

AN ORDINANCE TO AUTHORIZE AND APPROVE AN AGREEMENT BETWEEN THE CITY OF WILMINGTON AND USI INSURANCE SERVICES LLC FOR PROPERTY AND CASUALTY INSURANCE BROKERAGE SERVICES

#0193

Sponsor:

**Council
Member
Harlee**

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of personal property or the rendering of services for a period of more than one year if approved by City Council by ordinance; and

WHEREAS, the City desires to obtain the services of an experienced firm to be the City's property and casualty insurance broker; and

WHEREAS, the City's agreement with its current property and casualty insurance broker, USI Insurance Services LLC ("USI"), is set to expire on June 30, 2026; and

WHEREAS, the City would like to enter into a new agreement with USI for property and casualty insurance brokerage services; and

WHEREAS, the term of the proposed Client Services and Fee Agreement with USI (the "Agreement") is for a period of one (1) year from July 1, 2026 through June 30, 2027, at an estimated price of Seventy-Five Thousand Dollars (\$75,000.00), with the possibility of three (3) extensions of one (1) year each thereafter at the same estimated annual price; and

WHEREAS, a copy of the Agreement, in substantial form, is attached hereto and incorporated herein by reference as Exhibit "A"; and

WHEREAS, it is the recommendation of the Department of Human Resources that the City enter into the Agreement with USI; and

WHEREAS, City Council deems it necessary and appropriate to authorize the City to enter into the Agreement.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. The Agreement (being the Client Services and Fee Agreement between the City and USI), a copy of which, in substantial form, is attached hereto as Exhibit "A", for the term of one (1) year from July 1, 2026 through June 30, 2027, at an estimated price of Seventy-Five Thousand Dollars (\$75,000.00), with the possibility of three (3) extensions of one (1) year each thereafter at the same estimated annual price, is hereby approved, and the Mayor, or his designee, is hereby authorized to execute as many copies of the Agreement, as well as to take all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading..... February 19, 2026
Second Reading..... February 19, 2026
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this 19th
day of February, 2026.

Elizabeth D. Power
Senior Assistant City Solicitor

Approved this ____ day of _____, 2026.

Mayor

SYNOPSIS: This Ordinance authorizes the City to enter into an agreement with USI Insurance Services LLC for property and casualty insurance brokerage services for the period of one (1) year from July 1, 2026 through June 30, 2027, with the possibility of three (3) extensions of one (1) year each thereafter upon the same terms and conditions.

FISCAL IMPACT STATEMENT: The Office of Management and Budget has reviewed this Ordinance and analyzed the agreement between the City and USI Insurance Services LLC attached as Exhibit "A". Under the agreement, USI will provide property and casualty insurance brokerage services for fiscal year 2027, with an option to extend the agreement for up to three (3) additional years to cover fiscal years 2028, 2029, and 2030. The annual base fee is \$75,000 for each fiscal year. If the City exercises all three (3) one-year extension options, the total base cost for the full four-year period (fiscal years 2027 through 2030) would be \$300,000. In addition, according to the agreement, if insurance is placed by USI on the City's behalf, USI will disclose to the City any commissions received by USI and offset those commissions against the annual fee charged to the City. The savings to the City of any such commission offsets cannot be determined in advance.

W0131206

EXHIBIT A

CLIENT SERVICES & FEE AGREEMENT

This Client Services & Fee Agreement (this “Agreement”) is made and entered into this ___ day of _____, 2026, to be effective as of July 1, 2026, by and between USI Insurance Services LLC, a Delaware limited liability company (“USI”) and the City of Wilmington, a municipal corporation of the State of Delaware (“Client”).

WHEREAS, USI is duly licensed to engage in the insurance business for the purposes set forth herein; and

WHEREAS, Client desires to engage the services of USI upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties, with the intent to be legally bound, agree as follows:

1. LINES OF INSURANCE COVERAGE

This Agreement is entered into with respect to the following lines of insurance coverage and for which Client agrees to retain USI as its Broker of Record:

- Workers Compensation/Excess Workers Compensation
- Commercial Property
- General Liability
- Automobile Liability
- Automobile Physical Damage
- Cyber Liability
- Environmental Liability
- Umbrella Liability
- Crime
- Special Events Liability
- Hull and Machinery Liability and Marine Liability
- Flood
- Police Professional Liability
- Employee Benefits Liability
- Employment Practices Liability
- Management Liability
- Sexual Abuse and Molestation Liability

2. SERVICES

USI agrees to provide to Client the following insurance brokerage services:

Risk Management

- Conduct Client meetings to understand and strategize risk management objectives

- Complete risk identification, risk assessment, risk program design, and implementation of risk management program
- Conduct exposure analysis
- Analyze current insurance program and make recommendations for program enhancements
- Discuss coverage and marketing strategy

