

02/14/2002 09:30 AM

To: [REDACTED]/HW/Aon Consulting@AONNA, [REDACTED]/HW/Aon Consulting@AonNA

cc:

Subject:

[REDACTED] I have a override agreement from [REDACTED] but I don't think I have seen one from anyone else. I saw [REDACTED] recently and suggested we get his help to at least review if not coordinate getting these agreements. What others do you have? Can you send [REDACTED] a list of the favored stop loss carriers along with any override agreements we already have?

[REDACTED], just so you know on [REDACTED], we are supposed to be getting an override agreement from them on national account business only. We were supposed to get it for the last 8 months and this week I was told it would be around two weeks away. My suggestion to them was that we preferred an override that recognizes our ability to keep business with [REDACTED] rather than one that was based on new business. That way we get a smoother stream of revenue for cases with [REDACTED] and don't have to move cases to other carriers just to generate overrides. I will send you the draft when I get it.

05/19/2003 01:27 PM

To: [REDACTED]@com
cc:
Subject: Re: National Override Agreement [Virus Checked]

Thank you so much for your response , and I am particularly pleased to see our increased production . In light of ever increasing premiums on medical and dental I am asking that you consider raising the per case maximum credited premium from \$350,000 to \$500,000 . The lower maximum acts like a compressor when in fact we are delivering more premium to Guardian . The intent of the agreement was and still is to incent our people to place business with the Guardian.....a low cap like \$350,000 is a disincetive !

Thank you in advance for taking the time to consider my request .

[REDACTED]@com



05/18/2003 05:22 PM

To: [REDACTED]@aoncons.com
cc:
Subject: Re: National Override Agreement [Virus Checked]

An attachment named AON 2003 COMP AGREEMENT MFB 5-07-03.DOC was removed.
An attachment named AON 3 MONTHS 2003 PRODUCTION REPORT.XLS was removed.
An attachment named 2002 AON SPC PAYMENTS.XLS was removed.

It was a pleasure to meet with you for breakfast in NYC recently . Guardian values it's relationship with AON and appreciates the relationships that many of your consultants have developed with our Regional Group Sales Offices and for the business that your organization has entrusted to Guardian. Guardian is 100% committed to the brokerage distribution system and we want to become more strategic partners with AON as we move into the future. We were also delighted to payout nearly \$ 600,000 in Special Producer Compensation to 14 of your local AON Sales Offices based on 2002 results.

We are agreeable to renewing our national override program with AON in 2003 and I have attached a copy of the agreement below. Please sign and return to me at your earliest convenience . We have kept the basic elements of last year's program in place and have not increased target requirements vs. 2002 . I have also attached a summary of 1Q new business from all of your AON entities . It appears that we are off to a very good start to increased productivity in 2003.

As we discussed , there are two issues that I would like to discuss with you and your AON corporate associates that I briefly touched on at our meeting.

* Communication of the national override arrangement with your local AON Sales Offices and with our local Guardian Regional Sales Offices. Unlike our SPC program which is communicated and managed at a local level , we need to find specific ways to maximize the value of the dollars spent by

Guardian on the national program. This will take work on both sides and I would like to work with you to develop a communication plan .

* We need to gain a better understanding of AON's commitment to the More Benefits platform (including positioning and strategy) for the small to mid-sized marketplace. We also need to understand the expectations of Guardian in terms of electronic interface with this platform. As I indicated at breakfast, I have been advised that a true electronic interface will require a six figure technology investment on the part of Guardian. In order to justify this type of investment, we would need to see a definitive ROI before we could begin to prioritize this among our many IT initiatives.

I look forward to seeing you and your AON management team at the Greenbrier later this month. 3 of my Executive Directors ([REDACTED] SE Division / [REDACTED] NE Division & [REDACTED] Western Division) will be joining me at this conference .

