



RESPONSE TO REQUEST FOR PROPOSAL

SEPTEMBER 16, 2022

to provide INSURANCE BROKERAGE & CONSULTING SERVICES
AS GRAHAM'S U.S. BROKER





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“PROTECTING ASSETS IS WHAT WE DO,
MAKING A DIFFERENCE IS WHO WE ARE.”

ROB COHEN, *Chairman & CEO, IMA Financial Group*



1. Executive Summary

IMA is an independent, entrepreneurial brokerage firm with a focus on specialization. We believe that program management and administration of individual brokerage/policyholder services, and loss control coupled with claims management are **distinct disciplines** that require cooperation and collaboration, but also dedicated expertise. Our team is built on recruiting and retaining first-class risk management professionals spanning various insurance specialties, Construction being one of the largest practice areas, with deep knowledge in industries sectors, lines of coverage, risk management strategies, accessing global markets, risk financing techniques, etc.

IMA's excellence in will providing you with better coverage terms, and favorable rates in your changing environment. We also have access to international placement markets through our network to support your international programs. Through IMA's Risk Management Center, you will find regular market updates, loss prevention training guidance, and ongoing support as your team grows and thrives.

Insurance Management Associates, Inc. was formed in 1974 when three agencies joined together, forming the basis for the present company. Our goal, then and now, is **to be an innovative leader** in the commercial insurance, risk management, surety and employee benefits brokerage and consulting industry. In 2020, IMA changed our corporate name to IMA Financial Group, Inc. as our original name did not adequately describe our business and the breadth of the services we provided.

IMA FAST FACTS

- + Incorporated in 1974
- + 3rd largest privately-held broker in the country
- + 22nd largest broker overall
- + Employee-owned
- + Over 1,800 employees
- + National in reach, local in service
- + Premium placements of over \$8 billion annually
- + Revenues in excess of \$450 million
- + Client Retention Leads the Industry at 97%
- + 8% Revenues invested in value-added client services – twice the industry average of 3.8%
- + IMA has clients with physical operations, exposures and/or employees in every state in the U.S. as well as in over 100 countries around the world

IMA Historical Timeline

- 1973**
 - **Formation of IMA**
 - Established from existing IMA partnership (roots dating back to the 1930s) and was incorporated in 1974 in Wichita, Kansas
- 1980s**
 - **Midwest Geographic Expansion**
 - Opens Topeka, Kansas and Denver, Colorado Offices
- 1990s**
 - **Horizontal Business Expansion**
 - Adds Wholesale, Wealth, Money Management Capabilities
- 2000s**
 - **Additional Geographic Expansion**
 - Opens Kansas City, Kansas and Dallas, Texas offices
- 2010s**
 - **Round Out Capabilities**
 - Adds Select, Eydent and Highwing; specialization becomes the key differentiator
- 2020s**
 - **"Broker of the Future"**
 - Expands capabilities through vertical expansion and partnerships, leveraging the infrastructure IMA already has in place



IMA is Employee-Owned

WHY EMPLOYEE OWNERSHIP MATTERS?

IMA is one of the fastest growing and largest brokers/consultants in the U.S., and our ownership structure is the cornerstone of our success. Employee ownership is a crucial difference between IMA and other private or public insurance brokers. Our ownership structure has enabled us to maintain a model focused on service and value rather than simply sales.

EMPLOYEE OWNED
FOR OVER
45 YEARS

The following results from our ownership structure are critical for Graham Group to understand:

+ Reinvestment in Our Company

IMA has always maintained the belief that reinvesting profits into talent, services or resources will ensure stronger client relationships and help retain clients on a long-term basis. We are not constrained to deliver excessive profits on a quarterly basis to ensure viability. Reagan Consulting, a financial and management consulting firm that specializes in services for insurance agencies, recently performed a national survey of the top 350 brokers. The survey was performed to provide benchmarks for best practices and services provided to accounts generating a minimum of \$250,000 in annual premiums. The resulting data indicated that the typical independent brokers invest 3.8% of revenues into value added services, while IMA invests 8%. **In other words, IMA invests more than 2 times the national average into value added services & resources for its clients.** This fact is due to our ownership structure and service philosophy.

+ Ownership Culture

Ultimately, owners think differently about the services and products they deliver to clients. As an employee-owned organization, IMA associates have a personal stake in maintaining successful partnerships with our clients. **This fosters a positive culture that our clients feel through superior service.**

+ Attracting + Retaining Talent

Our business is essentially the delivery of intellectual capital, and the competition for attracting and retaining talented individuals is fierce. Offering employees ownership is a key advantage in this competition and is a major selling point for employment at IMA. From your perspective, each IMA employee that works with you will have a vested interest in working with you, and we believe this translates into better service. **Our culture naturally attracts talented people who are enabled to be innovators.**

+ Perpetuation Planning

The founders of IMA had the foresight and vision to create this ownership structure as a plan for continuation that avoids becoming a public company or being sold to another broker. When either of these scenarios occurs, it usually causes the sellers to reduce staff or services in order to improve profitability for the impending sale. These changes impact all clients.

IMA's ownership structure has allowed us to perpetuate internally through an organic system without making structural changes. It has enabled us to remain independent and continue to reinvest in staff and resources for our clients as opposed to potentially selling and causing major service disruption to our clients.

Company Mission, Vision and Values

IMA's ownership structure serves as the foundation to our mission, vision and core values. As an employee-owned organization, IMA is unique in the insurance brokerage marketplace. Ultimately, owners think differently about the services and products they deliver to their clients. Each IMA associate has a personal stake in maintaining successful partnerships with our clients. We have an entrepreneurial, non-bureaucratic, creative approach to assist our clients in meeting the objectives of their employee benefits and risk management programs.

One of our guiding principles as an organization is to share generously within the communities in which we are doing business. That is why we created the IMA Community Action Committee and IMA Foundation, to ensure that we are giving back in a meaningful way. These initiatives and others are evidence of IMA's purpose being accomplished: **"Protecting Assets and Making a Difference."**

Long before the term ESG (Environmental, Social, and Governance) was coined, IMA made a pledge to govern responsibly and act in a way that inspires positive change to ensure IMA remains independent, while helping our associates, clients and communities remain resilient as we face collective challenges. While we are just beginning our journey in some areas, such as "Green Teams," we are well down the road in others such as Diversity, Equity, and Inclusion (DEI). Regardless of where we are, we pledge to listen, learn, and lead to inspire and create positive change to better our world.

ENVIRONMENTAL – SOCIAL – GOVERNANCE (ESG)

What used to be "Corporate Sustainability", now has a new name: "ESG" (Environmental, Social and Governance). Investors, Private Equity, Investment Bankers and Regulators are all applying increasing pressure onto companies to elevate their ESG profiles. With Climate Change commitments taking center stage, ESG is poised to continue to dominate the business news headlines again in 2023. ESG-focused companies receive favorable lending rates, enjoy as much as a 15% uplift in profitability and dividend returns, outpace their competitors by 3%-5% on ROI, and now may get access to favorable insurance rates from insurance carriers who are under pressure from their institutional investors to underwrite insureds with strong ESG profiles.

In the construction sector, owners, developers, and municipalities are looking to contractors to set the tone for environmental stewardship on jobsites, especially those funded by green bond offerings. Green bond offerings are currently the benefactor of increased investment interest, typically become oversubscribed, which drives down the cost of the bond offering and the project cost. For general contractors, who have a strong ESG profile, IMA has modified our submission methodologies to highlight ESG and we keep a pulse on which insurance markets will reward contractors with better rates, for their ESG investments.

Finally, if an IPO is on the horizon, investors and private equity investment are incorporating ESG into their investment due diligence, understanding that companies with solid ESG profiles can bring higher multiples companies who want to elevate their ESG performance with a turn-key, bolt-on subsidiary.

For insureds who are just getting started on their ESG journey or who want to formalize and track their ESG performance, IMA provides value added services where contractors can lean on IMA to assist with ESG education for senior leadership, lead a Materiality exercise with leaders, and provide access to an ESG software tool to aid in an initial gap analysis, basic carbon accounting and scorecard. For more in-depth assistance, IMA's clients can access our vendor network for deeper ESG consulting assistance and can benefit from discounted ESG software subscriptions. With the goal in mind to transition from protecting value with insurance, to creating value during underwriting, and finally to growing value by deploying sound ESG business practices.

ENVIRONMENTAL

- + Energy Sourcing and Conservation
- + Greenhouse Gas Emissions
- + Waste and Hazardous Materials Management
- + Ecological Impact and Biodiversity

SOCIAL

- + Human Rights and Community Relations
- + Data Security
- + Employee and Contractor Health/Safety Training
- + Employee Engagement, Diversity and Inclusion

GOVERNANCE

- + Business Ethics
- + Competitive Behavior
- + Critical Incident Management
- + Board Composition and Diversity

2. Proponent Identification

IMA operates key hub offices across North America with multiple smaller service locations and remote associates representing over 1,800 employees serving clients in every state across the country. That said, Colorado is our largest market and our Denver office functions as our headquarters today.



HEADQUARTERS:

IMA Financial Group
1705 17th Street, Suite 100,
Denver, CO 80202

3. Proponent Experience and Capabilities & References

For our experience and capabilities in providing insurance services, please refer to our response in [Section 4](#) and [Section 5](#). IMA's first reference would be Eric Moltz and team from Moltz Construction. Assuming they are already being consulted concerning their relationship with IMA for the last 16 years, IMA is providing the following references. We are happy to provide additional references, if desired.