Ongoing

- Develop a service calendar of agreed to touch point meetings during the term
- Negotiate coverage terms, premiums, and the placement of coverages with insurers
- Oversee the quality and success in the delivery of all USI services
- Provide day-to-day consulting on servicing of insurance
- Monitor the marketplace for any new trends, product development, and additional markets which may offer enhancements to program
- Review contracts related to insurance requirements
- Review insurance policies for conformity with the insurer's proposals and obtain necessary revisions
- Review the accuracy of each binder, certificate, endorsement, premium audit, and other documents received from the insurers, and obtain necessary revisions
- Obtain from the insurers and promptly deliver to Client the requested insurance policies, endorsements, and related documentation within the timeframes of USI's service level agreement
- Prepare certificates of insurance as requested by Client and as appropriate
- Monitor the financial strength of the insurer(s) providing Client's coverages, and inform Client in the event that the A.M. Best rating of such insurer(s) is reduced below "A-"
- Assist Client in developing and maintaining the underwriting-related information required to obtain insurance coverage relying on the information provided by Client on the understanding that Client shall be responsible for the accuracy of such information

Claims services

- Provide detailed loss data to Client on a periodic basis, based on data from the insurers
- Analyze Client's loss data to determine trends in causes and frequency, and provide the data analysis to Client on a periodic basis
- Monitor the claims services provided by Client's insurer(s), including assistance with claims submissions interpretation of insurance policies
- Attend claims review meetings convened by Client's insurer(s), as requested by Client
- Analyze reserve amounts allocated for claims, by insurers and notify Client regarding increases
- Monitor problematic claims regularly and advocate for Client
- Conduct loss control surveys at Client's facilities as agreed, in writing, by Client and USI

The above-referenced services shall be rendered by USI to Client pursuant to the terms of this Agreement. Any additional services requested by Client shall be negotiated by the parties under separate written agreement or amendment.

3. COMPENSATION

USI will be compensated for the services through payment of an annual fee by Client to USI as outlined in this Agreement. The annual fee will be Seventy-Five Thousand Dollars (\$75,000.00). With respect to insurance placed by USI on Client's behalf, USI will disclose to Client any commissions received by USI and offset the commissions received against the annual fee to the extent allowed by applicable law.

Contingent, supplemental, or bonus commissions

It is possible that some of the insurance companies and insurance intermediaries from which USI obtains coverage may pay it additional incentive commissions, sometimes referred to as contingent, supplemental, or bonus commissions, which may be based on the total volume of business USI sells for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering USI's entire book of business with an insurance company or intermediary for a designated period of time. Such additional commissions, if any, would be in addition to any other compensation USI may receive. At Client's request, USI will provide Client information about the nature and source of such compensation expected to be received by USI.

Miscellaneous sources of compensation

In addition to the foregoing, USI may also receive income from the following sources:

- Interest earned on premiums received from Client and forwarded to the insurance company through USI's bank accounts
- Payments from insurance companies to defray the cost of services provided for them, including advertising, training, certain employee compensation, and other expenses.
- Vendors and/or service providers

In the event there is a significant change in Client operations which affects the nature and scope of its insurance requirements, the parties agree to renegotiate USI's compensation as appropriate. In the absence of any mutual agreement in writing, USI shall be entitled to commission on any additional coverage added during the term.

4. BROKERAGE INTERMEDIARIES

USI may utilize the services of other intermediaries, such as wholesale brokers, excess and surplus lines brokers, reinsurance intermediaries and underwriting managers, to assist in the marketing of Client insurance coverages, when in USI's professional judgment those services are necessary. Depending on the circumstances involved, it may be necessary to use an intermediary affiliated with USI. The compensation of such intermediaries is not included in USI's compensation under this Agreement and will be paid by insurers out of paid premiums. The compensation paid to USI's affiliates will be disclosed to Client prior to binding any coverage on your behalf.

5. TERM AND TERMINATION

- 5.1. Term. The term of this Agreement shall commence on 07/01/2026 and shall terminate on 06/30/2027, with the availability of three (3) extensions of one (1) year each thereafter by mutual consent, to be reached at least ninety (90) days prior to the termination date of this Agreement or extension thereof. In the event of termination, USI will assist Client in arranging

a smooth transition process. However, USI's obligation and the obligation of its affiliates to provide services to Client will cease upon the effective date of termination, unless otherwise agreed in writing.

5.2. Termination. Notwithstanding the term of this Agreement, either party shall have the right to terminate this Agreement upon 60 days' prior notice to the other. In the event of termination by the Client prior to expiration, USI's "annual" compensation for the current year of the term will be deemed earned according to the following schedule:

- 60% at inception
- 75% after four (4) months
- 100% after seven (7) months

6. ACCURACY OF INFORMATION

USI's ability to provide Client with the services outlined in section 2 above is conditioned upon USI's receipt of accurate and timely information from Client. USI will not independently verify or authenticate information provided by or on behalf of Client. Client shall be solely responsible for the accuracy and completeness of such information and other documentation furnished to USI.

7. SURPLUS LINES & REGULATORY CHARGES

In certain cases, placements that USI makes on Client's behalf may require the payment of surplus lines, taxes and/or fees to state regulators, boards or associations, which Client agrees to pay in addition to any compensation set forth in section 3 above. Such taxes will be identified on marketing results and invoices covering these placements.