(See attached file: Aon 2003 Comp Agreement MFB 5-07-03.doc)(See attached file: AON 3 Months 2003 Production Report.xls)(See attached file: 2002 AON SPC payments.xls)

[REDACTED]
VP Group Sales

[REDACTED] Phone
[REDACTED] Fax

[REDACTED]@aoncons.com on 05/16/2003 04:30:19 PM

To: [REDACTED]@TheGuardian@TheGuardian
cc:
bcc:

Subject: National Override Agreement

[REDACTED], it was great seeing you last week and am pleased with your decision to take care of your health . You may recall that you agreed to send me a letter confirming that our National Override Agreement would remain in place for 2003 . To date I have not received such a letter and would ask that you send it ASAP so I can get the word out fo our field offices.

Please remember also , that when you are on the West Coast visiting your offices , I would hope we would have a chance to get together .



08/06/2002 05:34 PM

To: [REDACTED]@unum.com
cc: (bcc: Bob Burden/HW/Aon Consulting)
Subject: Unum Agreement

[REDACTED]

I had an opportunity to review the 2002 Marketing Agreement - which I am glad I did since your cover letter did not specify that the agreement also included 2003 and potentially 2004!!! While you have left the 2002 rates "as is" the 2003 rates are significantly below the 2002 rates on renewals. In fact the renewals for policies in years 2-5 are about 34% lower than 2002 and for years 6-10 are about 46% lower. This is a huge decrease - about \$325,000 a year on an in-force block of \$5,000,000.

In comparison, the compensation levels we have today with UnumProvident are right along the same lines as your competitors - MetLife, [REDACTED] and MassMutual. Decreasing your renewal compensation levels may have an adverse affect on how often our producers show your product, especially if your competitor's premium rates are similar. As we both know, while compensation isn't everything - at the end of the day it can sure make the difference! Furthermore, I would like to receive confirmation from you that the agreement you are proposing to Aon is identical to the agreements you currently have or are proposing to our peers - [REDACTED], [REDACTED], [REDACTED] etc.

On a side note, I did want to mention something that came up during the [REDACTED] quoting process that was just brought to my attention. This is in follow-up to some of the comments from our field regarding our feeling that we do not get preferred treatment from underwriting. We recently proposed a 1,300 life voluntary plan and were provided with a \$5,000 GSI offer - the lowest of the 3 quotes requested. All three quotes were then provided to the client. The UnumProvident field representative called to check on the status of the case and when advised that the offer was low was able to get a 50% increase to \$7,500 "at the last minute". This is exactly what we don't want to see happen - we don't want to play the offer game. Give us your best shot and we will give you ours.

Give me a call to discuss the compensation agreement - as I am uncomfortable signing now.

[REDACTED]

08/28/2003 12:55 PM

To: [REDACTED]@unumprovident.com
cc: [REDACTED]y/EXB/Aon Consulting@AonNA, [REDACTED]y/EXB/Aon Consulting@AonNA, [REDACTED]CORP/Aon Consulting@AONNA, [REDACTED]3rd/US/AON@AONNA
Subject: RE: Aon Meeting 7/28 [.]

[REDACTED]

We are not comfortable with the proposal to reduce our compensation. Why would we consider giving up over \$300,000 a year in compensation? If we were to accept the proposed reduction, our compensation from Unum would be about 80% of the compensation we receive from Met and Mass Mutual. It's almost like you are you telling us that we should place our new business with a carrier other than Unum so that we can make for money? I'm sure this is not the answer you wanted [REDACTED], but the choices you have presented are just not acceptable.

----- Forwarded by [REDACTED]y/EXB/Aon Consulting on 08/28/2003 11:20 AM -----



[REDACTED]
[REDACTED]@unumprovident.com
Sent by: "[REDACTED]"
L
[REDACTED]@unumprovident.com

To: [REDACTED]@aoncons.com, [REDACTED]@aoncons.com, [REDACTED]@aoncons.com
cc: [REDACTED]@unumprovident.com, [REDACTED]@unumprovident.com, [REDACTED]@unumprovident.com, [REDACTED] (Account Manager)
Subject: RE: Aon Meeting 7/28 [.]

08/27/2003 01:12 PM

[REDACTED], my goal is to make sure you are comfortable with the final arrangement we are proposing. As I stated in my attached explanation on 7/24, we are redesigning your compensation to mirror how you presently get paid by Mass Mutual and Met Life, as you explained it to me. That being normal base compensation and a normal bonus program (UnumProvident Rewards Program) aggregated for all your producers under one producer number (Atlanta).

