acknowledged by the parties, the parties hereby agree as follows:

SECTION 1. SCOPE OF SERVICES

The foregoing Recitals are incorporated by this reference as though fully set forth herein. ACTUARY shall perform those services specified in detail in EXHIBIT A, entitled "SCOPE OF SERVICES", which is attached hereto and incorporated herein.

BOARD agrees to supply ACTUARY (either directly or through its agents and representatives) on a timely basis all of the data, all documentation and information reasonably needed by ACTUARY to perform its services under the terms of this Agreement ("Client Information"). ACTUARY shall have the right to rely on the accuracy and completeness of the Client Information supplied by BOARD and its agents and representatives and shall have no responsibility for independently verifying or checking the Client Information supplied for accuracy or completeness. However, notwithstanding the foregoing, ACTUARY shall have the duty to advise BOARD if the Client Information appears to be in error or deficient.

Notwithstanding anything in this Section 1, ACTUARY will perform all services and prepare all deliverables in accordance with actuarial industry standards and its own quality assurance standards.

SECTION 2. TERM OF AGREEMENT

The term of this Agreement shall be for a period of three (3) years, commencing on July 1, 2021 subject to the provisions of SECTION 11 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE

The services of ACTUARY are to be completed according to the schedule set out in EXHIBIT B, entitled "SCHEDULE OF PERFORMANCE", which is attached hereto and incorporated herein. Time is of the essence in this Agreement.

SECTION 4. COMPENSATION

The compensation to be paid to ACTUARY, including both payment for professional services and reimbursable expenses, shall not exceed Two Hundred Thousand Dollars (\$200,000.00). The rate and schedule of payment is set out in EXHIBIT C, entitled "COMPENSATION", which is attached hereto and incorporated herein.

SECTION 5. METHOD OF PAYMENT

Each quarter, ACTUARY shall furnish to the BOARD, a statement of the work performed for compensation during the preceding calendar quarter. Such statement shall also include a detailed record of the quarter's actual reimbursable expenditures.

SECTION 6. **INDEPENDENT CONTRACTOR**

It is understood and agreed that ACTUARY, in the performance of the work and services agreed to be performed by ACTUARY, shall act as and be an independent contractor and not an agent or employee of BOARD; and as an independent contractor, ACTUARY shall obtain no rights to retirement benefits or other benefits which accrue to City of San Jose employees, and ACTUARY hereby expressly waives any claim it may have to any such rights.

SECTION 7. **ASSIGNABILITY**

The parties agree that the expertise and experience of ACTUARY are material considerations for this AGREEMENT. ACTUARY shall not assign or transfer any interest in this Agreement nor the performance of any of ACTUARY's obligations hereunder, without the prior written consent of BOARD, and any attempt by ACTUARY to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

SECTION 8. **INDEMNIFICATION**

ACTUARY agrees to defend, indemnify and hold harmless BOARD, Plan, its trustees, officers, employees and agents against any claim, loss or liability to the extent resulting from the negligence or intentional wrongful acts or omissions by ACTUARY in providing services under this Agreement. The acceptance of said services and duties by BOARD shall not operate as a waiver of such right of indemnification.

Nothing herein is intended to or shall constitute a limitation of liability.

SECTION 9. **INSURANCE REQUIREMENTS.**

ACTUARY agrees to have and maintain the policies set forth in EXHIBIT D, entitled "INSURANCE", which is attached hereto and incorporated herein. All policies, endorsements, certificates and/or binders shall be subject to approval by the Chief Executive Officer or authorized designee ("Risk Manager") as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager. ACTUARY agrees to provide BOARD with a copy of said policies, certificates and/or endorsements before work commences under this Agreement.

SECTION 10. **NONDISCRIMINATION**

ACTUARY shall not discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this AGREEMENT.

SECTION 11. **TERMINATION**

A. BOARD shall have the right to terminate this Agreement, without cause, by giving not less than seven (7) days written notice of termination.

- B. If ACTUARY fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, BOARD may evidence its intent to terminate this Agreement by providing not less than ten (10) business days prior written notice to Actuary (the "Notice Period") identifying the failure complained of. Termination for cause shall take effect upon expiration of the Notice Period, but only if ACTUARY has not remedied the complained of failure prior to the expiration.
- C. In the event of termination, ACTUARY shall deliver to BOARD copies of all reports, documents, and other work performed by ACTUARY under this Agreement, and upon receipt thereof, BOARD shall pay ACTUARY for services performed and reimbursable expenses incurred to the date of termination. If ACTUARY's assistance is reasonably required past termination, such assistance shall be provided at ACTUARY's then standard hourly rates unless another basis is agreed to in writing by both parties.