8. BOOKS AND RECORDS

Client is entitled to copies of reports prepared by USI hereunder, contracts between Client and its carriers/administrators to the extent such contracts are in USI's possession and control, and communications between USI and Client's insurance carriers and service providers to the extent such books and records are maintained by USI with regard to its performance under this Agreement.

9. MISCELLANEOUS

To the extent required by applicable law, USI will implement and maintain reasonable security procedures and practices appropriate to the nature of the personal information it receives, and which are designed to help protect such information from unauthorized access, acquisition, destruction, use, modification, or disclosure.

In order to provide the services identified herein, it may be necessary for USI to receive from Client, or from a party on Client's behalf, information of a personal nature that may be protected by various federal and state privacy or other laws. USI advises Client to consult with its legal counsel as to how these laws impact Client and its employees, Client's insurance program, USI's contemplated engagement and disclosure of information to USI. Client represents that it has the authority and all rights, authorizations, approvals and consents required to disclose its employees' and their beneficiaries' information to USI for USI's use in performing its services for Client. Client further

represents that USI's use of this information to perform services does not and will not violate any privacy notice or other policy issued by client or any applicable law.

Moreover, because USI is not engaged in the practice of law and the services provided hereunder are not intended as a substitute for legal advice, USI recommends that Client secure the advice of competent legal counsel with respect to any legal matters related to any insurance program subject to this Agreement.

10. ENTIRE AGREEMENT

This Agreement contains the entire understanding of the parties with respect to the subject matter contained herein, superseding all prior agreements, understandings, and negotiations with respect to such matters. This Agreement may be modified or otherwise amended and the observance of any term of this Agreement may be waived only if such modification, amendment, or waiver is in writing and signed by the party to be charged with same. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and permitted assigns. Neither party shall have any liability for any failure or delay in performance of its obligations under this Agreement because of circumstances beyond its reasonable control, including, without limitation, acts of God, fires, floods, earthquakes, acts of war or terrorism, civil disturbances, sabotage, accidents, unusually severe weather, governmental actions, power failures, computer/network viruses that are not preventable through generally available retail products, catastrophic hardware failures, or attacks on its server. The parties further agree that neither party shall have any liability for indirect, special, punitive, consequential, or incidental damages, including, without limitation, loss of profits.

11. GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of State of Delaware, without regard to its conflict of laws principles. All disputes in connection with this Agreement shall be resolved by the court of competent jurisdiction located in New Castle County, Delaware.

12. SELECTION OF ISSUING INSURANCE COMPANY

USI has no ownership interest in and is not under common control with the insurance company that is issuing the lines of insurance coverage described in this Agreement.

13. CONFIDENTIAL INFORMATION

“Confidential Information” shall mean non-public information revealed by or through a party to this Agreement (a “Disclosing Party”) to the other party (a “Receiving Party”) including information traditionally recognized as proprietary trade secrets, and all forms and types of financial or business information (including customer information), whether tangible or intangible. Confidential Information shall not include: (a) Confidential Information that was in the Receiving Party's possession prior to the date of the disclosure by Disclosing Party; or (b) Confidential Information that was obtained by the Receiving Party from a party other than Disclosing Party; or (c) Confidential Information that becomes generally available to the public, through sources other than Receiving Party; or (d) Confidential Information that is developed at any time by the Receiving Party independent of information or materials disclosed by Disclosing Party to the Receiving Party.

Except as may be required by law or legal process, or to provide the services as stated herein (including but not limited to sharing with carrier partners and service providers), the Receiving Party agrees not to otherwise use the Confidential Information obtained hereunder in the absence of written permission received from the Disclosing Party. The Receiving Party further agrees to destroy or return to Disclosing Party all Confidential Information received hereunder upon written request therefore, provided Receiving Party may keep a copy to comply with record retention obligations. Nothing herein shall require either party to delete or destroy Confidential Information in backup archival systems, provided the parties maintain confidentiality for as long as such information is maintained.

In the event that the Receiving Party is requested or required to disclose any Confidential Information, the Receiving Party (if permissible) will provide the Disclosing Party with prompt notice of such request(s) or requirement(s) so that the Disclosing Party may seek an appropriate protective order, at its sole cost, or waive compliance by the Receiving Party. Nonetheless, Receiving Party may disclose such information without liability hereunder, provided, however, that the Receiving Party shall disclose only that portion of such Confidential Information which it considers that it is legally required to disclose.

14. CITY OF WILMINGTON GENERAL TERMS AND CONDITIONS AND BUSINESS ASSOCIATE AGREEMENT

The City of Wilmington General Terms and Conditions and Business Associate Agreement, attached hereto as Exhibits A and B, respectively, are incorporated herein and shall become an integral part of this Agreement. To the extent that there is any conflict between the City of Wilmington General Terms and Conditions and Business Associate Agreement and other parts of this Agreement, the terms set forth in the City of Wilmington General Terms and Conditions and Business Associate Agreement shall govern.