Now that said, it would also mirror the way UnumProvident approaches the broker examples you gave me in your 8/22 reply. Therefore, in the final analysis, this would create carrier compensation parity and also broker compensation parity.

I believe that resolves your final questions. I will call you today to determine the next step in the agreement signature process.

-----Original Message-----

From: [REDACTED]@aoncons.com [mailto:[REDACTED]@aoncons.com]
Sent: Friday, August 22, 2003 10:36 AM
To: [REDACTED]
Subject: RE: Aon Meeting 7/28 [.]
Importance: High

12/27/2002 09:05 AM

To: [REDACTED]@mutualofomaha.com
cc: [REDACTED]/HW/Aon Consulting@AONNA
Subject: 2003 Broker Incentive Plan Agreement

This e-mail explains the conditions under which we are agreeing to Mutual of Omaha's 2003 Broker Incentive Agreement. Essentially, I am signing this so that Aon Consulting can be eligible for available local overrides based on 2003 activity. However, as I mentioned to you last week, I am not satisfied with Mutual's proposed new arrangement for a variety of reasons. Let me explain.

First of all, I know you will agree that Aon has written quite a bit of new business with Mutual so far in 2002. It has really been a big year for moving business to and keeping business with Mutual, as compared to recent past. And as long as Mutual continues to provide excellent products and terms, competitive rates and satisfactory service, you will probably continue to get more business from clients through Aon. A key reason for this success is due to your own efforts to get to the right people at Aon. Because of your efforts, Mutual has gotten much more consideration from our consultants this year. Given that opportunity, Mutual has done well for itself. You and your company should be congratulated for a successful year working on behalf of our clients.

In light of this, I am very disappointed with the Override Agreement you have asked us to sign so late in the year. This does not look to me to be the encouragement to keep writing business with Mutual that we expected.

Here is a brief summary of my concerns about Mutual's proposed agreement for 2003:

- **Lower \$ overrides:** If we do the same amount of Mutual business in 2003 as we did in 2002, we'll receive less override for persistency in 2003. The old program paid 25% of commissions and paid them quarterly. New program is 20% and paid annually, which means we won't get any payment in 2003 for all that new 2002 (and existing) business. This does not make sense to us. Yours is and will continue to be a competitive environment for placing business. Why does Mutual want to discourage us from doing business with you? You need to reconsider this decision. At a minimum, Mutual should make sure our 2003 override is at least as good as 2002's.
- **Late announcement:** These changes should be announced midyear for the following year, so we know how they will affect our budgets. You are just announcing these changes now. We have had no time to analyze the impact of this new arrangement on our business and adjust for it. Preliminary returns show that it will result in less dollars to Aon in 2003. We compile our budgets for the following year in July, when we set up our business plan. Announcing this now, Mutual is putting us behind in our 2003 budget even before the year begins. All our 1/1/03 business has already been moved/written for some time now. To change the game now is unacceptable.
- **Annual payment:** Under the new program, we would receive no override revenue in 2003, except for the fourth quarter 2002 payment. This would cut our revenue more by 75%! Reminder, we are counting on this revenue in 2003 to make budget. Why are you pulling the rug out from under us now? I strongly suggest you continue to pay the override quarterly during 2003 and beyond. (more about this later)
- **Not competitive:** Other carriers provide more attractive arrangements to Aon than Mutual's 2002 agreement; Mutual's revised program for 2003 will be even less competitive. Since Mutual is one of the top two or three carriers in premiums written for Aon, I would expect your override to be second or third highest. But it isn't. In fact, if in 2002 we had written more business with a couple of other carriers instead of Mutual, we would be receiving more in total in overrides. I'm not sure why Mutual was not as competitive in 2002, but you ought to RAISING the override, not reducing it, for 2003.
- **No credit for new business written in 2002:** We write a bunch of new business with Mutual in 2002 and we get nothing additional for doing it. Now as we approach 2003, when perhaps we are more

"saturated" with Mutual business and may not be able to write as much, Mutual changes the rules to deemphasize existing business and reward new business. If you're going to change the agreement for 2003, I'd like Mutual to pay us the GREATER of the overrides from 2002 and 2003 agreements for business written in 2002. Or else, I'd like the 2002 agreement to continue with more favorable terms. At the very least, Aon should be compensated more for mid-year business.