SECTION 12. GOVERNING LAW; ENFORCEABILITY

BOARD and ACTUARY agree that the law governing this Agreement shall be that of the State of California, without regard to its conflict of laws provisions. In the event any provision of this Agreement is unenforceable as a matter of law, that provision will be deemed to be reformed to reflect as nearly as possible the original intent of the parties as expressed in this Agreement and in accordance with applicable law, and the remaining provisions will stay in full force and effect, so long as the primary intent of the parties still may be accomplished.

SECTION 13. COMPLIANCE WITH LAWS

ACTUARY shall comply with all applicable federal, state, and local laws, ordinances, codes and regulations.

SECTION 14. ENVIRONMENTALLY PREFERABLE PROCUREMENT POLICY

ACTUARY agrees that, in the performance of this Agreement, ACTUARY shall perform its obligations under the Agreement in conformance with San Jose City Council Policy 4-6, Environmentally Preferable Procurement Policy. A description for environmentally preferable procurement and the Policy can be found on the City of San Jose website at the following link: <http://www.sanjoseca.gov/esd/natural-energy-resources/epp.htm>.

Environmental procurement policies and activities related to the completion of work will include wherever practicable, but are not limited to:

- A. Use of recycled and/or recyclable products in daily operations (i.e. 30, 50, 100% PCW paper, chlorine process free; triclosan free hand cleaner, etc.)
- B. Use of Energy Star Compliant equipment.
- C. Vehicles and vehicle operations (i.e. Alternative Fuel, Hybrid, etc.)
- D. Internal waste reduction and reuse protocol(s).

- E. Water and resource conservation activities within facilities, including bans on individual serving bottled water and the use of compostable food service products, etc.

SECTION 15. CONFIDENTIAL INFORMATION

All data, documents, discussions or other information developed or received by or for ACTUARY in performance of this Agreement, are confidential and not to be disclosed to any person except as authorized by BOARD, or as required by law. ACTUARY acknowledges that information in the books and records of the Plan includes personal information relating to individual members of the Plan and their beneficiaries. ACTUARY will treat all information received from BOARD as "Confidential Information." Information received from BOARD will not be considered Confidential Information if (a) the information is or comes to be generally available to the public during the course of ACTUARY's work; (b) was independently developed by ACTUARY without resort to information from BOARD; or (c) ACTUARY receives the information from another source who is not under an obligation of confidentiality to BOARD. ACTUARY agrees that Confidential Information shall not be disclosed to any third party, except as otherwise permitted herein.

SECTION 16. OWNERSHIP OF MATERIALS

Except to the extent that they incorporate Actuary's proprietary software, know-how, techniques, methodologies and report formats (collectively, "Actuary's Proprietary Information"), all documents, data, and other tangible materials authored or prepared and delivered by Actuary to the Board under the terms of this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of the Board, once paid for by Board, unless payment is excused. To the extent Actuary's Proprietary Information is incorporated into such Deliverables, Board shall have a perpetual, nonexclusive, worldwide, royalty-free license to use, copy, and modify Actuary's Proprietary Information as part of the Deliverables.

SECTION 17. WAIVER

ACTUARY agrees that waiver by BOARD of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by BOARD of the performance of any work or services by ACTUARY shall not be deemed to be a waiver of any term or condition of this Agreement.

SECTION 18. ACTUARY'S BOOKS AND RECORDS

- A. ACTUARY shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to BOARD for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to ACTUARY pursuant to this Agreement.
- B. ACTUARY shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

- C. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at no cost to BOARD, upon reasonable notice at any time during regular business hours at a mutually agreed to location, upon written request by the BOARD's Attorney, BOARD's Auditor, BOARD's CEO, or a designated representative of any of these individuals.
- D. Where BOARD has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of ACTUARY's business, BOARD may, by written request by any of the above-named officers, require that custody of the records be given to BOARD and that the records and documents be maintained in BOARD Offices. Access to such records and documents shall be granted to any party authorized by ACTUARY, ACTUARY's representatives, or ACTUARY's successor-in-interest.

SECTION 19. **CONFLICT OF INTEREST**

ACTUARY shall avoid all conflict of interest or appearance of conflict of interest in performance of this Agreement. ACTUARY shall ensure the filing of Assuming Office Disclosure Statements of Economic Interests (Form 700) as specified in EXHIBIT E, entitled "DISCLOSURE STATEMENT", which is attached hereto and incorporated herein. Such statement shall be filed within thirty (30) days of the date of this Agreement and annually thereafter by the first of April. Upon termination of this Agreement, ACTUARY shall ensure the filing of Leaving Office Disclosure Statements of Economic Interest (Form 700). ACTUARY represents and warrants that it is not now employed by or under contract with any of the employee organizations which currently represent City employees in the meet and confer process pursuant to the Meyers-Milias-Brown Act, California Government Code Section 3500 *et seq.* ACTUARY shall disclose to the BOARD any employment or Agreement to perform services for any such employee organization or to perform services for the City of San Jose. ACTUARY further represents and warrants that no employee of ACTUARY who is performing service pursuant to the this Agreement, shall have any source of income, including but not limited to, any community property interest in the income of a spouse or domestic partner, from the City of San Jose or any pension plan of the City of San Jose.

SECTION 20. **GIFTS**

- A. ACTUARY is familiar with the City of San Jose's prohibition against the acceptance of any gift by a BOARD officer or City designated employee, which prohibition is found in Chapter 12.08 of the San Jose Municipal Code.
- B. ACTUARY agrees not to offer any BOARD trustee, officer or City designated employee any gift prohibited by said Chapter.
- C. The offer or giving of any gift prohibited by Chapter 12.08 shall constitute a material breach of this Agreement by ACTUARY. In addition to any other remedies BOARD may have in law or equity, BOARD may terminate this Agreement for such breach as provided in SECTION 11 of this Agreement.

SECTION 24. **VENUE**

In the event that suit shall be brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

SECTION 25. **PRIOR AGREEMENTS AND AMENDMENTS**

This Agreement, including all Exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. Except as expressly provided herein, no prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may be modified only by a written amendment duly executed by the parties to this Agreement.

SECTION 26. **REPRESENTATIONS AND WARRANTIES**

Each party hereto represents and warrants that the person executing this Agreement on its behalf has been duly authorized by action of its governing body to enter into this Agreement on its behalf.

SECTION 27. **MISCELLANEOUS**

This Agreement and each Exhibit may be executed in counterparts, each of which shall be deemed an original. Neither party shall be liable to the other for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its reasonable control including, without limitation, strikes, boycotts, picketing, slow-downs, work stoppages or labor troubles of any other type, acts of God, wars, riots or national or local emergencies. The terms of Sections 6, 8, 9, 12, 13, 15-18, 20, 21, and 23-26 shall survive termination of this Agreement.

IN WITNESS WHEREOF, the parties hereby agree to all of the above terms and have executed this Agreement as of the day and year first hereinabove written.

[signatures appear on following page]

"BOARD"

BOARD OF ADMINISTRATION
OF THE SAN JOSE POLICE AND
FIRE DEPARTMENT
RETIREMENT PLAN

By: 

Name: 

Its: Chief Executive Officer and authorized
signatory for the Board of Administration
Federated City Employees' Retirement System

"ACTUARY"

THE SEGAL COMPANY
(WESTERN STATES) INC.
d/b/a SEGAL

By: 

Name: 

Its: Senior Vice President & Actuary
Federal Tax ID# 94-1503999

EXHIBIT A
SCOPE OF SERVICES

A. SCOPE OF SERVICES

1. Actuarial Audit

Perform full replication of the June 30, 2021 actuarial funding valuations for the pension and retiree health care plans. ACTUARY will work cooperatively with the principal actuary to accomplish the scope of services.

2. Additional Consulting and Advisory Services

- (i) ACTUARY shall provide additional consulting actuarial services to the BOARD as requested from time to time by the BOARD. Such requests for services shall be confirmed in writing to ACTUARY prior to ACTUARY's performance and ACTUARY shall not begin performance of such services until ACTUARY has received written confirmation to proceed from the BOARD or its designee. The terms of this Agreement shall apply to all additional consulting actuarial service.
- (ii) Additional consulting actuarial services may include, but are not limited to, actuarial audits, studies of individual benefit enhancements or reductions, assistance with compliance or disclosure requirements, consultation on technical or policy considerations relevant to the Plan, projections of Plan costs and liquidity requirements, asset and liability modeling, and retiree health care issues.
- (iii) ACTUARY shall prepare and present to the BOARD, a written report on the results of any audit, investigation, valuation, cost analysis, or other service performed by ACTUARY pursuant to this Section. Said report shall include or be accompanied by any and all essential supporting data.

B. ACTUARY shall, timely appear before the BOARD to present oral reports on the services performed pursuant to this Scope of Services.

C. The BOARD shall furnish to ACTUARY such data, including financial statements, as are deemed necessary by ACTUARY for the proper performance of services pursuant to this Agreement. ACTUARY may rely on the data provided by the BOARD, the Office of Retirement Services, the City of San Jose or the BOARD's agents as accurate and

complete. To the extent that the data provided by the BOARD is delayed, inaccurate or incomplete, the schedule of performance set forth in Exhibit B hereto may be adjusted accordingly by ACTUARY and the CEO.

EXHIBIT B

SCHEDULE OF PERFORMANCE

ACTUARY shall perform all services in an expeditious manner and to the reasonable satisfaction of the BOARD. ACTUARY shall perform the Actuarial Audit in accordance with the following Schedules of Performance:

Actuarial Audit of Annual Pension and Retiree Health Funding Valuations (Full replication of the data used in the valuations and the results of the valuations as of June 30, 2021)

STEPS
Accomplish the initial preparation by setting up office files, including previous valuation reports and any other relevant materials. Prepare a detailed summary of the current benefit and funding provisions, and the present actuarial assumptions and methods. Consult with ORS staff so that there is complete agreement as to what is expected and to ensure a full understanding of the operation of the ORS.
Define for ORS the data fields needed to perform the actuarial valuation.
Develop and test all computer programs.
Review the data when received. Run membership through "edit and distribution" programs to verify completeness and reasonableness. Discuss any problems with the ORS staff and determine assumptions to be made for missing or unreasonable data.
Complete the actuarial calculations. Run final versions of computer valuation programs.
Review the actuarial valuations. This review is conducted by Ms. Anna Buzueva for the pension plan and Mr. Thomas Bergman for the retiree health plan and encompasses the entire process including participant and financial data preparation, calculation, and programs.
Review valuation reports prepared by Cheiron. Discuss key findings with ORS and Cheiron. Draft audit reports. The reports will be reviewed initially by Ms. Buzueva and Mr. Bergman.
Final review actuarial audit reports. This review is conducted by Mr. Paul Angelo and Mr. Andy Yeung. Discuss key valuation results with ORS
Deliver actuarial audit reports, with actuarial certifications.
Prepare and present audit reports to Board.

Timelines for Independent Replication of Funding Valuation Results

Anticipated timeline for actuarial audit services.

Step	Proposed Timeline
<ul style="list-style-type: none"> • Conduct project initiation conference call with ORS and current actuary 	Upon discussion with ORS
<ul style="list-style-type: none"> • Conduct audit of actuarial valuations: 	
<ul style="list-style-type: none"> • Prepare data requests for ORS and current actuary 	Complete within 2 weeks of project initiation
<ul style="list-style-type: none"> • Review data validity 	Begin with receipt of data and completed within 2 weeks
<ul style="list-style-type: none"> • Assess actuarial valuation assumptions 	Begin with receipt of data and completed within 4 weeks of receipt of data
<ul style="list-style-type: none"> • Review actuarial valuation method and procedures 	Begin with receipt of data and completed within 4 weeks of receipt of data
<ul style="list-style-type: none"> • Test lives checking 	Complete within 6 weeks of final data
<ul style="list-style-type: none"> • Reproduce actuarial valuation results 	Complete within 8 weeks of final data
<ul style="list-style-type: none"> • Review experience study and actuarial valuation reports 	Complete within 2 weeks of reproducing valuation results and receipt of answers to questions posted to the ORS actuary
<ul style="list-style-type: none"> • Prepare draft reports 	Complete within 4 weeks of reproducing valuation results
<ul style="list-style-type: none"> • Discuss preliminary draft reports with ORS and current actuary 	As scheduled by client any time after delivery of report
<ul style="list-style-type: none"> • Prepare final reports 	Comments within 1 week of final comments
<ul style="list-style-type: none"> • Presentation of final reports 	As scheduled by client any time after report completion

This Schedule of Performance may be adjusted by ACTUARY and the CEO in the event unusual circumstances develop in the course of the performance of the Valuations.

EXHIBIT C
COMPENSATION

- A. For and in consideration of the faithful performance of the services set forth in this Agreement and agreed to be performed by ACTUARY, the BOARD shall pay to ACTUARY, and ACTUARY agrees to accept from the BOARD, ACTUARY's Fees in the amounts and at the rates shown in Attachment C hereto.

Said fees shall be full compensation to ACTUARY for the faithful performance and completion of all services.

- B. Said compensation includes compensation for appropriate meetings in San Jose with retirement staff and/or the BOARD to discuss the data and other matters necessary for the, and to present the results of the Actuarial Audit and ACTUARY's recommendations.
- C. Upon completion of each of the services for which payment is, ACTUARY shall submit to the BOARD, an itemized invoice for services performed and the total amount due. Provided that the services were performed in accordance with this Agreement, the BOARD shall pay to ACTUARY the amount specified in such invoice. However, any costs incurred by ACTUARY in the performance of said services which would exceed the maximum compensation set out in Attachment C, shall be at ACTUARY's sole cost and expense.
- D. Prior to performing any additional actuarial service under Section A.2 of Exhibit A of this Agreement, ACTUARY shall inform the BOARD as to the estimated costs of performing the services requested and shall submit an engagement letter describing the scope of work and ACTUARY's fees. Upon completion of each actuarial service performed, ACTUARY shall submit to the BOARD an itemized invoice showing the services performed, the hourly rate and number of hours for each person performing the services, and the total amount due. ACTUARY's invoices for services rendered are payable within sixty (60) days of receipt provided that the additional actuarial service is performed in accordance with the authorization of the BOARD as to scope and cost. However, any costs incurred by ACTUARY in the performance of additional services,

which would exceed the dollar amount authorized by the BOARD for such service, shall be at ACTUARY's sole cost and expense.

- E. The ACTUARY's Fees set out in this Exhibit C shall be the full compensation for the performance and completion of all services and of all costs and expenses incurred by ACTUARY in connection with the performance and completion of the applicable services, including, but not limited to, costs of labor and services of all officers, all employees and all consultants, and all other persons retained or employed by ACTUARY, traveling expenses (including but not limited to, living expenses of personnel while in San Jose or anywhere else away from ACTUARY's offices), long distance telephone calls, typing, duplicating, office supplies, and all items of general overhead.

- F. The total compensation payable to ACTUARY pursuant to this Agreement shall not exceed Two Hundred Thousand Dollars (\$200,000.00). ACTUARY shall have no obligation to perform work or services for which total compensation would exceed this maximum. Any work or services performed which would result in compensation in excess of this maximum shall be at ACTUARY's sole cost and expense and at no cost to the BOARD, the members of the BOARD, or the City of San Jose.

Attachment C

Part One - Independent Replication Actuarial Audit	
Funding - Defined Benefit Pension Plan	\$60,000
Funding - Postemployment Healthcare Plan (OPEB)	\$40,000

Total Fixed Fee Proposal **\$100,000**

Part Two - As-Needed Other Actuarial Services Class of Personnel	2021 / 2022 Hourly Rates
Principal Actuaries (Paul Angelo)	\$550
Reviewing: Actuaries	\$520
Supervising Actuaries (Andy Yeung)	\$500
Senior Actuarial Analysts	\$340-490
Actuarial Analysts	\$210-340
Compliance Consultants (Melanie Walker)	\$500
Clerical	No charge

The rate for subsequent years, after the first contract year, will be adjusted pursuant to the CPI.

EXHIBIT D

INSURANCE

ACTUARY, at ACTUARY's sole cost and expense, shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the services hereunder by ACTUARY, its agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The coverage provided by Insurance Services Office Commercial General Liability coverage ("occurrence") Form Number CG 0001 or equivalent; and
2. The coverage provided by Insurance Services Office Form Number CA 0001 or equivalent covering Automobile Liability. Coverage shall be included for all owned, non-owned and hired automobiles.
3. Workers' Compensation insurance as required by the California Labor Code and Employers Liability insurance; and
4. Professional Liability Errors and Omissions insurance for all professional services.
5. Crime Insurance/Employee Dishonesty.