CROSSLANDS CONSTRUCTION

- a. Risk Management, Surety, SDI, and P&C
- b. Over 40 years
- c. **Mark Wilkerson, SVP, Construction**
Monica Donatelli, Surety Department Manager
- d. **Ivan Crossland Jr., CEO** | 620.674.1069
John Priest, President | 918.857.8082
501 S East Ave
Columbus, KS 66725

WANER CONSTRUCTION COMPANY INC.

- a. P&C, Risk Management, Surety, and Retirement Plans
- b. Over 16 years
- c. **Teresa Smith, Client Services Manager, Surety, P&C and Benefits**
Michael Lischer, VP, Director of Surety
Breeze Aguilar, Account Executive
Nell Herring, Contractual Risk Attorney
- d. **Curtis Bozich, President** | 720.344.5459
8950 Barrons Blvd.
Highlands Ranch, CO 80129

BNBUILDERS, INC.

- a. P&C, Surety, and SDI
- b. 9 years
- c. **Ron Lange, Producer**
Angela Samaral, Account Executive
- d. **Rich Finlay, CFO** | 206.382.3443
2601 Fourth Avenue, Suite 350
Seattle, WA 98121

4. Proponent Team



DAVE ECKROTH
President, Retail Partnerships



TERESA SMITH
Client Services Manager, Surety,
P&C and Benefits



KIM NICHOLS
VP, Account Executive



TARA RAMSDEN-WOOD
Senior Account Manager



NATALIE CONWAY
Associate Account Manager



DONNA MACCONNELL
SVP, Managing Director, Claims



MICHAEL CAMPO
EVP, National Construction
Practice Director



MIKE LISCHER
VP, Director of Surety



DAVID DONDLINGER
Surety Account Executive



AMY COONTS
Surety Account Manager



SONJA GUENTHER
SVP, Workers' Compensation
Specialist



JENNY REGUEIRO
Claims Account Executive



SEAN BEHAN
VP, Managing Director, Risk
Finance & Analytics



SEAN JACKSON
Managing Director – Global Risk
& Benefits



NELL HERRING
Contractual Risk Attorney



MARCUS REITER
Construction Risk Control
Practice Leader



DAN BRITTON
Director of Professional
Services Practice



LEIGH ASLIN
VP, Account Executive & Team
Leader, ERS



JACK WILLIS
Environmental Account
Executive

Listed below is your IMA day-to-day service team. *Employee biographies have been condensed to meet the 20 page requirement.*

DAY-TO-DAY SERVICE TEAM BIOGRAPHIES



TERESA SMITH | DENVER | 18 YEARS

Client Services Manager, Surety, P&C and Benefits, Sales Executive, Senior Client Advisor

Teresa is a Sales Executive and Senior Client Advisor with IMA, since 2006. She has the ultimate responsibility for coordination of services and strategic planning with her clients and the IMA service team, for Property & Casualty, Surety as well as group health care employee benefits needs. Her focus over the last fifteen years of insurance, surety and risk management has primarily been in the construction and health care related industries, as well as non-profit business. Teresa received her J.D. from the University of Denver College of Law and practiced insurance defense, as a trial attorney over twelve years, prior to her insurance work. She ultimately decided to utilize her legal talents in the insurance industry, working with clients to develop long term strategies, protect assets and increase overall profitability.



TARA RAMSDEN-WOOD | DENVER | 21 YEARS

Senior Account Manager

Tara joined IMA in 2020 and has 21 years of experience in the insurance industry, all client facing on the commercial brokerage side. A majority of her career was spent with a large multinational firm working in both Canada and Denver. Tara brings knowledge from a variety of industry sectors and complexity of accounts including technology, mining, energy and trucking to life sciences.



MICHAEL CAMPO | KANSAS CITY | 32 YEARS

EVP, National Construction Practice Director

Michael is the Director of IMA's National Construction Specialty Group. As the National Director, Michael has multiple responsibilities. He is responsible for coordinating the overall efforts and resources of the firm to make IMA construction clients business better. Part of his duties include leading the mission for IMA to have deep knowledge of our construction client's industry, promote strong risk and insurance expertise within the teams, search out emerging risk issues for contractors and continue to find ways to increase IMA's value to construction clients. A significant part involves Michael working closely with individual clients in the service of their risk and insurance needs in the Enterprise Risk Management space.



KIM NICHOLS | DENVER | 30 YEARS

VP, Account Executive

Kim joined IMA in 2018. She began her career with St. Paul Companies and served as an underwriter in the middle market, construction, and inland marine divisions. Kim's background includes significant experience working with the construction industry. She's held various roles throughout her career working with Regional and National Brokers including Account Executive, Client Services Director, Placement Manager for a team of 12 and Team Leader. She holds her CPCU, AU, and AIS designations. Kim's experience and relationships are an asset to IMA and the construction team.



NATALIE CONWAY | DENVER | 8 YEARS

Associate Account Manager

Natalie joined IMA in 2014 in our Account Technician unit managing certificates for our Construction clients. She has advanced through the ranks in Construction from an Account Specialist to an Associate Account Manager and is responsible for managing some of our larger clients as well as a small book of business. She has also been responsible for the process and tracking of two SDI programs since 2016. She has experience with a variety of billing methodologies.



DONNA MacCONNELL | DENVER | 33 YEARS

SVP, Managing Director, Claims

Donna joined IMA in 2021 with over 30 years of experience in insurance claims and related fields. Her leadership experience and background in various claim and legal roles has reinforced her strategic approach to client challenges. Her understanding of insurance products and appreciation for relationships across the spectrum has allowed her to build a reputation as a respected advisor and valued partner.

Prior to IMA, Donna led high-performing claims teams in the insurer and broker space, in addition to excelling as defense and coverage counsel. She also has a passion for her community, having served on the Colorado Women's Chamber of Commerce board of directors in addition to volunteering and fundraising for numerous charitable organizations.



MIKE LISCHER | DENVER | 19 YEARS

VP, Director of Surety

Mike joined the IMA Denver Surety Division in 2011, and as Director of Surety, leads and is responsible for the strategic plans and growth of IMA's surety practice. Mike has been instrumental in the growth of IMA's surety practice since his joining IMA. Mike started his insurance career in 2003, and prior to IMA worked as an underwriter at a major surety company in Denver.

Mike's experience as a veteran underwriter, coupled with his extensive accounting background and creative and dynamic approach to problem-solving, allows him to provide strategic guidance on client's surety program and business. His goals are to maximize a client's surety capacity, and anticipate both the client's and surety company's needs, while effectively managing relationships between the two.

Mike graduated with a Bachelor's Degree in Business Administration with an emphasis in finance from the University of Denver, and he earned a Master of Accountancy at the University of Denver in 2008.



DAVID DONDLINGER | DENVER | 9 YEARS

Surety Account Executive

David joined the IMA Denver Surety Department in 2020 as a Surety Account Executive. He has been in the surety industry for 9 years and spent the majority of that time working for a major surety company in their Chicago and Denver branch offices. He grew up around the construction business in Kansas and brings a unique perspective to the broker and underwriting side of the contract surety industry.

Over his career, David's clients have included several of the top 20 general contractors and subcontractors in the State of Colorado and New Mexico, as well as, some of the largest road, civil and industrial contractors in Illinois. His goal with IMA is to be a strategic advisor to his clients, help them maximize their surety program and execute their business plan with the support of their surety relationship.



SONJA GUENTHER | DENVER | 43 YEARS

SVP, Workers' Compensation Specialist

Sonja is a Vice President with IMA and a Workers' Compensation Specialist, responsible for understanding national trends, researching statutory issues, workers' compensation audits/ analytics and producing workers' compensation communications for IMA clients that will provide strategic insight towards the management of risk. Sonja joined IMA in 2014 and is celebrating nearly forty years in the insurance industry and more than twenty years as a workers' compensation specialist. Her past insurance positions include carrier underwriting, marketing and as a state administrator's workers' compensation analyst. She is a published author, speaks regularly to local and international groups on workers' compensation topics and has testified on numerous occasions before legislative and regulatory bodies.

Sonja holds a Bachelor of Arts in Criminal Justice and a Master of Science in Psychology/ Communication, both from Regis University. She holds the following industry certifications; Associate in Risk Management (ARM), Associate in Loss Control Management (ALCM), Certified Insurance Counselor (CIC) and Certified Risk Manager (CRM) and is currently Co-Chairperson of the Colorado Chapter of the Workers' Compensation Coalition.



AMY COONTS | DENVER | 6 YEARS

Surety Account Manager

Amy joined the IMA Denver Surety Division in 2016. Coming from a Water Management Company in the oil and gas industry, she has a unique understanding of the contractor world and its demands. Amy background, education, and commitment to detail, helps her handle some of IMA's largest, complex, and sophisticated clients. Amy graduated from Fort Hays State University in 2011 and is currently active in the Rocky Mountain Surety Association and the National Association of Surety Bond Producers.

Additional bios are available for our team members.

5. Services Plan

Service

We view our daily, weekly and monthly service in three main categories and continually develop expertise, efficiencies, cutting-edge tools and capabilities in each. We predicate our service philosophy on the belief “contractors want it yesterday, cheaper than their competitors, and a risk partner to help them know what they don’t know.”

The three main categories of service are:

TRANSACTIONAL

Transactional Service is what you think it is, the execution of transactions in a “need it yesterday” time frame. These are necessary to the flow of business and the accuracy and speed in which they are executed determines the ease in which Graham Group’s business can be conducted.

- | | | | |
|------------------|--|--|--|
| SERVICES INCLUDE | + Issuance of outgoing certificates of insurance | + Reviewing policies and endorsements for accuracy | + Checking Premium Audits for Accuracy |
| | + Management of incoming certificates of insurance | + Delivery of policies in a timely manner | + Assistance in reporting claims |
| | + Accurate invoicing of premiums and deductibles | + Issuing of bonds | |

TACTICAL

Tactical Service is where our client has already made a decision and they need our help. For example, a client decides they need insurance, they want our help to expertly provide options with superior terms and cost. Our client did not decide to have a claim, but they need our assistance.

- | | | | |
|------------------|--|--|--|
| SERVICES INCLUDE | + Marketing insurance placements for broadest terms and conditions | + Expert and strategic claims advocacy to bring about expeditious and favorable outcomes | + Forensic Architect for QA/QC for designers and contractors |
| | + Monthly Open Action Items meetings | + Subcontractor prequalification | |
| | + Insurance Market Conditions Updates | | |

STRATEGIC

Strategic Service is where our client has not made a decision but wants our advice to help make an informed decision. We are diligently scanning the environment and mining data to be able to “deliver a problem and a solution to our clients before they knew they could have a problem.”

- | | | | |
|------------------|--|---|---|
| SERVICES INCLUDE | + Monitoring insurance marketplace for viable alternatives | + Mining data for emerging trends | + IMA Construction Encompassed Risk Management (CERM) Process |
| | + Establishing Plan B and Plan C carrier options | + “Insights, Alerts, and Trends” (IATs) regular updates | + Networking |
| | | + Education and Training | |



Stewardship (Partnership) and Risk Management Reports

We believe that “stewardship” reports tend to restate activities of the past; we will provide these on an annual basis or as frequently as requested by Graham. Conversely, we have found that our clients like Graham have enjoyed success in publishing an internal Annual Risk Management Report.

Much like a corporate annual report, this document serves to provide insight to the enterprise regarding the function and return on investment provided by the risk management group. In Graham's case, this report could be added to the Perspective Annual Report to the Employees or stand on its own.

The objectives of the Annual Risk Management Report include:

- + An opportunity to frame your risk management philosophies, goals and objectives in a single document
- + Establish the criteria in which Graham risk management will measure success
- + Communicate the value the risk management department continually brings to Graham

We would love the opportunity to partner with Graham in developing an annual risk management report in addition to our annual stewardship report.

Maintenance of a Monthly Open Item Diary System

We are experienced with the service needs for complex firms like Graham. These needs involve the coordination of subject matter experts, outside vendors, personal schedules and the unexpected. To simplify and keep track of these various action items we create an Action Item Report for each of our clients. This is maintained daily and is the document that prioritizes service and holds us accountable to our service promises. This document would be maintained in a system that both Graham's Risk Management team and the IMA team members would have real-time access to and would be reviewed during Quarterly meetings with Graham.

In addition, the IMA team will coordinate and facilitate quarterly meetings with Graham to review both open and closed claims, any changes in operations that could impact the program in place and keep Graham in tune with changes in market conditions, trends and emerging risks. Notes will be compiled for each meeting and delivered to Graham within five (5) business days.

Training and Education

The contractual risk review department will offer customized private education classes for your employees. The educational topics are structured to focus on insurance and indemnification topics determined to be a concern by Graham. Graham Group will have direct access to this team, through **Nell Herring**, and we expect you to take full advantage early in our relationship if we are selected as your broker. Your Account Executives in the various divisions within IMA are also experienced in leading educational seminars in their respective expertise.

IMA offers the IMA Risk Management Center (RMC) to our clients. The RMC is a unique web-based software suite of safety and risk management tools that will help elevate Graham's overall risk prevention efforts. The RMC is designed to help reduce risks and injuries, while reducing the overall costs of risks associated with Graham Group.

Core attributes of the IMA Risk Management Center include:

- + Help meet OSHA hazard communication requirements
- + Train employees efficiently and effectively
- + Access best-practices safety library of Safety Meeting Topics and PowerPoints with a built in Learning Management System
- + Create job descriptions and modified duty programs
- + Create mobile auditing checklists

There is no additional cost for this training platform, all of our clients have access to this service as part of the holistic IMA service model and approach.

Technology

As one of the most tech-forward brokers in the industry, technology is integral to IMA's identity. In our mission to become “the Broker of the Future,” IMA has dedicated innovation teams working throughout the enterprise to deliver the best technology experience to our clients and associates available. We deploy the most modern tech stack in the industry to allow our clients to be more efficient and in better control of your insurance and risk management programs.

A few of the technology platforms currently in use include:

- + **Indio** – We eliminate PDFs to be completed at renewal. The system allows clients to complete applications in a web-based environment where information that is the same across numerous applications only needs to be entered once. It includes sophisticated capabilities, such as the ability to search by form or policy type, application progress tracking, email notifications, and even commenting to easily communicate questions and concerns between the client and their IMA account team. With each renewal, the existing information will be available to carry over from last year's applications, even across carriers, meaning that only information that changed from the prior year will need to be entered. At the end of the process, the applications can be electronically signed. This system dramatically reduces repetitive application completion and potentially costly errors.
- + **Highwing** – IMA's proprietary market submission platform enables clients to receive the maximum number of options and increase carrier interest, which results in a more competitive program for our clients.
- + **CSR24** – IMA has invested in a digital technology called CSR24, which creates, delivers and stores insurance certificates, enabling the Graham team to have near-instantaneous access to existing and newly created certificates of insurance. The portal also enables client's quick access to their policy data, service requests and key contracts. IMA recognizes that managing and issuing Certificates of Insurance (COI) is critical to Graham's operations. The importance of getting the accuracy and timeliness of issuance is crucial. We also recognize that the sheer volume of activity associated with this transactional service poses workload issues. We issue over 500,000 certificates of insurance annually.

The Renewal Process

PRE-RENEWAL

Our team typically begins the renewal process at least 120 days in advance of policy expirations, but we will work within the time frame established by Graham in the RFP. **We will take the following steps:**

- + **Pre-Renewal Documents (PRD)** – Preparation of our PRD by your Account Manager. The PRD is then reviewed by your Account Executive.
- + **Review of Prior Year's Activities** – We review your prior year's activities including things such as property added, acquisitions/divestitures, contract review activities, claims activity including open and closed claims, policy limits and retentions, and current policy wordings.
- + **Marketing Strategy** – Our team then meets to review and discuss strategy prior to meeting with you. We review your current program, consider trends in the market both from a coverage and rating perspective, consider your current carriers and other possible carriers, and which lines we recommend marketing, etc.
- + **Pre-Renewal Executive Summary** – We put together a Pre-Renewal Executive Summary with our observations and recommendations for what might be accomplished at the renewal, thoughts on coverage enhancements and markets, and questions about your objectives. We use this time to have early discussions with your incumbent carriers to gauge what their goals are and if they align with your expectations and budget. Knowing the pricing direction each carrier will be taking will aid in forecasting your insurance renewal costs.
- + **Pre-Renewal Meeting** – Depending on your timeline, we will meet with Graham around the middle of the year to review our Executive Summary and PRD, which we'll provide in hard copy and by email for your internal distribution, and to confirm that the timeline established post award still works for your schedules, possible board meetings, and anything else that might impact the timing of our actual proposal. We use this meeting to establish marketing goals, understand your objectives and gather enough information to pre-underwrite the deal in an effort to anticipate insurance carrier needs and address them up front. Our agreed upon renewal marketing strategy will be delivered within 5 business days of this meeting.

COLLECTION OF UNDERWRITING DATA

Collection of Underwriting Data – To facilitate gathering this information, our team would be happy to work directly with your staff on complete exposure data, auto schedules, equipment and property values, etc. We will advise you in a timely fashion if important data is missing and will utilize our Indio platform for data collection purposes.

SUBMISSIONS TO UNDERWRITERS

Determine where in your program rate reductions would have the greatest impact – We do an “as if” review (similar to the 9 column) to see where we should push hardest for program rating improvements. We consider not just next year’s activities, but your future plans over several years, in order to achieve both a short- and longer-term impact.

Develop Graham's Story and Profile in the Market – We like to create a “story” about our clients, especially with new markets, and put a personal touch on the actual underwriting information. We supplement the underwriting details with things like the following:

- + Graham's history and future plans
- + Financial overview and bios of your management and operations teams from public information and other bios
- + Your management philosophy on Environmental, Health and Safety, Subcontractor and Vendor hiring practices, contracts and certificate of insurance management
- + Claims handling and your “lessons learned” philosophy

Independent Research – When necessary, IMA will conduct our own independent research to help supplement Graham's information.

Underwriter Meetings – You can tell your story better than we can, and so we like to have face to face carrier meetings when it makes sense. Insurance is, at its core, a people business and the comfort level that can develop through face to face or virtual meetings is immeasurable in being able to continually improve your program, including when something unique is needed, mitigate the impact of a hard insurance market or of a large loss, and facilitate claims handling especially when there are gray areas. We recognize that our clients are busy and that they cannot always meet and might not want to meet every year. We will work with you to prioritize and develop a reasonable schedule for underwriter meetings at this renewal, or more likely, subsequent renewals.

NEGOTIATION PROCESS

IMA's Interaction with our Underwriters – We consider our underwriter relationships to be very important, and work on these relationships throughout the year. This entails periodic face to face meetings, with and without our clients. We have relationships with the top leadership at our significant carriers and their claims and risk control managers, as well as with their “wording” specialists.

Direct Marketing versus Wholesalers – Our teams prefer to work direct whenever it makes sense and IMA has contracts with all the major carriers. We also work with wholesalers at times and would disclose this to Graham and our rationale for doing so. IMA has a process for the selection and use of wholesalers and as such, we typically work with a smaller group of top-notch intermediaries.

FINAL PRESENTATIONS

IMA's Golden Rule: There are certain things that we continually stress to our team members and one of the most important is, “take the burden off the client.”

We believe a thorough review of all quotes is necessary to ensure accuracy, a complicated insurance program can be summarized concisely in an Executive Summary so that you can make decisions without a lot of effort, and if insurance program options are carefully reviewed and compared and the client’s philosophy about risk is well understood, along with your future plans and industry trends, a recommended approach is often clear.

Our final proposal will be delivered at least 30 days in advance of the renewal date and will include the following:

- + Insurance Program Executive Summary: Includes in a summary form the lines of insurance, limits, deductibles, carriers, and A.M. Best rating
- + Limits Graphs: Liability Program and supporting documentation
- + Marketing Summary: Results of our marketing efforts by line of insurance and carrier
- + Proposal: Includes all of the above, but with significantly more detail including any manuscript wordings
- + Program Comparison Spreadsheets: As respects coverage and pricing, when applicable
- + 9 Column Comparisons to your expiring program: Compares impact on premium of rates and exposures
- + Backup schedules used for our submissions: Property/BI, Autos, Power units, Trailers, Employee Payroll and Counts
- + Premium/Loss History

BINDING YOUR RENEWAL

Once coverage is decided and we receive your binding order, IMA will process the following:

- + Binders – timing of delivery to be agreed upon by Graham and IMA
- + Auto ID cards – delivery within 2 days of receiving bind instructions
- + Certificates of Insurance – timing of delivery to be agreed upon by Graham and IMA
- + Invoices – prior to the renewal effective date
- + Premium allocations as desired for each entity
- + Updated Insurance Executive Summary
- + Summary of Coverage Bound
- + Updated Limits Graphs
- + Policies and Endorsements as they come in – 60 days is the target for receipt and delivery

We will then work with you on our Client Service Plan to ensure we meet our mutual goals throughout the year.

Additional IMA Services

IMA CERTIFICATE COMPLIANCE (IMACC) SERVICE

IMA Certificate Compliance (IMACC) takes the burden of collecting, reviewing, negotiating with subcontractor's agent, tracking and requesting certificates from subcontractors off Graham.

Our IMACC Associates are trained in our Contract Review process and work closely with our in-house attorneys. The review is being done by people who understand if a subcontractor's additional insured endorsement meets the insurance requirements in the construction contract and adequately protects our clients.

The discussion and negotiation to help the subcontractor come into coverage compliance is handled by trained insurance professionals who know the coverage and know what is achievable in the insurance marketplace.

The efficiency of people usage. The workload to review incoming certificates is inconsistent and uneven. Many times, our clients do not have the need for a full-time incoming certificate person, so they assign the responsibility to someone as a percentage of their time. Unfortunately, depending on the awarding of jobs, this results in periods of time of taking 100% of the person's time and then fluctuating down to very little time.

IMACC relieves these workload problems from our clients, as our fully staffed teams' workloads are kept at a constant rate, as we have a more predictable regular volume.

IMACC is a separate charge that is based on an annual certificate volume.

CONTRACT REVIEW

IMA is one of the few brokers in the country to employ in-house attorneys who function solely as contract administrators to assist our clients. Our clients asked if we could help solve the issue of having to use outside counsel for the review of contracts. In addition to the hourly costs charged by outside attorneys, many of their reviews resulted in recommendations that were not based in generally accepted practices or rooted in the real construction world.

IMA felt that this service was best suited in the same risk management firm that understood the client's risk tolerance, philosophies towards risk, insurance coverages and generally accepted practices. By concentrating this service in our firm, we are able to see emerging trends in contract construction and assist our clients before they realize it. This approach ensures we are aligned with our client's risk management philosophy.

This service will provide important assistance to the client's team in those areas of the country where subcontractors continue to provide their own insurance to projects. The department consists of 15 individuals with diverse insurance and legal backgrounds. The services provided are designed to assist with contractual risk transfer mechanisms as they relate to insurance and risk management.

SURETY

IMA's Surety Team is one of the most respected surety operations in the country, not only because of our overall size, but also our reputation for strategic client advisement. IMA's surety team consists of over 35 individuals placing over \$100 million in annual bond premium, making IMA one of the largest surety bond brokers in the country. IMA Surety's expansive team is collaborative by nature, and through this process IMA has an extensive quality control and quality assurance plan in place, to ensure Graham receives it's surety needs as required by its clients specifications.

SURETY SERVICE

Our goal is to align ourselves and Travelers with Graham USA's business plan and help Graham USA achieving their strategic goals. Our surety team prides itself on providing professional, prompt, and knowledgeable service to our clients. While IMA will be the U.S.-based representative of Graham's Global Surety Program with Travelers, we acknowledge this surety program is controlled and ultimately managed by Graham and its Canadian based broker. However, where we see room for improvements and or coordination, IMA will assist Graham or their Canadian broker to effect these improvements or changes.

IMA Surety's Services Include:

- + Management of U.S.-based surety program
- + U.S. surety program rate management
- + Project, contract, and bond form review and risk assessment
- + Subcontractor risk management tools
- + Validation and review of lower tier subcontract bonds
- + Reporting metrics for Graham, to include 90 Day Renewal Outlook, Bid Bond Management, and Bond Close-Out Reviews
- + Change order management for bond audits
- + Advisement of Subcontractor prequalification program and assistance in subcontract prequalification reviews
- + Proactive business and surety advisement
- + Training on topics as desired by Graham USA
- + Annual surety market updates
- + M&A Surety Due Diligence

IMA Surety has experience working with some Graham's U.S.-based companies, and so we understand their workflows and needs. We would expand our knowledge of Graham's U.S. companies and coordinate introductions and meetings with Graham's U.S.-based operations. Our goal is to maximize our knowledge of the Graham U.S. Companies, their needs, and workflows, and strive to take on as much of the surety workload as possible. IMA will also work with Graham and Graham's U.S. team to understand their risk strategies, tolerances, and management of these risk; we'll use this information to highlight potential areas of risk deviation and advise of such and or provide additional training or education material to assist in Graham's risk management strategy. IMA Surety's standard turn-around time on all requests is 24 hours or less. We understand emergencies arise and through our expansive national offices, partnerships, and relationships, we can easily have emergency bonds delivered to Graham.

TRANSITION OF SURETY

If IMA is favored to partner with Graham Group, the transition of the surety program to IMA will be easy and seamless for Graham. IMA will coordinate with Graham to pick a transition date and thereafter all U.S. surety requests will flow through to IMA. All existing and open bonds will BOR to IMA for future management. IMA and Travelers will coordinate the flow of all information and Graham will not have to provide any information as part of this process. Prior to the transition date, IMA will work and coordinate with Graham on introductions to their U.S. team, provide updates to request forms and bonding prequalification letters. One area we would work with Graham and Travelers Canada is the investigation of transitioning of Travelers day-to-day project underwriting from Canada to Travelers U.S.. We know there are significant differences in the legalities and risk strategies between Canada and the U.S., and therefore, we believe having a U.S.-based underwriting team reviewing project specifications could provide additional benefits to Graham through enhanced risk mitigation knowledge. This proposal would be thoroughly addressed with Graham and then Travelers Canada for their thoughts and concurrence.

SUBCONTRACTOR DEFAULT INSURANCE (SDI)

IMA has extensive experience with subcontractor default insurance (SDI) as a result of our work with both Project Owners and General Constructors. We support our clients in both the placement and management of these programs as well as educating other parties involved in the coverage. IMA also utilizes our Enterprise Risk Management department to explore feasibility in utilizing alternative risk financing techniques in managing the large deductible aspect of these programs. When exploring the effectiveness, a subcontractor default insurance program could have for a general/prime contractor we like to focus on the following areas.

Prequalification Process:

- + With the loss sensitive/large deductible nature of SDI policies it's imperative for the insured to have a strong grasp on their subcontractor prequalification process. This will also be a significant part of the underwriting process with the carrier.
- + IMA has internal resources held within our Risk Control and Bond Departments that can support the client in this evaluation. We also partner with third-party companies which can be used to outsource some or all of a prequalification process, where appropriate.

SDI Program Mechanics:

- + While considered an insurance product an SDI policy does have a number of unique features that are unlike common insurance policies.
- + Understanding the nuances of this product will better illustrate how an SDI policy could benefit a client and where exactly in their risk management strategy this product fits.
- + IMA will help educate the client on these program mechanics so they can make an informed decision on obtaining an SDI policy. These discussions will also help in structuring a specific SDI policy that meets the client's objectives.
- + Within this category will be an overview of how SDI policies are priced and charged to the client. It's important for the client to understand how these policies may differ from their current methods of pricing subcontractor default risk. Any variation from the current method should be considered so they client can accurately include this cost within their contracts.

SDI Market Conditions/Appetite and the Client's Business:

- + Like with any insurance market there are SDI carriers that have specific strengths are target appetites. IMA will work with the client to narrow down a list of SDI providers that fit well with their business.
- + The SDI market does view certain risks as more challenging than others. For example, the carriers my view wood frame and/or residential projects to be of higher risk than other work. If the client's main business falls to an area that causes a carrier more heartburn its prudent to understand how this may change the policy coverage and prepare accordingly.
- + IMA also believes it's important to understand the future strategy and growth plans of the client. We believe in creating long term relationships with carriers and its important the clients with a carrier they can grow with.

ALTERNATIVE RISK FINANCING

ALIGNING RISK STRATEGY WITH CORPORATE GOALS AND OBJECTIVES

Our process begins with a deep understanding of Graham's strategic corporate goals and objectives, risk management goals, key financials metrics, and defining its risk appetite. Then, using IMA's analytics, we can develop a short-term (12 month) and long-term (3-5 years) risk strategy that is driven by data and is fully aligned with and supportive of Graham's business objectives.

As Graham's advisor and advocate in risk management, we bring excellence in the three major areas where we can make Graham's business better by implementing the following into our risk strategy:

- + Transactional Excellence
- + Tactical Service and Execution
- + Strategic Risk Advisory and Consultation

CAPTIVE INSURANCE COMPANIES

IMA's Risk Finance team provides ongoing captive consulting to evaluate the viability of a captive insurance company to support Graham's goals.

A captive is a risk financing tool, not a risk retention tool, which means Graham should first decide on the optimal structure balancing risk/reward, and then secondarily decide if it's more efficient to keep that risk on its balance sheet or to formally fund it via the captive structure.

A captive has many benefits, such as acceleration of tax deductibility, but it also comes with a higher frictional cost.

Because Graham has already started a cell in a Bermuda captive, IMA's captive consulting group will help support options for forming a single parent captive as well as ways of utilizing the current structure.

TYPES OF CAPTIVES

- + Single-Parent Captives
- + Group Captives
- + Rent-A-Captives

GRAHAM GROUP LOSS DATA

| PROGRAM | LINE OF COVERAGE | CLAIMS | INCURRED | AVG. CLAIMS/YR | AVG. INCURRED/YR | LARGEST CLAIM |
|---------|------------------|--------|-------------|----------------|------------------|---------------|
| U.S. | WC | 58 | \$454,284 | 11.6 | \$90,857 | \$97,046 |
| U.S. | GL | 1 | \$1,750 | 0.2 | \$350 | \$1,750 |
| U.S. | AL | 16 | \$149,941 | 3.2 | \$29,988 | \$63,100 |
| U.S. | APD | 31 | \$174,462 | 6.2 | \$34,892 | \$20,000 |
| U.S. | Equipment | 3 | \$150,400 | 0.6 | \$30,080 | \$128,400 |
| U.S. | Pollution | 0 | \$0 | 0 | \$0 | \$0 |
| U.S. | D&O | 0 | \$0 | 0 | \$0 | \$0 |
| U.S. | E&O | 0 | \$0 | 0 | \$0 | \$0 |
| U.S. | Property | 0 | \$0 | 0 | \$0 | \$0 |
| U.S. | Cargo | 0 | \$0 | 0 | \$0 | \$0 |
| Canada | GL | 7 | \$25,136 | 1.4 | 5,027 | \$10,000 |
| Canada | AL | 4 | \$16,312 | 0.8 | 3,262 | \$9,500 |
| Canada | APD | 47 | \$328,164 | 9.4 | 65,633 | \$46,250 |
| Canada | Equipment | 7 | \$1,975,124 | 1.4 | 395,025 | \$1,024,341 |
| Canada | Property | 0 | \$0 | 0 | \$0 | \$0 |
| Canada | Cargo | 0 | \$0 | 0 | \$0 | \$0 |
| Canada | Pollution | 0 | \$0 | 0 | \$0 | \$0 |
| Canada | E&O | 2 | TBD | 0.4 | TBD | TBD |
| Canada | UAV/Aviation | 0 | \$0 | 0 | \$0 | \$0 |
| Canada | D&O | 0 | \$0 | 0 | \$0 | \$0 |

Graham provided loss data for U.S. and Canada to IMA. Upon reviewing, there isn't sufficient historical loss volume to develop credible actuarial estimates for retained losses, which indicates very favorable loss experience relative to the benchmarks. There are various structures that would allow Graham to have "skin in the game" though greater detail will be necessary (such as historical exposures and premiums).

GRAHAM GROUP WORKERS' COMPENSATION BENCHMARK

Benchmark Loss Costs by Deductible

| DEDUCTIBLE | BENCHMARK RATE | BENCHMARK LOSS | E-MOD ADJUSTED RATE | E-MOD ADJUSTED LOSS |
|------------|----------------|----------------|---------------------|---------------------|
| 100,000 | 1 | \$667,872 | 0.67 | \$451,977 |
| 150,000 | 1.1 | \$738,906 | 0.75 | \$500,049 |
| 250,000 | 1.22 | \$816,119 | 0.82 | \$552,302 |
| 500,000 | 1.34 | \$898,119 | 0.91 | \$607,795 |
| Unlimited | 1.56 | \$1,042,961 | 1.05 | \$705,816 |

Benchmark Loss Costs by Entity

| ENTITY | PAYROLL | % OF PAYROLL | BENCHMARK LOSS | % OF BENCHMARK LOSS | AVG. BENCHMARK RATE |
|--------|--------------|--------------|----------------|---------------------|---------------------|
| Graham | \$18,062,500 | 27% | \$229,579 | 33% | 1.27 |
| Moltz | \$19,713,940 | 29% | \$257,925 | 37% | 1.31 |
| MWI | \$29,203,790 | 44% | \$218,312 | 31% | 0.75 |
| Total | \$66,980,230 | 100% | \$705,816 | 100% | 1.05 |

Benchmark Loss Costs by Entity

| STATE | PAYROLL | % OF PAYROLL | BENCHMARK LOSS | % OF BENCHMARK LOSS | AVG. BENCHMARK RATE |
|-------|--------------|--------------|----------------|---------------------|---------------------|
| CA | \$8,865,202 | 13% | \$112,655 | 16% | 1.27 |
| CO | \$47,817,528 | 71% | \$453,293 | 64% | 0.95 |
| KY | \$828,500 | 1% | \$15,323 | 2% | 1.85 |
| MD | \$165,000 | 0% | \$73 | 0% | 0.04 |
| MN | \$619,000 | 1% | \$6,526 | 1% | 1.05 |
| MO | \$85,000 | 0% | \$58 | 0% | 0.07 |
| MT | \$240,000 | 0% | \$255 | 0% | 0.11 |
| NE | \$5,565,000 | 8% | \$82,687 | 12% | 1.49 |
| PA | \$2,795,000 | 4% | \$34,945 | 5% | 1.25 |
| Total | \$66,980,230 | 100% | \$705,816 | 100% | 1.05 |

IMA's proprietary workers' compensation benchmark uses Graham's current payroll by state-by-class code and develops a virtual "peer" benchmark based on what an 'average' company with the exact same risk might experience in losses at various deductible levels. Based on the loss data reviewed, Graham has significantly outperformed its peers and would therefore likely benefit from a program where Graham can participate in the risk and save commercial insurance premium. This excludes monopolistic payroll (WA & OH).

CONSTRUCTION ENCOMPASSED RISK MANAGEMENT (CERM)

The IMA Construction Encompassed Risk Management (CERM) process is based on enterprise risk management concepts and is tailored specifically for construction firms.

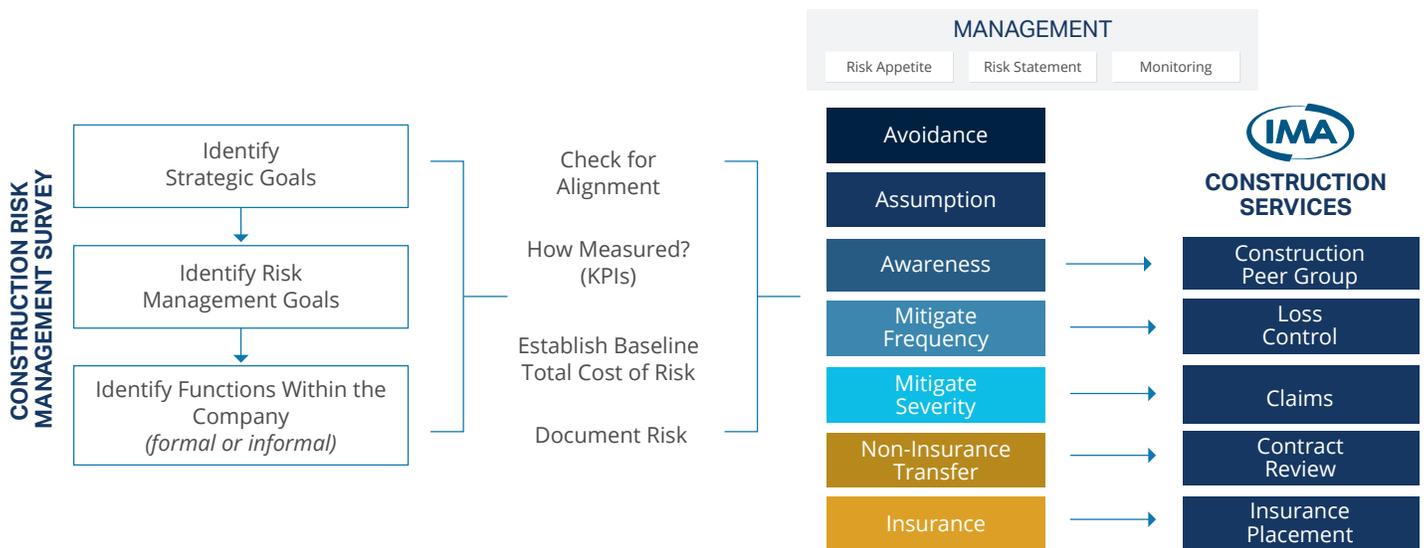
Our goal with CERM is to catalog all risks in a client specific Risk Register, identify the key risks, implement the appropriate techniques to address and continuously monitor through Key Performance Indicators (KPIs) that are consistent with our client's culture. This process then arms Executive Management with the ability to establish Risk Appetite and Tolerances that can be used to guide everyday decisions.

It is imperative the IMA/Risk Committee have a strong understanding of all operations, functions and processes. Failure to do so could result in unforeseen risks. The process to methodically dissect the organization utilizes Porter's Value Chain.

After documenting the operations, risk will be identified by function but so will the combined potential impact of those correlated, interdependent risks that may emanate through various functions of the enterprise. Further, the speed a risk can affect an organization, referred to as velocity of risk, which is taken into consideration. Key risks are identified along with appropriate risk management techniques. KPIs are established for each key risk and a Risk Champion is assigned to be the continuous monitor of the key risk.

The following graphic provides an overview of the IMA CERM Process:

CONSTRUCTION ENCOMPASSED RISK MANAGEMENT (CERM) FRAMEWORK



The main benefit of implementing the CERM process is the identification, treatment and monitoring of key interrelated risks.

Other benefits include:

- + Lessen dependence on insurance
- + Crafting and tailoring coverage specifications
- + Laser focus risk management efforts and dollars for greater impact
- + Increased awareness in individuals across all functions of the organization
- + Representing the client in the most favorable light to the insurance marketplace to achieve desired terms and conditions
- + Creation of risk appetite and tolerance levels to aid in decision making

Risk appetite is the amount of risk an organization is willing to accept. Risk Tolerance is the amount of risk the firm can handle. IMA has built the tools, templates and expertise to perform the heavy lifting in implementing this holistic approach to help our clients increase the effectiveness of their risk management efforts.

CLAIMS ADVOCACY

IMA's claims service plays a key role in any organizations' risk management program. At IMA, we believe in claims advocacy and management, not simply claims monitoring.

Mitigating severity is one of the most impactful ways to address risk and lower Graham's total cost of risk. IMA's experienced and persistent claims team will advocate on behalf of Graham to optimize coverage, get claims closed and lower reserves where appropriate, and influence the selection of counsel and litigation strategy where the insurer is defending Graham's interests.

IMA Claims Advocates' industry knowledge, carrier, TPA and independent adjuster relationships, and understanding of policy language and coverage applications provides our clients with the best protection in the industry in the event of a claim.

ONBOARDING OF CLAIMS ADVOCACY

The onboarding process is part of the IMA Construction Encompassed Risk Management (CERM) Framework. Learning how claim reporting and claim management is currently administered within Graham allows us to customize our service to Graham and find ways to make it more effective and less of a burden.

CLAIMS LIFECYCLE

| | | |
|---------------------------------|--|--|
| PRIOR TO CLAIM | <ul style="list-style-type: none">+ Review current claim program by line of coverage+ Develop custom reporting procedures+ Assign designated adjusters | <ul style="list-style-type: none">+ Pre-determine settlement goals and consultative amounts+ Defense counsel selections |
| REVIEWING COMPLEX CLAIMS | <ul style="list-style-type: none">+ Review all claim facts with you+ Identify any potential coverage issues+ Determine your desired outcome | <ul style="list-style-type: none">+ Strategize with you to develop an action plan+ Respond promptly, advise and advocate |
| CONTROLLING CLAIMS | <ul style="list-style-type: none">+ Provide proactive claims updates+ Development of clear and concise action plans with your carriers | <ul style="list-style-type: none">+ Provide written claim summaries+ Ensure claim adjusters are proactively managing outcomes |
| CONCLUDING THE CLAIM | <ul style="list-style-type: none">+ Important to communicate potential settlement prior to claim closure | <ul style="list-style-type: none">+ A good claim is a closed claim+ Continually monitor and revise protocols |

CLAIMS DENIAL

In the event Graham receives a claim denial or reservation of rights letter from the carrier, IMA's Claims Account Executive and Claims Director will:

- + Thoroughly review letter to determine which, if any, of the insurer's coverage position statements are reasonable
- + Discuss our findings with you and determine the best course of action
- + Engage the claims adjuster to understand their position and ensure they are fully aware of all pertinent facts surrounding the claim
- + Fully communicate with you what options remain and develop a go-forward strategy
- + Continue to guide you through the claim adjustment process, troubleshoot coverage issues and protect your rights under your insurance policies
- + If necessary, leverage IMA's prominent position as a leading broker in the industry and reach out to executive-level contacts with the insurer to attempt negotiation of an insured-friendly interpretation of any ambiguities regarding coverage

THIRD-PARTY ADMINISTRATORS (TPA)

IMA regularly facilitates the screening process for TPAs on behalf of, and in conjunction with, our clients.

The process includes:

- + Coordinating RFP development, distribution, and evaluation
- + Facilitating evaluation of third-party administrator (TPA) candidates
- + Negotiating services and pricing with selected TPA partner
- + Assistance with transition and implementation of the new TPA
- + Work with you and TPA to develop claims reporting procedures and special handling instructions
- + Oversight of TPA performance
- + Conduct regular claim reviews and detailed status reports in conjunction with the TPA
- + Serve as resource, advocate ongoing claims management issues

CARE COORDINATOR PROGRAM

IMA Claims has created a “fee-based” program to partner with you to facilitate your workers’ compensation process. This value-added program will positively change the way your managers and employees feel about the workers’ compensation claim process. It is also an effective way to manage workers’ compensation claims and save you money.

The Care Coordinator Program employs a proven approach to assisting clients with moving workers’ compensation claims to closure, with more favorable outcomes. The program is based on immediate post-injury management, taking a proactive approach, and assisting the injured employee through the claim and treatment process. The program ensures the injured employee’s needs are being met, thus reducing the temptation to involve an attorney.

- + Effective way to control workers’ compensation costs
 - Significantly reduces lost time
 - Improves medical utilization
 - Helps prevent or reduce attorney involvement
- + Reduced loss costs, positive return on investment
- + Positive impact on premiums and experience modifier
- + Improved human resources and employee experience

We want to ensure that your employees receive the best care and return to work as soon as possible. The Care Coordinator helps confirm employees are getting the best treatment they need while also containing your company’s workers’ compensation costs.

WORKERS’ COMPENSATION SERVICES

IMA is fortunate to have a Dedicated Workers’ Compensation Specialist in **Sonja Guenther**. The depth and range of her services includes, but is not limited to, the following:

- + Provides scheduled analytical services on workers’ compensation programs and experience modification factors.
- + Audits member’s experience modification factor worksheets to assure data accuracy. Works closely with clients and carrier to correct data that is adversely impacting client.
- + Completes detailed annual experience modification factor analysis. Written reports provide information on both negative and positive elements that are influencing the client’s modification factor. Analytics include a claim-to-mod impact report and insight into what to expect for the mod factor for the upcoming year.
- + Assists with Workers’ Compensation classification coding audits
- + Newsletters provided to clients to keep them apprised of national and regional trends.
- + Work closely with IMA team on unique workers’ compensation cost-saving strategies for clients.
- + Available to clients for special educational presentations on all workers’ compensation topics; trends, experience modification factors, benefits/claims, introduction to workers’ compensation.

RISK CONTROL

IMA's Construction Risk Control Specialists are an extension of Graham's Safety and Risk Management efforts. We are an objective resource whose focus is to impact your overall cost of risk by reducing accident frequency and severity. Our Risk Control team is comprised of thirty-two (32) loss prevention experts. Out of the 32, nine (9) are dedicated to the construction specialty practice group. In addition to the nine who work in construction, we have subject-matter experts in property, fleet safety, environmental, industrial hygiene, employee training, and equipment theft. Our team aims to be strategic partner whose focus is to prepare your team to manage construction risks directly effecting your business.

Strategic services include:

- + Current/regular loss data analysis
- + Comprehensive assessment of current program/policies
- + Comparison to industry best management practices
- + Implementation of a customized safety management system to achieve continuous improvement

Fleet Risk Control Resources

- + **DOT Regulatory Compliance Consultation** – Assess each fleet to validate DOT compliance processes are in place and serve as a trusted resource on all matters related to regulated transportation.
- + **Collision Avoidance Consultation** – Analyze the current fleet safety program, loss trends, and fleet exposures to determine the effectiveness of current controls and work with the Team(s) to develop and implement innovative improvement strategies. Such strategies include technology, training, target communication, and accountability.
- + **Driver Qualification Consultation** – Work with each business partner to ensure consistency in policy and fleet driver qualification process execution. We will serve as a trusted resource to assist in understanding the differences in state/provincial motor vehicle record evaluation.

Property Risk Control Resources

- + Perform an upfront analysis to provide recommendations prior to insurance visits to develop solutions to reduce hazards.
- + Provide seasonal information to property managers to prepare for upcoming season challenges (wind, snow melt, hail, etc.).
- + Automatic Fire Suppression or Detection System analysis on owned properties.
- + Develop appropriate emergency response teams and provide training on the various support systems.
- + Natural hazard peril, Fire protection, electrical maintenance.
- + Help develop electrical maintenance programs for large electrical equipment.

CONTRACTOR'S ENVIRONMENTAL AND PROFESSIONAL LIABILITY PRACTICE

Environmental issues are currently getting more attention than ever. Not only from federal and local regulators, but also private landowners and area residents that are giving extra attention to the operations and facilities in their neighborhood. Professional exposures require expertise as well to identify potential gaps in the risk management program addressing design exposure for complex risks. IMA's depth and experience provides the broad-based knowledge necessary to identify an organization's environmental and professional exposures and the best solutions available for those risks.

IMA utilizes a customized approach to our clients' environmental and professional risks that incorporates:

- + Experienced professionals
- + Sole focus on environmental and professional liability insurance
- + Nationwide service
- + Contractual analysis within the scope of insurance, indemnification agreements/environmental reports and risk management
- + "A" rated insurance carriers, with a variety of product enhancements

EXECUTIVE RISK SERVICES

Knowing the current Executive Risk program is handled on a master program through Canada, providing coverage for the U.S. Subsidiaries, IMA is best placed to support the Canadian broker behind the scenes. IMA is able to provide dedicated private company expertise with U.S. placements, by reviewing in-force policies and current quotes. In addition, we have a dedicated executive risk claims handler, who may help provide opinions and feedback with difficult claims situations.

INTERNATIONAL

IMA's International Department is a master at coordinating some 400 multinational programs around the world. We also communicate and coordinate cross-border programs between the USA and Canada on a day-to-day basis for a number of IMA clients with Canadian operations and also for the service needs in the USA for five different Canadian brokers. In summary, IMA would have no problem working with your broker in Canada to both send and receive coordinating instructions in regard to the various policies that impact exposures and coverage on both sides of the border.

PRIVATE EQUITY PRACTICE

Our Private Equity Practice Group is a powerful resource in performing mergers and acquisitions (M&A) due diligence that creates confidence in understanding both potential risks in the transaction and identifying a plan for managing those risks.

Our due diligence services include:

- + Complete review of the target acquisition's existing insurance program. The analysis includes an evaluation of the appropriateness of insurance coverage levels including liability limits and industry benchmarks for retentions or deductibles. We review the financial strength of the incumbent insurers and offer our perspective on future insurance industry trends that could impact rates or coverages for the target business.
- + Review of indemnity provisions or insurance requirement language found in all existing contracts for services held by the target business.
- + Provide synopsis of past claims, identifying any loss trends that may impact future insurance availability or rates, or that may indicate the need for alternative risk management practices or coverage enhancements. Any active claims are studied and analyzed for loss reserves and progress toward resolution and all potential costs associated with closing of the claim are quantified and reported.

Transactional insurance products are also a component of many deals and can help mitigate the risks of the transaction. Representations and warranties insurance are often used to help bridge the gap between buyer and seller to help get the deal done. We have considerable experience with these policies.

ENERGY PRACTICE

Our Energy Practice is core to IMA's history and one of the largest in the U.S. Similar to IMA's historic approach to other industries, we have spent years building industry expertise, product development and services that specifically apply to the energy industry.

Services and resources of the Energy Practice closely align with those of our Construction Practice and include specialists in the following areas:

- + Dedicated Energy Team
- + Loss Control Specialist
- + Contract Management Specialist
- + Claims Management Specialist
- + Certificate Compliance Specialist
- + Accounting/Finance Help, e.g., Premium Allocations

6. Quality Control

Overall, quality is ensured through a **continuous exchange of open, honest and transparent communication**. This begins with the very first strategic planning meeting and continues throughout the relationship.

This is supported internally through a written standard of professionalism along with education and self-improvement programs for our associates. We emphasize a team approach to quality control; before prepared information is released to a client, fellow team members provide a peer review for errors and accuracy.

We not only monitor quality from our own teams, but from our carriers as well. Within our client surveys we include an exploration of the performance of our service teams and also the services of our carriers. Quarterly audits are performed internally by a group of peers to ensure the accuracy of our

insurance placements and file documentation. Policy checking would be handled by your IMA service team.

IMA monitors certificate and endorsement requests to ensure timely delivery according to our service standards. Certificate requests are completed within 24 hours and endorsements are processed within 3 business days. All rush requests are always handled in less than 2 hours, most within 30 minutes. Additionally, construction clients have a designated contractual certificate technician assigned to review bids/contracts to review insurance requirement compliance and then issues the certificate accordingly.

IMA would work with Graham to establish a score card with a specific statement of requirements included for the risk sharing/bonus measures to be reviewed on a quarterly basis.

7. Compensation Structure

IMA seeks a compensation structure that is fair, transparent and competitive. We believe our compensation should reflect our relationship. We strive for a mutually beneficial partnership where IMA and Graham grow together and celebrate each other's success. With that in mind we would like to collaborate with you to agree upon a structure that allows IMA to deliver the full arsenal of our resources on an "anytime, anywhere, anyplace" basis for the benefit of Graham Group. Unless otherwise noted in this document, all IMA value added services are included within our fee. We would like to review the current program in place to determine a reasonable fee. IMA is making some assumptions below in coming to a range without complete information.

IMA's Proposed Fee Structure:

\$350,000-500,000 annual fee with additional year-end bonus opportunity and/or at-risk portion of fee. We would mutually establish key metrics for measuring success and/or incorporate the services agreement standards.

IMA will receive commission for issuance of Surety Bonds and project-specific placements, including Builders Risk, project-specific Professional Liability, SDI Controlled Insurance Programs, etc. We can evaluate which lines of coverage will allow for IMA to net out commissions and agree on final numbers, to be disclosed and reevaluated each year. IMA will also agree to performance guarantees.

Regarding Surety, once IMA has determined the annual workload to Graham Group's U.S. surety program, IMA would be open to discussing a quasi-fee structure, where commissions are earned, however, there is potential to earn commission above a set threshold which will off-set the P&C fee.

8. Transition Plan

Included here is our proposed transition framework and timeline. A more detailed transition plan and broker services calendar will be developed in collaboration with Graham Group as part of our Initial Planning Phase.

| INITIAL START DATE | PHASE/ACTIVITY | RESPONSIBLE PARTY |
|--------------------|--|-------------------|
| NOV/DEC 2022 | KICK OFF MEETING AND INITIAL PLANNING PHASE | |
| | Introduction of IMA to Graham Group key stakeholders | GG + IMA |
| | Review communication protocols within Graham Group | GG + IMA |
| | Broker of Record (BOR) Letters sent to Graham Group for execution | IMA |
| | Development of Broker Services 12-month calendar draft for Graham Group's review including open items meetings, claim reviews, budgeting process, actuarial, renewal strategy and renewal presentation meetings. | IMA |
| | Begin interim policy review and gap analysis | IMA |
| | Obtain prior brokers list of open items | GG + IMA |
| DEC 2022 | STRATEGY MEETING | |
| | Review Graham Group's long and short-term goals | GG + IMA |
| | Discuss Graham Group's current and desired future risk management initiatives | GG + IMA |
| | Review Graham Group's current Total Cost of Risk (TCoR) | GG + IMA |
| | Discuss options for different program structures and determine next steps | GG + IMA |
| | Identify opportunities for education and training | GG + IMA |

Appendix



IMA accepts Graham Group's proposed Services agreement, with expected additions to the Appendices. IMA's in-house legal counsel has reviewed and does not see any issues with the draft other than the necessary additions that would be made after final negotiations of mutually agreed upon fee and performance standards.

IMA agrees to provide all services within Appendix A Statement of Requirements and accepts the proposed Graham Services Agreement with the expected need to add appendices as mutually agreed upon. See attached redlined version, which suggests some discussion.

SERVICES AGREEMENT

SERVICES AGREEMENT

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SERVICES AGREEMENT

(the “Agreement”)

The effective date of this Agreement is 1st day January 2023.

BETWEEN:

Graham Group Ltd.
 (“Graham”)

- and -

(the “Broker”)

(each a “Party” and collectively, the “Parties”)

WHEREAS Graham wishes to engage Broker to provide insurance and surety brokerage and risk management services (collectively, the “Services”) to Graham, in accordance with the standards as set out in the attached **Schedule “1”**, in the jurisdictions that Graham operates in ¹.

AND WHEREAS Broker warrants that that it is properly licensed to transact business and has the qualifications, knowledge, experience, skills, and resources necessary to provide the Services to Graham;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Services

a. The Broker shall perform the Services in accordance with the terms and conditions of this Agreement, and the service standards set out in **Schedule “1”**, including all necessary associated tasks required for the fulfillment and completion of this Agreement, for a period of twelve (12) months from the effective date of this Agreement (the “Term”).

b. Graham may, at its sole discretion, direct change(s) to the scope of Services, including adding, amending, or removing any Services. If Graham directs change(s) to the scope of Services,

¹ Include Canada Program, US Program, or Canada and US Program.



Graham shall provide Broker with thirty (30) days written notice of such direction. The resulting impact, if any, on compensation payable hereunder shall be dealt with in accordance with the provisions of Section 4(b).

2. Broker Team

a. All Services shall be provided by Broker's personnel that are experienced in their respective fields and have the qualifications, knowledge, and skills as would be expected of an experienced professional providing services in the same discipline.

b. Broker shall perform the Services using only the personnel approved by Graham (collectively, the "Approved Broker Team"), as set out in the attached **Schedule "2"**. Broker shall not remove, add, change, or substitute any individuals on the Approved Broker Team without the prior written consent of Graham.

c. If for any reason, Graham determines, in its sole discretion, that the Approved Broker Team, or any individual(s) on the Approved Broker Team, is not providing the Services in accordance with the standards set out in **Schedule "1"**, or to the satisfaction of Graham, Graham shall provide Broker with notice of same. Upon receipt of such notice by Graham, Broker shall propose replacement personnel to the Approved Broker Team within thirty (30) days of receipt of Graham's notice. Any proposed replacement personnel to the Approved Broker Team must be approved by Graham prior to the proposed replacement personnel providing any of the Services.

d. If the Broker engages a sub-broker, intermediary or managing general agent, or if the Broker otherwise assigns its obligations under this Agreement, in whole or in part, Broker shall provide Graham with details of such an arrangement including the disclosure of any costs, commissions or fees associated with such arrangement. Broker shall be fully responsible to Graham for all acts and omissions of any a sub-broker, intermediary, managing general agent, or other party engaged to perform the Services, in whole or in part, and shall incorporate the terms and conditions of this Agreement into any and all contracts or arrangements as necessary to preserve the rights of Graham under this Agreement. Graham reserves the right to reject without cause the assignment of any Services.