- Large cases: on the average, the cases we wrote with Mutual have been fairly large, larger than our average client and probably yours. Therefore, I'd prefer an override arrangement that is based on premium targets rather than number of cases or lines written.
- More complexity: The new program is more complex than the old, and it is to our disadvantage due to this complexity. We'd prefer an arrangement focused on a simple array of percentages of premium or premium equivalent as opposed to a percentage of commissions paid.
- Noncommission cases: We currently receive nothing for cases like [REDACTED] where we receive fees in lieu of commissions. We helped [REDACTED] decide where to place the business that ended up with Mutual. You should be paying us overrides on these cases as well; other carriers do. I'd like you to identify these cases and credit overrides on them to Aon for 2002 and 2003.
- Inconsistencies: If Aon sells a new case that is already written with Mutual, we ought to receive a persistency credit when we keep the business with Mutual. Now we don't. Also, if we lose a case to another broker, we shouldn't take a hit for negative persistency if Mutual keeps the business. We do now. Also, many of our clients have been and are downsizing. We take a persistency hit with Mutual when they do, yet Mutual hasn't lost the business to a competitor. We shouldn't.
- Reporting on 5500: 2002 and 2003 override programs are reported on 5500s. We may prefer if it were off 5500. Need to discuss further. For example, we would not want a 550 entry if you start paying us overrides on noncommission business.

Given the volume of business Aon does with Mutual, our long history of working together, Mutual's recent successes selling to Aon clients and Aon's position as one of the world's leading brokerage/consulting organizations, your new program is unacceptable to us. I would ask that you arrange a meeting between myself and Mutual management as soon as possible after the new year to present a more appropriate revised override program for Aon for 2003.

[REDACTED]
Senior Vice President
Aon Consulting

[REDACTED] 12/26/02

[REDACTED]
06/09/2003 03:32 PM

To: [REDACTED]CORP/Aon Consulting@AONNA
cc: [REDACTED]/HW/Aon Consulting@AONNA
Subject: Commission Disclosure [Virus Checked]

I assume you want us to send this to coalition clients.

[REDACTED]
Aon Consulting of New Jersey
270 Davidson Avenue
Somerset, NJ 08873
[REDACTED] (phone)
[REDACTED] (fax)

--- Forwarded by [REDACTED]/HW/Aon Consulting on 06/09/2003 03:33 PM ---

[REDACTED]
06/06/2003 02:41 PM

To: [REDACTED]/HW/Aon Consulting@AonNA
cc:
Subject: Commission Disclosure [Virus Checked]

FYI

--- Forwarded by [REDACTED]/HW/Aon Consulting on 06/06/03 02:34 PM ---

[REDACTED]
06/06/03 02:14 PM

To: [REDACTED]/HW/Aon Consulting@AONNA, [REDACTED]
[REDACTED]/HW/Aon Consulting@AonNA
cc:
Subject: Commission Disclosure

[REDACTED]
Enclosed are the form letter and acknowledgement to be sent to all current NLTCC plan fiduciaries for compliance with DOL PTE 77-9, per recent H&W Council advisory. Consistent with the guidance from Corporate, these have been conformed to reflect our coalition arrangement. Let's discuss at your convenience.
Regards, [REDACTED]



2003 PTE 77-9 Commission Disclosure Letter.d; 2003 PTE 77-9 Commission Disclosure Statement.d

(name)
(address)
(date)

Re: National Long Term Care Coalition
Commission Disclosure

Dear:

We are in the process of updating our commission disclosure notification records in compliance with Department of Labor regulations. The DOL's Prohibited Transaction Exemption 77-9 requires that we disclose our commission schedule once every three years for contract renewals.

Enclosed is a Disclosure Statement, which formally advises you that Aon Consulting receives commissions from the Metropolitan Life Insurance Company. As you know, this is how we have always been compensated for the services we provide you in connection with the National Long Term Care Coalition. Since these commissions were built into the rates originally quoted, no change is represented by this Disclosure Statement either in your pricing, the compensation we receive, or the services we're committed to providing both you and your employees.

Please take a moment to review the Statement and acknowledge the disclosure by signing and dating the form. A stamped and self-addressed envelope has been included for your convenience.

Thanks for your attention to this matter and please feel free to call me directly at [REDACTED] should you have any questions or require additional information.

Sincerely yours,

[REDACTED]

DISCLOSURE STATEMENT

(1.) **Plan Name:** MetLife Insurance Plan for the [REDACTED]

(2.) **Insurer:** Metropolitan Life Insurance Company, New York, NY

(3.) **Commissions:** Aon Consulting, Inc. will receive the following initial and renewal sales commission expressed as a percentage of the gross annual payments to the above insurer.

Initial: _____ (%) Renewal: _____ (%)

(4.) **Override Commissions:** Aon Consulting, Inc. may receive override commissions based on the aggregate volume of business placed with the insurer. The amount of overrides, if any, will not be known until the end of the plan year.

(5.) **Affiliations:** Aon Consulting, Inc. is not an affiliate of the insurer.

(6.) **Limitations:** The ability of Aon Consulting, Inc. to recommend another contract to members of the [REDACTED] is limited by an agreement with the insurer which relates to the proprietary nature of the offering developed exclusively for NLTC sponsor organizations.

(7.) **Penalties or Adjustments:** Disclosure of contract provisions which may impose special charges, fees, penalties and adjustments such as extraordinary administrative expenses or reserve requirements not incorporated in the premium rate structure, if applicable has previously been provided as part of Aon Consulting's initial analysis of the insurer's proposal and/or in the proposal itself.

Aon Consulting, Inc.

By: _____ Date: _____

[REDACTED] Group

ACKNOWLEDGEMENT

I certify that I am an independent fiduciary of the plan with authority to act on behalf of the plan, that I am not affiliated with Aon Consulting, Inc. or the above-named insurer and that I have not and will not receive any compensation or other consideration from any party dealing with the plan in connection with the purchase, holding, exchange, termination or sale of the contract. I acknowledge that I have read and understand the terms of the above DISCLOSURE STATEMENT:

Plan Fiduciary _____ Date: _____



Summary of Health and Welfare Audit Findings

Office Audited New York City

Name of Auditor [REDACTED] / [REDACTED]

Date Audit Performed January 15, 2004

Compliance Findings

Topic/Issue	Comments
Peer Review	77 projects were reviewed. Eleven projects were peer reviewed using the Aon Consulting Peer Review system. Of the 77 projects, there was evidence (22 projects) of informal peer review (draft copies, initials on report, request for peer review). There was no evidence that e-mails are peer reviewed. Greater compliance seen with higher revenue accounts.
Client engagement letters	Of the five fee account files reviewed, all had client engagement letters. Of the five letters, one was signed by the client.
Commission disclosure	Of the commissioned based account files reviewed, no use of the standard disclosure statement was used. One file referenced pre-9/11 compliance; another file disclosed commissions in a letter.
Disclosure of carrier financial ratings	Of the 15 accounts, where disclosing carrier ratings would be appropriate, 3 disclosures were found.
Use of standard RFPs	Of the 10 accounts, where a marketing was performed, the standard RFP was used 50% of the time.

Topic/Issue	Comments
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Summary of Health and Welfare Audit Findings

Office Audited **Baltimore**
 Name of Auditor **[REDACTED]**
 Date Audit Performed **January 22/23, 2004**

**PLAINTIFF'S
EXHIBIT 12**
 1-18-04

Compliance Findings

Topic/Issue	Comments
Peer Review	For the most part, the Baltimore files were well documented with peer review. However, use of the electronic peer review system was not indicated.
Client engagement letters	For fee projects, client engagement letters were in the file. Not so for commission arrangements.
Commission disclosure	Commission disclosure for the most part was not included in the file.
Disclosure of carrier financial ratings	On situations where results of the electronic RFP were shared with the client, disclosure of the ratings took place. Otherwise, no.
Use of standard RFPs	For most cases of the appropriate size, standard Aon RFPs were used.
Recommendations to Correct Deficiencies	Have associates in the office routinely send commission disclosure statements to clients. Make disclosure of the financial ratings part of the client renewal package.
Discuss the level of cooperation shown by the local office	Very cooperative.
How well organized were the client files maintained by the local office?	Files for the most part were very organized.