IN WITNESS THEREOF, the parties have hereunto set their hands on the date and year first above written for the purposes set forth in this Agreement:

USI INSURANCE SERVICES LLC

Signature

Print Name

Title

CITY OF WILMINGTON

Signature

Print Name

Title

EXHIBIT A

CITY OF WILMINGTON GENERAL TERMS AND CONDITIONS

(the Client Services & Fee Agreement between the City of Wilmington and USI Insurance Services, LLC as supplemented by these General Terms and Conditions shall hereinafter be referred to collectively as this "Agreement")

1. **Insurance Coverage.** USI Insurance Services LLC ("Contractor") shall obtain and provide insurance coverage for itself and all of its employees, if any, used in connection with this Agreement as follows: workers' compensation as required by law; commercial general liability coverage for personal injury, including death, and property damage in the minimum amount of One Million Dollars (\$1,000,000.00); and professional liability insurance with limits of at least One Million Dollars (\$1,000,000.00) per occurrence and Three Million Dollars (\$3,000,000.00) annual aggregate. Such policies shall be issued by a Delaware-admitted financially sound carrier and/or carriers. Contractor shall provide the City with a certificate of insurance evidencing the above stated coverage and naming the City as an additional insured with respect to the commercial general liability coverage.
2. **Use of Subcontractors.** Contractor may use qualified consultants, subconsultants, or subcontractors to perform the services required under this Agreement upon the written approval of the City.
3. **Discrimination and Harassment.** In the performance of this Agreement, the parties agree that they shall not discriminate or harass, or permit discrimination or harassment, against any person because of age, sex, marital status, race, religion, color, national origin or sexual orientation.
4. **Indemnification.** Contractor shall defend, indemnify, and hold harmless the City, its employees, agents, and officers, from and against any and all claims, damages, actions, liabilities and expenses, including reasonable attorneys' fees, resulting from the negligent acts or omissions of Contractor, its employees, agents, subcontractors, consultants, or subconsultants in performing the services required under this Agreement.
5. **Records.** Contractor shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the City to ensure proper accounting for all project funds. Such records shall be made available for audit purposes to the City or its authorized representatives upon thirty (30) days' written request.
6. **Reports and Information.** Contractor, at such time and in such form as the City may require, shall furnish the City such reports as the City may request pertaining to the work or services undertaken pursuant to this Agreement.
7. **Business License.** Contractor shall obtain and/or maintain an appropriate business license from the City of Wilmington Department of Finance.

8. **Taxes.** Contractor shall withhold, if applicable, City of Wilmington wage taxes from the compensation of its officers, agents, and employees as required by the City of Wilmington wage tax law.

9. **Findings Confidential.** All of the drawings, plans, designs, reports, analyses, specifications, information, examinations, proposals, illustrations, copies, maps, graphics, slides, and documents prepared, assembled, drafted, or generated by Contractor under this Agreement are confidential, and Contractor agrees that such documents shall not be made available to anyone, without the prior written approval of the City.

10. **Ownership of Information.** All of the drawings, plans, designs, reports, analyses, specifications, information, examinations, proposals, brochures, illustrations, copies, maps, graphics, slides, and documents prepared, assembled, drafted, or generated by Contractor in connection with this Agreement shall become the exclusive property of the City for use by the City as the City deems appropriate. Contractor may keep copies of such documents for its records. Any reuse of the documents without the Contractor's written consent shall be at user's risk and responsibility.

11. **Notices.** Any notice which is required or may be given in connection with this Agreement shall be addressed to the parties as follows:

The City:

Taylor West, Acting Director
City of Wilmington
Department of Human Resources
800 N. French Street, 4th Floor
Wilmington, DE 19801

Contractor:

Chief Legal Officer
USI Insurance Services LLC
2 Manhattanville Road, Suite 203
Purchase, NY 10577

12. **Independent Contractor.** Contractor (and its employees and agents) is an independent contractor and not an employee or agent of the City.

13. **Oral Modifications.** This Agreement may not be changed orally, but only by an agreement in writing and signed by both parties.

14. **Conflict Between Provisions.** To the extent that there is any conflict between these General Terms and Conditions and other portions of this Agreement, the terms set forth in these General Terms and Conditions shall govern.

15. **Successors and Assigns.** This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the City and Contractor, and their respective legal representatives, successors, and assigns.

16. **Severability.** This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

17. **Payment.** Payment shall be made by the City to the Contractor as provided in this Agreement after the satisfactory completion of the work specified in this Agreement and upon proper, undisputed invoice to the City.

18. **Applicable Law and Dispute Resolution.** The laws of the State of Delaware shall govern this Agreement. All disputes in connection with this Agreement shall be resolved by the courts of New Castle County, Delaware. Contractor agrees to submit exclusively to the jurisdiction and venue of said courts.

19. **Signed Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

20. **Covenants.** The Contractor covenants that it will comply with all applicable local, state, and federal laws and regulations in the performance of this Agreement.

21. **System and Organization Control Reports.** The Contractor shall maintain and upon request provide to the City any and all System and Organization Control Reports (also known as Service Organization Control Reports) ("SOC Reports") the Contractor has acquired that are related to the Contractor's business. The City shall treat all SOC Reports as Confidential Information and shall not disclose any SOC Report to a third party, except that disclosure shall be permitted to the City's internal and external auditors, attorneys, and other advisers. Notwithstanding the foregoing, if the City receives a request under the Delaware Freedom of Information Act ("FOIA") for documents that include a SOC Report, the City shall promptly notify the Contractor of the request and provide the City Law Department's opinion on whether disclosure of the SOC Report is required. If the City Law Department determines that disclosure of the SOC Report is required pursuant to FOIA, the City shall be free to disclose the SOC Report in accordance with the deadline set forth by FOIA.

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this “Agreement”) is made and entered into as of the date subscribed below, between the City of Wilmington, a municipal corporation of the State of Delaware (“Covered Entity”), and USI Insurance Services LLC, a Delaware limited liability company (“Business Associate”).

Covered Entity is receiving and Business Associate is providing services in connection with the operation of Covered Entity pursuant to the terms of a Client & Services Fee Agreement between them to be effective on July 1, 2026 (the “Services Agreement”). This Agreement sets forth certain terms that apply to the relationship between Covered Entity and Business Associate that arises out of the Services Agreement, and which are required by the Health Insurance Portability and Accountability Act, Public Law 104-191, as amended (“HIPAA”) and Delaware state laws and regulations, including Title 6, Chapter 12B of Delaware Code, as applicable. The terms of this Agreement shall be interpreted and applied consistently with HIPAA and Delaware state law.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties intend to be legally bound and agree as follows

1. DEFINITIONS

Unless otherwise specified in this Agreement, all capitalized terms not otherwise defined shall have the meanings established for purposes of Title 45, Parts 160, 162 and 164 of the United States Code of Federal Regulations, as amended from time to time. For purposes of clarification, the following terms are defined as set forth below:

“Breach” means the acquisition, access, use, or disclosure of protected health information in a manner not permitted which compromises the security or privacy of such information. In this context, “compromises the security or privacy” means there is a significant risk of financial, reputational, or other harm to the individual. Breach does not include the three exceptions contained in 45 C.F.R. § 164.402(1).

“Breach Notification Rule” means the HIPAA Regulations pertaining to breaches of Unsecured PHI as codified in 45 C.F.R. Parts 160 and 164.

“Discovery” means the first day on which a Breach is known to Business Associate (including any person, other than the individual committing the breach, that is a workforce member or other agent of Business Associate), or by exercising Reasonable Diligence would have been known to Business Associate, to have occurred.

“Electronic PHI” or “E PHI” means PHI that is transmitted by or maintained in electronic media.

“Privacy Rule” means the HIPAA Regulations as codified in 45 C.F.R. Parts 160 and 164.

“Protected Health Information” or “PHI” means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present, or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present, or future payment of the provision of health care to an individual; and (ii) that identifies the individual, or with respect to which there is reasonable basis to believe the information can be used to identify the individual, and has the meaning given to such term in the Privacy Rule.

“Personal Information” or “PI” means a Delaware resident’s first name and last name in combination with any one of the following: 1. Social Security Number, 2. Driver’s License Number or federal or state identification card number, 3. account number, credit card number, or debit card number, in combination with any required security code, access code, or password that would permit access to a resident’s financial account, 4. Passport number, 5. A username or email address, in combination with a password or security question and answer that would permit access to an online account, 6. Medical history, 7. Health insurance policy number, subscriber identification number, or any other unique identifier used by a health insurer to identify the person, and 8. An individual taxpayer identification number, not including Personal Information that is publicly available

“Security Incident” has the meaning set out in the Security Rule. Generally, a “Security Incident” means any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or systems operations in an electronic information system.

“Security Rule” means the Security Standards and Implementation Specifications at 45 C.F.R. Parts 160 and 164.

“Unsecured PHI” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of either the encryption method or the destruction method, as defined in Department of Health and Human Services (“HHS”) guidance published on April 27, 2009 (74 FR 19006) and modified by guidance published on August 24, 2009 (74 FR 42740). Unsecured PHI can include information in any form or medium, including electronic, paper, or oral.

2. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

2.1 General Permitted Uses and Disclosures. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI or PI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Services Agreement, provided that such use or disclosure would not violate the Privacy Rule or state laws in Delaware or other locations where such PHI or PI are stored (or Covered Entity’s policies and procedures) if done by Covered Entity. Business Associate will, in its performance of the functions, activities, services, and operations specified above or detailed in the Services Agreement, make reasonable efforts to use, to disclose, and to request only the minimum amount of Covered Entity’s PHI and PI reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Business Associate will not be obligated to comply with this minimum-necessary limitation if neither Business Associate nor Covered Entity is required to limit its use, disclosure or request to the minimum necessary. Business Associate and Covered Entity acknowledge that the phrase “minimum necessary” shall be interpreted in accordance with the Health Information Technology for Economic and Clinical Health Act (“HITECH Act”), passed as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and government guidance of the definition.

2.2 Permitted Uses and Disclosures for Legal Responsibilities. Except as otherwise limited in this Agreement, Business Associate may use PHI and PI to carry out the legal responsibilities of Business Associate.