Commented [MR1]: We would need to discuss further what the intent of this section is.

3. Authority

a. Broker is not, and this Agreement does not render Broker, an agent or employee of Graham.

b. Broker shall not enter into any contract, bind, or commit Graham to decisions relating to its insurance without obtaining Graham's prior written consent.



4. Compensation Structure

a. In consideration of the Services provided to Graham, Broker will be compensated in accordance with the Compensation Structure, as set out in the attached **Schedule "3"**. Broker shall not be entitled to compensation for any services not otherwise set forth in this Agreement nor any additional costs, commissions or fees incurred by the Broker in employing a sub-broker, intermediary, managing general agent or other party engaged to perform Services, in whole or in part, without prior written approval from Graham.

b. Graham may propose amendments to the Compensation Structure hereunder. In the event that Graham intends to amend the Compensation Structure, Graham shall provide Broker with written notice of such proposed amendment(s). Should Broker object to any of Graham's proposed amendment(s) to the Compensation Structure, Broker shall provide Graham with written notice of, and reasons for, its objection within ten (10) days of receiving such notice. Thereafter the Parties will seek to negotiate the resulting changes to the Compensation Structure within thirty (30) days thereafter.

c. Broker shall prepare and maintain proper financial records and other policy-related documentation involving transactions related to this Agreement and shall permit Graham or its designated authorized representative to audit such records and documentation for a period of six (6) years after the Term has expired.

5. Graham Duties

a. Graham shall be responsible for payment of all premiums within thirty (30) days after receipt of a proper invoice from the Broker.

b. Graham acknowledges its responsibility to report and communicate to Broker changes in exposures, loss-related data, and other material changes that may affect the Broker's provision of Services.

6. Broker Duties

a. The Services are not of a legal nature, and, in no event, will Broker give, or be required to give, any legal opinion or provide legal representation to Graham.

b. Broker acknowledges that Graham may, at its sole discretion, engage others to perform work or similar services that are the subject of this Agreement or may have its own employees perform the same or similar services contemplated by the Agreement. Broker further acknowledges that this Agreement is not a guarantee of the assignment of any work and that the assignment of work to others is solely at the discretion of Graham.



7. Confidentiality

a. Broker acknowledges that in providing the Services during the Term of this Agreement, Broker may acquire certain sensitive or confidential information about Graham which is not generally known to the public. This information includes but is not limited to all technical, financial or descriptive information, data, terms, including corporate insurance policies, pricing, concepts and know-how relating to proprietary processes of Graham (collectively, the “Confidential Information”).

b. The Confidential Information shall remain the property of Graham. Broker shall take any and all measures necessary to ensure the confidentiality of the Confidential Information. Broker shall not disclose Confidential Information to any third party, including alternate markets except as described in section (f.). Specifically, nothing in this Agreement shall be construed as granting or conferring (either directly or indirectly) to Broker, or any of its representatives, directors, officers, employees, shareholders, lawyers, accountants, financial advisors, affiliates, or other agents (collectively, the “Representatives”) any right, title or license of use in respect of any Confidential Information.

c. Upon termination of this Agreement, Confidential Information in the possession of the Broker shall be promptly deleted (in the case of electronic delivered Confidential Information), destroyed (in the case of physical delivery of Confidential Information), or returned upon Graham’s request. Notwithstanding the return or destruction of any Confidential Information, Broker shall continue to be bound by its obligations of confidentiality and other obligations hereunder. Notwithstanding the foregoing, Broker shall only be required to use commercially reasonable efforts to return or destroy any Confidential Information stored electronically, and neither Broker, nor its Representatives, shall be required to return or destroy any electronic copy of the Confidential Information created pursuant to its or its Representatives’ standard electronic backup and archival procedures, provided that: (i) personnel whose functions are not primarily information technology in nature do not access such retained copies; and (ii) personnel whose functions are primarily information technology in nature access such copies only as reasonably necessary for the performance of their information technology duties, including for the purposes of system recovery.

d. Broker’s obligations to protect Confidential Information shall remain extant from the date of this Agreement and shall survive for six (6) years from the date of receipt of such Confidential Information.

e. Broker shall not be liable for the disclosure of any Confidential Information if such Confidential Information:



- i. is now or hereafter comes into the public domain without breach of this Agreement and through no fault of Broker;
- ii. was received from a third party legally entitled to disclose such Confidential Information; or
- iii. was disclosed by Proponent with the prior written approval of Graham.

f. It is expressly acknowledged and understood by Graham that the obtaining of quotes and the placement of insurance by Broker, may require that certain information, including certain Confidential Information, be provided by Broker to insurers regarding the property and business operations of Graham so as to allow the insurers to adequately assess the risk to be insured, the loss prevention safeguards in place and to process Graham's claims. Graham hereby expressly authorizes Broker to disclose to insurers such Confidential Information which, in Broker's discretion, is reasonably and necessarily required to be disclosed in order to fulfill its performance of the Services. Notwithstanding the foregoing, the Broker shall not disclose Graham's current pricing or policies without Graham's prior consent.

8. Default and Termination

- a. This Agreement and Broker's obligation to provide the Services, as may be amended or revised, shall terminate at the end of the Term of this Agreement.
- b. Notwithstanding the foregoing, Graham may unilaterally terminate this Agreement upon providing Broker with a written notice of termination. Any written notices of termination of this Agreement shall be effective thirty (30) days following the date of the notice, or such longer period as may be set out in the notice.
- c. In the event that Broker breaches this Agreement, including by failing to provide the Services in accordance with the standards set out in **Schedule "1"**, Graham may issue a written notice of default to Broker. Upon receipt of a notice of default, Broker shall remedy the default within five (5) days of receipt of such notice. If Broker cannot reasonably remedy the default by such deadline, Broker may provide Graham with a reasonable reification plan, which shall include the specific method and timeframe for rectification of the default. Graham, in its sole discretion, may accept or reject any rectification plan proposed by Broker.
- d. If Broker fails to remedy, or provide an acceptable plan for rectification, of any default of this Agreement, Graham may, unilaterally and at its sole discretion, immediately terminate this Agreement by providing a written notice of termination.
- e. Broker may unilaterally terminate this Agreement upon providing Graham upon providing Graham with six (6) months written notice.



[Note to Proponents: Impact to compensation to be based upon the final Compensation Structure.]

9. Miscellaneous

a. This Agreement, and its Schedules, contain the entire agreement between Graham and Broker concerning the provision of the Services and supersedes any and all previous agreements, communications, representations, or understandings, whether oral or written, with respect to the subject matter of this Agreement.

b. This Agreement, including any extension to the Term, may only be amended by in writing signed by both Graham and Broker. If this Parties amend the Agreement to extend the Term, all provisions of this Agreement will remain in force and effect.

c. If any provision of this Agreement is held to be in violation of any applicable law, statute, regulation or judicial or administrative order, such provision shall be deemed to be amended to conform to such applicable law, statute, regulation or judicial or administrative order, to the maximum extent permitted by law, and where not so permitted by law, such offending provision shall be deemed to be of no force and effect.

d. The provisions of this Agreement shall be deemed severable. If any provision of this Agreement shall be held unenforceable by any court of competent jurisdiction, such provision shall be modified to the extent necessary to be enforceable, and the remaining provisions shall remain in full force and effect.

e. This Service Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors, assigns, agents, and authorized representatives.

f. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. The Parties expressly waive any right to any forum to which they may otherwise be entitled and submits to the jurisdiction of the Courts of the Province of Alberta for the settlement of any claim or matter arising under this Agreement.

g. Any notice permitted to be given pursuant to this Agreement shall be sent by email, to each of the Parties' representatives, as indicated below, or as the Parties may from time-to-time direct in writing:

| | |
|---|-----------------------------------|
| GRAHAM GROUP LTD. Attention: Tony Clark & Deana Musgreave | BROKER Attention: _____ |
|---|-----------------------------------|



10840 27th Street SE
Calgary, AB T2Z 3R6

tony.clark@graham.ca
deana.musgreave@graham.ca

[Address]

[Email Address(es)]

IN WITNESS WHEREOF the Parties have executed this Agreement intending to be legally bound:

GRAHAM GROUP LTD.

BROKER

Per:

Per:

Name: Tony Clark
Title: Chief Legal and Risk Officer

Name:
Title:



SCHEDULE "1"
Services and Services Standards

[Note to Proponents: To be completed based upon Statement of Requirements and Proposals received.]



SCHEDULE "2"

Approved Broker Team

The following Approved Personnel shall provide the Services as follows:

[Note to Proponents: to be finalized with successful Proponent(s)]



SCHEDULE "3"
Compensation Structure

[Note to Proponents: to be finalized with successful Proponent(s)]



About IMA Financial Group

Based in North America, **IMA Financial Group, Inc.** is an integrated financial services company focused on protecting the assets of its widely varied client base through insurance, risk management and wealth management solutions. As an employee-owned company, IMA's 1,800-plus associates are empowered to provide customized solutions for their clients' unique needs.