Our Role

Aon Consulting has developed a close working relationship with Herkimer County. We believe that our primary responsibilities include:

Maintain accurate and complete historical records and documentation on the welfare benefit plans including maintenance of the plan documents, rate history, plan change history, and experience data.

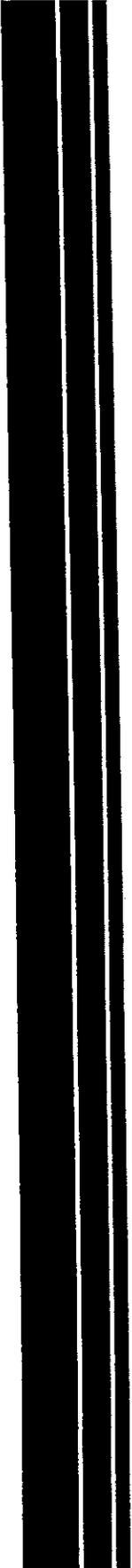
Monitor the ongoing utilization and financial results inherent in the Herkimer County benefit plans.

Assume primary responsibility for all renewal negotiations including interaction with the insurance company underwriters, actuaries, and account management personnel.

Monitor the marketplace to ensure that Herkimer County is receiving all needed services on a cost-effective basis.

Integrate the benefit programs to ensure costs are streamlined and duplication of benefits are avoided.

Provide ongoing advice and counsel in all aspects of human resource management. In this capacity, we act as an information center and sounding board for Herkimer County staff as it approaches various benefit-related issues.



Our Role

Assist in compliance issues related to federal law, and governing state law.

Suggest other ways Herkimer County can improve or streamline its administrative processes in the employee benefit area.

Assist in the development of appropriate communication materials, forms and other benefit related materials.

Offer insights into the effect of proposed laws and regulations affecting the programs.

Prepare opinion letters, overview reports, and specific studies as directed by the Herkimer County Benefit Management Team.

Since October of 1996, we have worked diligently to gain a solid understanding of the Herkimer County benefit programs, the Herkimer County management structure, and financial aspects of each plan. We believe that we have been uniquely successful in delivering a broad spectrum of services to Herkimer County in a sound, yet cost-effective, manner.

1998 AON

THIS AGREEMENT entered into on this 1st day of January, 1998 by and between the County of Herkimer, a municipality organized under the laws of the State of New York, having its principal place of business located at P.O. Box 471, Herkimer, N.Y., hereinafter referred to as the "County" and AON CONSULTING, INC., an Illinois corporation having a place of business located at 100 Elwood Davis Rd., hereinafter referred to as "Service Organization."

WITNESETH

WHEREAS, the County maintains a myriad of insurance coverage concerning its municipal affairs; and

WHEREAS, the County, in order to provide the most cost effective insurance coverage, desires to retain the professional services of an independent evaluator to provide ongoing analysis, review, and evaluation of the current County health insurance plans as well as to solicit proposals and quotes from insurance providers as to renewals of existing insurance policies; and

WHEREAS, the Service Organization possesses the requisite expertise and retains the professional staff to provide the County with an independent insurance evaluator; and;

WHEREAS, the parties are desirous of entering into an Agreement for the retention of an independent insurance evaluator and intend to utilize the within Agreement to memorialize said understanding.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND OBLIGATIONS HEREBY ASSUMED, AND THE PERFORMANCE OF THE ACTS HEREINAFTER SET FORTH, THE PARTIES HERETO AGREE AS FOLLOWS:

A. SCOPE OF SERVICES PROVIDED:

Subject to all other terms and conditions of this agreement the Service Organization shall provide the following services:

1. Maintain an active ongoing relationship with the service providers/insurance carriers to ensure smooth operation and delivery of benefits as well as intervention on any coverage or claim questions/problems which may arise.
2. Ongoing financial management of the program including a monthly financial summary report; continuing analysis of costs, claims trends and program utilization to keep the County abreast of the plans performance throughout the year



3. Act on behalf of the County in analyzing and negotiating renewal rates to obtain the most competitive pricing.
4. Make recommendations on benefit design and benefits levels upon plan utilization and costs consistent with objectives established by Herkimer County
5. Benefit representatives will make regularly scheduled visits to your facilities to respond to questions, solve problems and assist your staff with responsibilities for benefit administration.
6. Develop communications materials as requested to clearly convey benefit levels, highlight new or changing aspects or other important information to plan participants.
7. Update the County on changing trends, new products, insurance carriers within the employee benefits marketplace
8. Act as a resource for any employee benefits/ human resource issue you may have such as ERISA, COBRA, FMLA, etc.

B. TERM OF AGREEMENT:

This Agreement shall be in full force and effect for a period of one (1) year from the effective date of this Agreement and shall renew automatically unless terminated.

C. TERMINATION:

This Agreement may be cancelable by either party upon written notice to the other party; provided such notice specifies an effective date for cancellation of not less than Thirty (30) days from the date of such notice.

The Service Organization shall be entitled to all fees arising under this Agreement earned by the Service Organization on a pro-rata basis through the effective date of cancellation.

D. COMPENSATION:

As compensation for the independent evaluation services to be provided by the Service Organization, the County shall pay the sum of Ten Thousand Dollars (\$10,000) to the Service Organization payable in quarterly installments of Two Thousand Five Hundred Dollars (\$2,500).

E. INDEPENDENT CONTRACTOR STATUS:

The Service Organization at all times, shall be an independent contractor, and employees of the Service Organization shall in no event be considered employees of the County.

No Agency relationship between the parties, except as expressly provided for herein, shall exist either as a result of the execution of this Agreement or performance there under.

F. CONDITIONS AND LIMITATIONS:

1. The Service Organization does not act as an insurer for the County and this Agreement shall not be construed as an insurance policy or any contract or agreement of indemnity; it being understood that the Service Organization is in no event financially responsible for payment of satisfaction of claims, lawsuits, or any form of cause of action against the County.
2. The Service Organization's responsibility for the performance of activities as specified in Provision "A" above is conditioned upon the County's cooperation with the Service Organization in all reasonable manners with respect to the activities of the Service Organization, including, but not limited to, responding to the Service Organizations requests for information, meeting with the Service Organization and/or third parties, as may be needed, and making decisions on matters which, as required by this Agreement, or in the professional opinion of the Service Organization, should be made by the County.
3. The services to be provided by the Service Organization are not of a legal nature, and the Service Organization shall in no event give, or be required to give, any legal opinion or provide any legal representation to the Client, nor may any communication prepared by the Service Organization be relied upon by the County as a legal opinion or interpretation. The Service Organization shall in no event be considered as engaged in the practice of law.
4. As respects the services provided by the Service Organization any reports rendered to the County may be relied upon to the extent of the express purposes of such reports.
5. This Agreement applies only to the activities expressly referred to herein.
6. Neither this Agreement nor any rights hereunder shall be assigned by either party without the prior written consent of the other party first having been obtained.

7. The terms of this Agreement between the Service Organization and the County shall be governed by the laws of the State of New York. Any adjudication by any court or competent jurisdiction which invalidates any part of this Agreement shall not act to invalidate any other part thereof.
8. This Agreement constitutes the entire understanding and agreement between the parties hereto, and supersedes all prior and contemporaneous agreements or understandings, written or oral, of the parties hereto. This Agreement may be amended only in writing executed by both parties.
9. No waiver of one or more provisions of this Agreement shall constitute a waiver of any other provision hereto.
10. This Agreement may be executed in any number of counterparts each of which shall be deemed an original.
11. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States Postal Service first class mail postage prepaid, to the following addresses:

If to County:

Herkimer County
P.O. Box 471
Herkimer, N.Y. 13350-0471

If to Service Organization:

Aon Consulting
100 Elwood Davis Road
North Syracuse, N.Y. 13212

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

Date: _____, 1997

Aon Consulting, (In _____)