2.3 Permitted Uses and Disclosures for Administration. Except as otherwise limited in this Agreement, Business Associate may disclose PHI and PI for the proper management and administration of Business Associate, provided that disclosures are required by law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which he/she is aware in which the confidentiality of the information has been breached.

2.4 Permitted Uses and Disclosures for Data Aggregation. Except as otherwise limited in this Agreement, Business Associate may use PHI and PI to provide to Covered Entity Data Aggregation services that relate to the health care operations of Covered Entity.

2.5 Permitted Uses and Disclosures to Federal and State Authorities. Business Associate may use PHI or PI to report violations of law to appropriate Federal and State authorities, consistent with Federal and State laws and regulations, provided that Business Associate believes in good faith that Covered Entity had engaged in conduct that is unlawful or otherwise violates professional or clinical standard, or that the care, services, or conditions provided by Covered Entity potentially endangers one or more patients, workers, or the public and the disclosure is to a health oversight agency or public health authority, or an attorney retained by or on behalf of Business Associate.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

3.1 Use of PHI. Business Associate shall not use or further disclose PHI or PI other than as expressly permitted or required by this Agreement or as required by law. However, Business Associate may use PHI or PI for the purpose of managing its internal business processes relating to its functions under this Agreement. Finally, Business Associate shall require that any subcontractors that create, receive, maintain, or transmit PHI or PI on behalf of Business Associate agree to comply with the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

3.2 Disclosure of PHI or PI. Business Associate shall:

i. not disclose PHI or PI to any person other than employees or subcontractors of Business Associate, except as approved by Covered Entity in writing. Any such disclosure to a subcontractor shall be made only upon the execution of a separate business associate agreement by the subcontractor and the Business Associate to be bound by the provisions of this Agreement, for the express benefit of Business Associate and Covered Entity;

ii. not disclose PHI or PI to its employees unless Business Associate has advised them of Business Associate's obligations under this Agreement, and the consequences for employees and for Business Associate of violating them. Business Associate shall take appropriate disciplinary action against any employee who uses or discloses PHI or PI in contravention of this Agreement; and

iii. not disclose PHI or PI to any person other than employees or subcontractors of Business Associates only according to the Notice of Privacy Practices provided to Business Associate by Covered Entity.

3.3 Appropriate Safeguards. Business Associate shall use appropriate safeguards and comply, when applicable, with the Security Rule with respect to EPHI, to prevent use or disclosure of PHI or PI, whether electronic or otherwise, other than as provided for by this Agreement. Business Associate shall provide Covered Entity with such information concerning such safeguards as Covered Entity may from time-to-time request.

3.4 Subcontractors. Business Associate shall ensure that any subcontractors that create, receive, maintain, or transmit EPHI, PHI, or PI on behalf of Business Associate agree to comply with the applicable requirements of the Security Rule by entering into a contract or other arrangement that complies with the Privacy Rule, Security Rule, Breach Notification Rule, state laws, and this Agreement.

3.5 Delegation of Covered Entity's Duties. To the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule and state laws, Business Associate will comply with the requirements of the Privacy Rule and state laws in performance of such obligations.

3.6 Access to Networks. Business Associate agrees that while present at any Covered Entity facility and/or when accessing the Covered Entity's computer network(s), it and all of its employees, agents, representatives and subcontractors shall at all times comply with any network access and other security practices, procedures and/or policies established by the Covered Entity including, without limitation, those established pursuant to HIPAA's Security Rules and state laws.

3.7 Reporting. Business Associate shall provide Covered Entity with information regarding all unauthorized uses and disclosures of PHI or PI by Business Associate, its employees or subcontractors not permitted by this Agreement and of which it becomes aware, including Breaches of Unsecured PHI or PI as required by the Breach Notification Rule or state laws, and the remedial action taken or proposed to be taken with respect to such prohibited use or disclosure.

3.8 Mitigation. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI or PI by Business Associate in violation of the requirements of this Agreement.

3.9 Access to PHI. Business Associate shall, at the request of Covered Entity, provide PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the requirements of an individual's right of access and requests for access to his or her PHI. For PHI contained in an electronic health record, the Business Associate must provide a copy in an electronic format, if requested by the Covered Entity or the individual.

3.10 Accounting of Disclosures. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI; and provide to Covered Entity or an individual, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI by providing the requested documentation of disclosures promptly to Covered Entity.

For electronic health records, the Business Associate shall, in addition to documenting disclosures for purposes other than for treatment, payment, or health care operations, document disclosures for the purposes of treatment, payment, or health care operations in accordance with the provisions of the HITECH Act. If Covered Entity first acquires electronic health records on or after January 1, 2009, then effective January 1, 2011 or at a date thereafter when Covered Entity first acquires electronic health records, Business Associate shall document such additional disclosures. If Covered Entity utilized electronic health records prior to January 1, 2009, then effective January 1, 2014 Business Associate shall document such additional disclosures.

