

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TREASURY
AND
WILLIS OF TENNESSEE, INC.**

This Contract, by and between the State of Tennessee, Department of Treasury, hereinafter referred to as the "Department", and Willis of Tennessee, Inc., hereinafter referred to as the "Contractor," is for the provision of insurance broker services in connection with the acquisition of aviation insurance for the State, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for-profit corporation.
Contractor Place of Incorporation or Organization: Tennessee
Contractor Edison Registration ID #

DEFINITIONS:

"State" means the State of Tennessee or any of its agencies, departments and institutions, including the University of Tennessee as well as other Tennessee public colleges and universities.

"Employee" means any person who is a State official, including members of the Tennessee General Assembly and legislative officials elected by the General Assembly, or any person who is employed in the service of and whose compensation is payable by the State, or any person who is employed by the State whose compensation is paid in whole or in part from federal funds.

"Aircraft" means a fixed-wing or rotary-wing craft designed to travel through the air, which is under the care, custody and control of the State.

"Pilot" means any person who is certified to operate an Aircraft as listed in the Pilot's information form submitted to the aviation insurance company of record, and who has been duly authorized by the chief pilot or other State authority to operate such Aircraft. Persons who may be Pilots and eligible to operate an Aircraft include State Employees, independent contractors engaged by the State on an "as needed" basis, and student Pilots who are under the instruction of certified Pilots.

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Assessment of State's Insurance Needs. During the term of this Contract and in accordance with the terms hereof, the Contractor shall assist the Department in ensuring that the State maintains adequate hull and liability insurance coverages for its fleet of Aircraft, at a premium cost within budgetary allowances. Lines of coverage may include, but are not limited to, Aircraft hull and liability, non-owned Aircraft physical damage and liability, passenger personal effects, passenger voluntary settlement, passenger and crew medical payments, trip interruption, search and rescue, and emergency landings. The Contractor shall perform a thorough analysis of the State's current aviation insurance program, and make written recommendations to the Department regarding areas of concern, if any, and present alternative solutions to address such concerns. The analysis shall include, but not be limited to, sufficient limits of liability, per occurrence deductibles, additional coverages, the elimination of any gaps and/or overlaps in coverage, and other related issues as may be agreed to by the parties. The written recommendations resulting from this analysis shall be provided to the Department on or before October 15, 2011. The Contractor shall, at such times as the Department

requests, meet with appropriate Department personnel at the State's facilities in Nashville to discuss the results of the analysis.

- A.3. Development of Conceptual Policy. By no later than October 15th of the first year of this Contract and September 1st of each subsequent year during the term of this Contract, the Contractor and the Department shall develop a conceptual policy which outlines coverages, specific limits of liability, per occurrence deductibles, additional coverages necessary to meet the State's aviation insurance needs, and such other provisions as may be appropriate for the ensuing November 1st through October 31st aviation insurance policy period.
- A.4. Approvals of Conceptual Policy and Related Recommendations. After approval of the conceptual policy by the Department, the Contractor shall, at the State's facilities in Nashville, meet with and present the conceptual policy to the Tennessee State Board of Claims (the "Board of Claims") for approval. At such meeting, the Contractor shall provide the Board of Claims with the Contractor's recommendations regarding insurance carriers qualified to meet the State's aviation insurance needs. All such recommended carriers must have a minimum A.M. Best financial strength rating of "A-" and an A.M. Best financial size category of no less than "VI", or any other set of ratings as authorized by the Department. The recommendations shall include a description of the coverages available, limits of liability options for each line of coverage to be assumed by the carrier; a description of the proposed carriers specific duties and obligations (underwriting, claims management, aviation site visits, etc.); projected costs for proposed limits; and projected total premium costs anticipated for the ensuing November 1st through October 31st policy period. The Department and/or the Board of Claims reserves the right to accept or reject any proposed carrier. The conceptual policy and related recommendations shall be presented to the Board of Claims on or before October 15th of each year for the ensuing November 1st through October 31st policy period, unless a later date is authorized or specified by the Department.
- A.5. Placement of Required Insurance Coverages. The Contractor shall take all steps necessary to place insurance coverages in accordance with the conceptual policy approved pursuant to Section A.4 above. Such steps shall include, but not be limited to, the development of a submission document and related materials designed to communicate the State's insurance needs to the insurance marketplace, and communication and negotiation with insurance carriers. Required insurance coverages shall be procured and insurance binders delivered to the Department's Division of Risk Management at the address specified in Section E.2 below by no later than 3.00 p.m. (CST) on October 31st of each year, with policies to follow within thirty (30) calendar days after said policies have been received by the Contractor.
- A.6. Policy Maintenance Services. The Contractor shall take such steps as are necessary to ensure that insurance policies purchased pursuant to this Contract meet the Department's specifications, including the review of applicable insurance binders, policies, certificates, and other documents for conformity with agreed terms and coverages. The Contractor, upon completion of its review of all such documents, shall meet with appropriate Department personnel at the State's facilities in Nashville for a final review of the documents by both parties. The Department shall grant final approval of all such documents, but such approval shall not preclude further modification by the Department of any policy terms and conditions found to be in error at any time during the policy term as stated in the Declarations section of said policy. The Contractor shall also assist the Department, at the Department's request, in resolving claim disputes between the State and any company providing insurance procured pursuant to this Contract and such other services as are necessary to ensure that coverages procured are maintained.
- A.7. Insurance Carrier Replacement; Reassessment of Insurance Needs