By: _____

Date: Dec 15, 1997

County of Herkimer

By: _____

Aon Consulting
Corporate Woods Building I
1035 Seventh North Street
Liverpool, NY 13088

REQUEST FOR STOPLOSS QUOTE

Aon Team: [REDACTED]
Company Name: Herkimer County
Nature of Business: Municipality
Address: P.O. Box 471, County Office Bldg.
Herkimer, N.Y. 13350

Other Locations (Address & Zip Code): _____

Commission Requested 15%

Current Health Coverage:

Fully Insured Minimum Premium Self Insured

94 Singles (<65)
14 Singles (≥65)
If self insured, please provide:

193 Families (<65)
48 Families (≥65)

Specific Deductible: 75,000

Specific Rates: ~~EE~~ 18.86 composite

Dep. Family _____

Aggregate Factors: EE 152.54

Dep. Family 358.50

Aggregate Premium: .91 Single, 2.21 Family

Conversion: included in specific rates

* Participants 65 and over
have aggregate coverage
only *

Stoploss Coverage to be Quoted:

Effective Date: 1-1-2000

Specific:

Deductible Options Desired:

25,000 35,000 50,000 100,000
 30,000 40,000 75,000 150,000

Other: _____

Maximum Stoploss Indemnity: 1,000,000 500,000
 2,000,000 Other _____

AON-TS-000546

Confidential
Treatment Requested

Aggregate: Attachment Point: 125% 115% 120%
Maximum Indemnity: 1,000,000
 500,000 Other _____

Benefits Covered Under Aggregate: Medical Dental
 Prescription
 Major Medical or Card
 Other _____

Contract Type: PAID 24/12 15/12 12/12 12/15

Additional Information:

- 1) Does the plan include Pre-Certification and Utilization Review? Yes
 No*

If yes, please provide name and address of Utilization/Pre-Cert. Provider

Blue Cross Blue Shield of
Utica Watertown

- 2) Does the plan include Large Case Management? Yes
 No*
- 3) Does the plan currently include a Preferred Provider Organization? Yes
 No*
- 4) Have there been any claims > \$10,000 in the past 12 months? If yes, provide diagnosis of problem (names not necessary), amounts paid, date of disability, anticipated return to work and current prognosis.

see attached

Enclosures:

- ✓ • Census Listing of all participants under the plan broken out by Active/Retiree/COBRA including Sex, Date of Birth and Coverage Type (Single/Family).
- Copy of the current Benefits Booklet. *- see attached summary*
- ✓ • 2-3 years of Claims and Participation History broken out by benefit type (medical, dental, etc.).
- ✓ • Large claims report (in excess of 50% specific deductible requested).

To Stoploss Carriers:

- * If Case Management Services are not currently in place, but might be implemented, please indicate stoploss discounts available for Pre-certification, UTR, and Case Mgmt.

AON-TS-000547

Sent by: [REDACTED]
[REDACTED]

To: [REDACTED]HW/Aon Consulting@AONNA
cc: [REDACTED]/OH/Aon Consulting@AonNA, [REDACTED]/CORP/Aon
Consulting@AONNA, [REDACTED]/DB/Aon
Consulting@AONNA

04/26/2004 12:15 PM Subject: Office Overrides

As you know, we have been subpoenaed to provide historical information relative to override agreements. Earlier in the year, you provided us information you had available on a significant portion of 2003 contracts.

As of February 2004, you provided us agreements for the following carriers/agreements:

- [REDACTED]
- Guardian
- [REDACTED]
- [REDACTED]

As of that same date, you owed us agreements for:

- [REDACTED]

Not providing this information is no longer an option.

Please track down the outstanding agreements and forward to [REDACTED]. She has been charged with coordinating our response back to [REDACTED]

In addition, we are reviewing 2002 and 2004 payments to determine what, if any, carriers need to be added to our submission.

Thanks in advance for your cooperation.

Best Regards,

[REDACTED]
[REDACTED]
Aon Consulting
10 Lanidex Center West
Parsippany, NJ 07054
[REDACTED]
[REDACTED]

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