There shall be no endorsement reducing the scope of coverage required above unless approved by the City's Risk Manager.

B. Minimum Limits of Insurance

ACTUARY shall maintain limits no less than:

6. Commercial General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
7. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
8. Workers' Compensation and Employers' Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident; coverage shall be endorsed to state that carrier waives its right of subrogation against the City of San Jose, its officers, employees, agents

and contractors; this limit may be met through a combination of employers liability and excess liability insurance; and

9. Professional Liability Errors and Omissions \$5,000,000 Aggregate Limit.

10. Crime/Employee Dishonesty Coverage

A Combination Crime policy with minimum limits not less than \$100,000 for

Form A: Employee Dishonesty

Form B: Forgery or Alteration

Form C: Theft, Disappearance, Destruction Inside/Outside Premises

Form D: Robbery and Safe Burglary Inside/Outside Premises

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to, and approved by CITY's Risk Manager.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages

a. The City of San Jose, BOARD and Plan, together with their trustees, officers, employees, agents and contractors are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of ACTUARY; products and completed operations of ACTUARY; premises owned, leased or used by ACTUARY; and automobiles owned, leased, hired or borrowed by ACTUARY. The coverage shall contain no special limitations on the scope of protection afforded to CITY, BOARD and Plan, together with their trustees, its officers, employees, agents and contractors.

b. ACTUARY's insurance coverage shall be primary insurance as respects CITY, BOARD and Plan, and their trustees, officers, employees, agents and contractors. Any insurance or self-insurance maintained by CITY, BOARD, or their trustees, officers, employees, agents or contractors shall be excess of ACTUARY's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies by ACTUARY shall not affect coverage provided CITY, BOARD and Plan, and their trustees, officers, employees, agents, or contractors.

d. Coverage shall state that ACTUARY's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. Coverage shall contain waiver of subrogation in favor of CITY, BOARD and Plan, and their trustees, officers, employees, agents and contractors.

2. Workers' Compensation and Employers' Liability

Coverage shall contain waiver of subrogation in favor of the CITY, BOARD and Plan, and their trustees, officers, employees, agents and contractors.

3. All Coverages

Coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) days prior written notice has been given to BOARD, except that ten (10) days prior written notice shall apply in the event of cancellation for non-payment of premium by the Actuary.

D. **Acceptability of Insurers**

Insurance is to be placed with insurers acceptable to CITY's Risk Manager.

E. **Verification of Coverage**

ACTUARY shall furnish CITY with certificates of insurance and with original endorsements affecting coverage required by this AGREEMENT. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Proof of insurance shall be either emailed in pdf format to:
Riskmgmt@san_joseca.gov, or mailed to the following postal address (or any subsequent email or postal address as may be directed in writing by the Risk Manager):

City of San Jose - Human Resources
Risk Management
200 East Santa Clara St., 4th Floor Tower Bldg.
San Jose, CA 95113-1905

F. **Subcontractors**

ACTUARY shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements for each subcontractor.

EXHIBIT E DISCLOSURE

STATEMENT

Each KEY PERSON of ACTUARY (as identified in Section 22 of the Agreement) providing services pursuant to this AGREEMENT shall file with the City Clerk, a disclosure statement (Statement of Economic Interests -- Form 700) which includes disclosure of the following:

1. Schedule A - 1 -- Investments.
2. Schedule A - 2 -- Investments, Income and Assets of Business Entities/Trusts.
3. Schedule B - Real Property.
4. Schedule C - Income and Business Positions.
5. Schedule D - Income - Loans.
6. Schedule E - Income - Gifts.
7. Schedule F -- Income - Gifts; Travel Payments, Advances and Reimbursements.

Disclosure shall cover investments, income and business positions in any businesses doing business within the City of San Jose and in or from any real estate located within the City of San Jose. The disclosure statements shall be filed with the City Clerk, City of San Jose, 200 East Santa Clara Street, 2nd Floor Wing, San Jose, CA 95113, with a copy provided to: City of San Jose -Office of Retirement Services, Attn: Roberto Pena, CEO, 1737 N. First Street, Suite 600, San Jose, CA 95112.