

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement") is made and entered into by and between COMMERCIAL RISK MANAGEMENT, INC. (referred to as the "Company") and CITY OF VENICE, FLORIDA (referred to herein as the "Self-Insured").

In consideration of the covenants and conditions set forth below to be performed and observed by the parties hereto and in consideration of the sum of ten dollars (\$10.00) and other good and valuable considerations passing between the parties hereto, it is agreed as follows:

1. The excess workers' compensation and employers liability insurance coverage is to be placed by others.

2. So long as this Agreement remains in effect, the Company will furnish workers' compensation claims handling and statistical data, including filing of all forms and reports (from data supplied by the Self-Insured) as required by the Florida Department of Financial Services.

Excess reporting, monthly loss reports, quarterly large loss reports, check processing, check register reports, check stock and BSI-17's are included in the quoted annual service fee.

All subrogation as well as excess insurance recoveries and Special Disability Trust Fund recoveries will be handled as part of the annual service fee. The issuance of Form 1099's is also included in the annual service fee.

The open claims with dates of accident prior to October 1, 2012, were transferred and converted into the Commercial Risk Management, Inc. claims system in 2012. The cost for handling of these claims will be included in the initial term of the Service Agreement and for each renewal of the Agreement.

3. The Company will handle to a conclusion all claims which occur during the period that this Agreement remains in effect. The cost of handling the tail for the initial term of this Agreement and for each one-year renewal of the term of this Agreement will be considered to be included in the annual service fee. However, in the event of any cancellation of this Agreement, the Self-Insured shall pay to the Company an administrative fee for handling the tail in an amount to be negotiated between the Company and the Self-Insured, which administrative fee shall not exceed ten percent (10%) of paid loss, and which administrative fee shall be payable on a monthly basis as invoiced by the Company.

Furthermore, in the event of any cancellation of this Agreement, the Company agrees to continue to provide claims adjusting services on all claims incurred during the period that this Agreement was in effect, if requested to do so by the Self-Insured, for a maximum period of

ninety (90) days. The Company shall be entitled to a fee for such continuing claims adjusting services equal to a pro-rata portion of the annual service fee specified below, payable monthly as invoiced by the Company.

In the event claims files and claims servicing responsibilities are transferred to a new service company, the Company will provide an accounting of all claims and claims activity to the new service company. Upon the transfer of the files and final accounting of the claims activity, the Company shall be released from all further responsibility and liability under this Agreement.

In the event of the insolvency of the Self-Insured, the Company will provide claims adjusting services on all claims incurred during the period that this Agreement was in effect for a maximum period of ninety (90) days or until relieved of this responsibility by the Division of Workers' Compensation of the Department of Financial Services. The Company shall be entitled to a fee for such continuing claims adjusting services equal to a pro rata portion of the Annual Service Fee specified below, payable monthly as invoiced by the Company.

The Company acknowledges that files containing the records of the Self-Insured's claims shall belong to the Self-Insured, provided that the Company shall, at its expense, have the right to retain copies of any and all such records to the extent determined appropriate by the Company.

All claim expenses commonly referred to in the insurance industry as "Allocated Claims Expenses" shall be the responsibility of, and paid by, the Self-Insured. Without limiting the generality of the immediately preceding sentence, the term "Allocated Claims Expenses" shall include such items as attorneys' fees, court costs and independent investigative claims costs.

4. The Self-Insured shall pay to the Company, for the Company's services under this Agreement (except as otherwise provided in this Agreement), an annual service fee (referred to herein as the "annual service fee"). The annual service fee shall be \$19,000.00 for each of years one, two and three of the Agreement. In the event the Self-Insured exercises its sole discretion to offer one or two additional one-year extensions, the annual service fee will be negotiable for each of the additional years. The annual service fee is payable in four quarterly payments of \$4,750.00 as invoiced by the Company.

MMSEA reporting by the Company for \$5.00 per query and \$25.00 per input filed is also included. The Company will assist the City of Venice in set up with CMS.

5. The term of this Agreement shall be thirty-six (36) months, with such term being deemed to have commenced at 12:01 a.m. on October 1, 2013, and with such term to terminate at 12:01 a.m. on September 30, 2016. Any renewal of the term of this Agreement shall be documented by an instrument in writing signed on behalf of both the Company and the Self-Insured.

Notwithstanding the foregoing provisions of this paragraph, either the Self-Insured or the Company shall have the right to cancel this Agreement solely by giving the other not less than sixty (60) days' advance written notice of the proposed date of cancellation. Any such cancellation of this Agreement shall be subject to all of the applicable terms and provisions of this Agreement.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its undersigned officers duly authorized this 17th day of May 2013, but effective as of October 1, 2013.

COMMERCIAL RISK MANAGEMENT, INC.

By: [Signature]
its Vice President

ATTEST:

By: [Signature]
President

IN WITNESS WHEREOF, the Self-Insured has caused this Agreement to be executed by its undersigned officers duly authorized this 11th day of June, 2013, but effective as of October 1, 2013.

CITY OF VENICE, FLORIDA

By: [Signature]
its MAYOR

ATTEST:

By: [Signature]
Its ASSISTANT city Clerk

Approved By City Council

Date: June 11, 2013