3.11 Amendment to PHI. Business Associate shall make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to at the request of Covered Entity or an individual, and in the time and manner designated by Covered Entity.

3.12 Unauthorized Uses and Disclosures. In the event Business Associate becomes aware of a Security Incident involving EPHI, PHI, or PI, by itself or any of its agents or subcontractors, Business Associate shall promptly notify Covered Entity, in writing, of such Security Incident. Covered Entity and Business Associate agree to act together in good faith to take reasonable steps to investigate and mitigate any harm caused by such unauthorized use or Security Incident.

3.13 Breach of Unsecured PHI. When a Breach of Unsecured PHI or PI occurs, the Business Associate shall notify the Covered Entity without unreasonable delay and in no case later than five (5) calendar days after Discovery. The notification shall include the identification of each individual affected or reasonably believed by the Business Associate to be affected by the Breach. In addition, the Business Associate will provide the Covered Entity with any information that the Covered Entity needs for the required notifications under the Breach Notification Rule without unreasonable delay. The Business Associate will be responsible for the reasonable costs of the Covered Entity that are incurred due to a Breach that occurs while the Business Associate is responsible for the privacy and security of the information.

3.14 Sale of PHI or PI. Business Associate is prohibited from exchanging PHI and PI for direct or indirect remuneration without obtaining the individual's authorization.

3.15 Marketing. In accordance with the HITECH Act, the Business Associate may be remunerated and use or disclose PHI for marketing communications with the prior written consent of Covered Entity for communications that (1) describe a drug or biologic that is currently being prescribed for the recipient of the communication, and the amount paid is "reasonable"; (2) are made by the Business Associate with a HIPAA-compliant authorization from the individual; or (3) are made by the Business Associate on the Covered Entity's behalf and the communication is consistent with this Agreement.

3.16 Compliance. Business Associate shall make its internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and PI received from, or created or received by Business Associate on behalf of, Covered Entity, documentation required by the Security Rule or state laws relating to safeguards, and documentation required by the Breach Notification Rule available to Covered Entity, or to the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule, Security Rule, and Breach Notification Rule.

3.17 Amendment of Agreement. Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or of the State of Delaware relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Covered Entity may, by written notice to Business Associate, amend this Agreement in such manner as Covered Entity determines necessary to comply with such law or regulation.

4. OBLIGATIONS OF COVERED ENTITY

4.1 Obligations of Covered Entity. The Covered Entity shall:

i. provide Business Associate with a copy of its Notice of Privacy Practices, and will notify Business Associate of any limitation(s) in its Notice of Privacy Practices, to the extent that such limitation(s) may affect Business Associate's use or disclosure of PHI or PI;

ii. notify Business Associate of any changes in, or revocation of, permission by individual to use or disclose PHI or PI, to the extent that such changes may affect Business Associate's use or disclosure of PHI or PI;

iii. notify Business Associate of any restriction to the use or disclosure of PHI or PI that Covered Entity agreed to with an individual, to the extent that such restriction may affect Business Associate's use or disclosure of PHI or PI. The Covered Entity is required to agree to a restriction, and the Business Associate must comply with the restriction, in the case of a disclosure to a health plan for payment or health care operations (and is not for the purposes of carrying out treatment) and the PHI pertains solely to a health care item or service for which the health care provider involved has been paid by the patient or participant in full and not by the health plan; and

iv. notify Business Associate if an individual has requested that PHI be provided directly to a third party pursuant to a written request signed by the individual that clearly identifies the third party.

5. REQUESTS BY COVERED ENTITY

5.1 Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

6. TERM AND TERMINATION

6.1 Term. The Term of this Agreement shall be effective as of July 1, 2026 and shall terminate when all of the PHI or PI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity or, if it is not feasible to return or destroy the PHI or PI, protections are extended to such information, in accordance with the termination provisions in this Agreement.

6.2 Business Associate's Failure to Comply with HIPAA and State Law Obligations.

6.2.1 Opportunity to Cure: Termination. If Business Associate notifies Covered Entity, or Covered Entity otherwise has reason to believe, that Business Associate has violated a material term

of any of the requirements set forth in this Agreement and Covered Entity determines that a cure of such violation is possible, not later than five (5) business days following Covered Entity's request, the parties shall meet (in person or by telephone) to discuss Covered Entity's concerns. Following such meeting, Business Associate shall advise Covered Entity whether it agrees or disagrees with Covered Entity's concerns. If Business Associate agrees with Covered Entity's concerns, not later than five (5) business days after such meeting, Business Associate shall propose to Covered Entity a course of action to address Covered Entity's concerns (a "Corrective Plan") and, if necessary, the parties thereafter shall engage in good faith discussions in an effort to reach agreement on the terms of the Corrective Plan. If Business Associate materially fails to implement the terms of the mutually agreed Corrective Plan, then, in addition to any other rights and remedies that may be available to Covered Entity, upon written notice to Business Associate, Covered Entity shall have the right to terminate the Agreement in its entirety. If Business Associate disagrees with Covered Entity's concerns, then the parties will engage in good faith discussions at successively higher levels of management until the dispute has been resolved. Notwithstanding the foregoing, if the parties are unable to reach agreement on the terms of the Corrective Plan or otherwise are unable to reach agreement with respect to Covered Entity's concerns within sixty (60) calendar days following Covered Entity's initial request for a meeting as described above, and Covered Entity has determined that Business Associate has violated a material term of any of the requirements set forth in this Agreement then, upon written notice to Business Associate, Covered Entity shall have the right to terminate the Agreement in its entirety.

6.2.2 No Opportunity to Cure: Termination. If Business Associate notifies Covered Entity, or Covered Entity otherwise has reason to believe, that Business Associate has violated a material term of any of the requirements set forth in this Agreement and the Covered Entity believes that a cure of such violation is not possible, then Covered Entity shall have the right upon written notice to Business Associate to terminate the Agreement in its entirety. If Covered Entity determines that the termination of the Agreement is not feasible, it shall report the violation to the Secretary of Health and Human Services.

6.3 Covered Entity's Failure to Comply with HIPAA Obligations.

6.3.1 Opportunity to Cure: Termination. If Covered Entity notifies Business Associate, or Business Associate otherwise has reason to believe, that Covered Entity has violated a material term of any of the requirements set forth in this Agreement and Business Associate determines that a cure of such violation is possible, not later than five (5) business days following Business Associate's request, the parties shall meet (in person or by telephone) to discuss Business Associate's concerns. Following such meeting, Covered Entity shall advise Business Associate whether it agrees or disagrees with Business Associate's concerns. If Covered Entity agrees with Business Associate's concerns, not later than five (5) business days after such meeting, Covered Entity shall propose to Business Associate a course of action to address Business Associate's concerns (a "Corrective Plan") and, if necessary, the parties thereafter shall engage in good faith discussions in an effort to reach agreement on the terms of the Corrective Plan. If Covered Entity materially fails to implement the terms of the mutually agreed Corrective Plan, then, in addition to any other rights and remedies that may be available to Business Associate, upon written notice to Covered Entity, Business Associate shall have the right to terminate the Agreement in its entirety. If Covered Entity disagrees with Business Associate's concerns, then the parties will engage in good faith discussions at successively higher levels of management until the dispute has been resolved. Notwithstanding the foregoing, if the parties are unable to reach agreement on the terms of the Corrective Plan or otherwise are unable

to reach agreement with respect to Business Associate's concerns within sixty (60) calendar days following Business Associate's initial request for a meeting as described above, and Business Associate has determined that Covered Entity has violated a material term of any of the requirements set forth in this Agreement then, upon written notice to Covered Entity, Business Associate shall have the right to terminate the Agreement in its entirety.

6.3.2 No Opportunity to Cure: Termination. If Covered Entity notifies Business Associate, or Business Associate otherwise has reason to believe, that Covered Entity has violated a material term of any of the requirements set forth in this Agreement and the Business Associate believes that a cure of such violation is not possible, then Business Associate shall have the right upon written notice to Covered Entity to terminate the Agreement in its entirety. If Business Associate determines that the termination of the Agreement is not feasible, it shall report the violation to the Secretary of Health and Human Services.

6.4 Effect of Termination. Except as provided in the following paragraph, upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI or PI received from Covered Entity that it maintains in any form or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI or PI that is in the possession of subcontractors of Business Associate. Business Associate shall retain no copies of the PHI or PI.

In the event that Business Associate determines that returning or destroying the PHI or PI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of PHI or PI is not feasible, Business Associate shall extend the protections of this Agreement to such PHI or PI and limit further uses and disclosures of such PHI or PI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI or PI.

7. MISCELLANEOUS

7.1 Amendment and Addenda. The parties agree to amend this Agreement from time to time as necessary for Covered Entity to comply with the requirements of HIPAA or state laws. Any addenda attached as an appendix to this Agreement shall be an integral part of this Agreement, and this Agreement and any such addenda shall be interpreted as one and the same instrument unless otherwise stated in such addenda.

7.2 Indemnification. Business Associate will indemnify, defend and hold Covered Entity and its officers, directors, employees, agents, successors and assigns harmless, from and against any and all losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or related to any third-party claim based upon any breach of this Agreement by Business Associate or similar breach by other recipients of PHI or PI ("Claim"). If Business Associate assumes the defense of a Claim, Covered Entity shall have the right, at its expense, to participate in the defense of such Claim, and Business Associate shall not take any final action with respect to such Claim without the prior written consent of Covered Entity.

7.3 Survival. The respective rights and obligations of Business Associate under Section 6.4 of this Agreement shall survive the termination of this Agreement.

7.4 Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity and Business Associate to comply with HIPAA and applicable state laws.

7.5 Counterpart Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together constitute one and the same instrument.

7.6 No Third-Party Beneficiaries. The parties agree that there shall be no incidental or intended third-party beneficiaries under this Agreement. Nor shall any other person or entity have rights arising from the same.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the _____ day of _____, 2026 to effective as of July 1, 2026.

CITY OF WILMINGTON

USI INSURANCE SERVICES LLC

Covered Entity

Business Associate

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____