- a. Insurance Carrier Replacement. If during the term of this Contract the Department elects to replace any insurance carrier procured pursuant hereto prior to the expiration of the then current insurance policy, the Contractor shall take such steps as are necessary to replace any such aviation carrier, without compromising policy terms, conditions, and/or coverages. Such steps shall be taken in accordance with this Contract and subject to the Department's approval. Once the carrier is replaced, the Contractor shall provide the policy maintenance services described in Section A.6 above.
- b. Reassessment of Insurance Needs. At the Department's request, the Contractor shall reassess the State's insurance needs pursuant to Section A 2 above in any subsequent year during the term of this Contract. The written recommendations resulting from the reassessment shall be provided to the Department by a date mutually agreeable to the parties. The Contractor shall, at such times as the Department requests, meet with appropriate Department personnel at the State's facilities in Nashville to discuss the results of the reassessment.

A 8 The Department's Responsibilities. The Department will be solely responsible for the accuracy and completeness of all information that it furnishes to the Contractor and/or insurers, and the Department will sign any required application for insurance which the Department finds acceptable. The Contractor will not be responsible to verify the accuracy or completeness of any information that the Department provides, and the Contractor will be entitled to rely on that information. The Contractor will have no liability for any errors, deficiencies or omissions in any services provided to the Department, including the placement of insurance on the Department's behalf, that are based on inaccurate or incomplete information provided to the Contractor by the Department. Notwithstanding the foregoing, the Contractor shall be responsible for advising the Department of the types of information, documents, forms, and the like that are necessary for the placement or replacement of insurance on the Department's behalf pursuant to this Contract, and for verifying that the Department has provided the types of information, documents, forms, and the like that are necessary for the placement, retention or replacement of insurance on the Department's behalf pursuant to this Contract.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning October 1, 2011, and ending on October 31, 2016. The Contractor hereby acknowledges and affirms that the Department shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the Department under this Contract exceed one hundred sixteen thousand dollars and no cents (\$116,000.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the Department. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless

the Department requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The Department is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the Department under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the Department in a total amount not to exceed the Contract Maximum Liability established in section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.
 - b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

SERVICE DESCRIPTION	Amount (per compensable increment)				
	October 1, 2011 – October 31, 2012	November 1, 2012 – October 31, 2013	November 1, 2013 – October 31, 2014	November 1, 2014 – October 31, 2015	November 1, 2015 – October 31, 2016
Insurance Broker Services as described in Sections A.2 through A.7	\$22,000	\$22,000	\$24,000	\$24,000	\$24,000

- b. The Contractor shall not ask for, contract for, or receive any compensation or other remuneration whatsoever in the placement of the State's insurance hereunder except as provided for in Section C.3.b and Section C.3.d.
 - c. The Contractor earns and retains interest income on premium payments held by the Contractor on behalf of insurers between the time the Contractor receives these payments from the Department and the time the Contractor remits these payments to the insurers, where permitted by applicable law.
- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging. The Contractor shall invoice the Department only for completed increments of service and on a yearly basis, commencing on November 30, 2011 and on each November 30th thereafter through the term of this Contract for the amount stipulated in Section C.3, above, and as required below prior to any payment.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service, as described in Sections A. and C.3. of this Contract, and present said invoices annually each November 30th, during the contract period, with all necessary supporting documentation, to:

Division of Risk Management
9th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243-0204

- a. Each invoice shall clearly and accurately detail all of the following required information.
 - (1) Invoice Number (assigned by the Contractor);
 - (2) Invoice Date;
 - (3) Contract Number (assigned by the State);
 - (4) Customer Account Name: Tennessee Treasury Department, Division of Risk Management;
 - (5) Customer Account Number (assigned by the Contractor to the above-referenced State Agency);
 - (6) Contractor Name;
 - (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract;
 - (8) Contractor Contact for Invoice Questions (name, phone, and/or fax);
 - (9) Contractor Remittance Address;
 - (10) Description of Delivered Service;
 - (11) Total Amount Due for delivered service (as stipulated in Section C.3. above).

- b. The Contractor understands and agrees that an invoice under this Contract shall:
 - (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - (2) only be submitted for completed service and shall not include any charge for future work;
 - (3) not include sales tax or shipping charges; and
 - (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

- C.6. Payment of Invoice. A payment by the Department shall not prejudice the Department's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the Department shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the Department, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

- C.8. Deductions. The Department reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

- C.9. Prerequisite Documentation. The Contractor shall not invoice the Department under this Contract until the Department has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the Department an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the Department. By doing so, the Contractor acknowledges and agrees that, once said form is received by the Department, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the Department a "Substitute W-9 Form" provided by the Department. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The Department is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The Department may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the Department. The Department shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the Department be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the Department shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the Department for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the Department. If such subcontracts are approved by the Department, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the Department a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the Department.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-4-124, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a

contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the Department, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the Department, the Comptroller of the Treasury, or their duly appointed representatives.
- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the Department as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the Department, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.14. Department Liability. The Department shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The Department:

Division of Risk Management
Steve Gregory, Director
9th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243 – 0204
steve.gregory@tn.gov
Telephone # (615) 741-1009
FAX # (615) 532-4979

The Contractor:

James O'Dell, CPCU, Executive Vice President
Willis of Tennessee, Inc.
26 Century Boulevard
Nashville, Tennessee 37214
james.odell@willis.com

Telephone # (615) 872-4177
FAX # (615) 872-3762

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the Department reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the Department. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the Department any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the Department under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
- (1) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage limit of not less than two million dollars (\$2,000,000) per occurrence and in the aggregate.
 - (2) Errors and Omissions Coverage not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
- b. At any time, the Department may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.
- E.6. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and

information, regardless of form, medium or method of communication, provided to the Contractor by the Department or acquired by the Contractor on behalf of the Department shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the Department to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the Department's information; or, disclosed by the Department to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the Department or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.7. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- c. the Department solicitation, as may be amended, requesting proposals in competition for this Contract;
- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor's proposal seeking this Contract.

E.8. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-30901-18712 (Attachment 6.2, Section B, Item B.15) and resulting in this Contract.

The Contractor shall assist the Department in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

E.9. Independence of Services. During the term of this Contract, neither the Contractor nor any of its affiliates shall be permitted to provide aviation insurance coverage to the State under any of the State's Risk Management Programs. For purposes of this subsection, "affiliate" means any person, firm or corporation that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Contractor, whether such control is through stock ownership, contract or otherwise.

IN WITNESS WHEREOF,

WILLIS OF TENNESSEE, INC.:

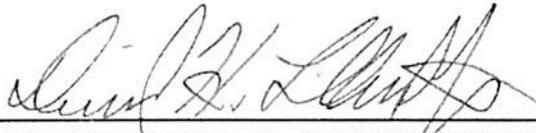


CONTRACTOR SIGNATURE DATE

Kell Holland, CEO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF TREASURY::



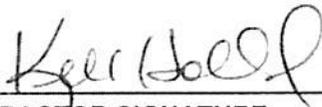
DAVID H. LILLARD, JR., STATE TREASURER DATE

Approved for signature mek

**ATTESTATION RE PERSONNEL USED IN CONTRACT
PERFORMANCE**

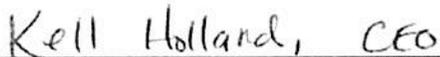
SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Willis of Tennessee, Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	62-1404453

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.



CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.



PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION