

Vendor's Offer

It is required that Offeror complete, sign and submit the original of this form to the City Procurement Office with the proposal response offer. An unsigned "Vendor's Offer", late proposal response and/or a materially incomplete response will be considered nonresponsive and rejected.

Offeror is to type or legibly write in ink all information required below.

Company Name:

Metropolitan Property and Casualty Insurance Company (MetLife Auto & Home)

Company Mailing Address:

Corporate:

700 Quaker Lane, Warwick, RI 02887

Sales:

6400 South Fiddlers Green Circle, Greenwood Village, CO 76830

Contact Person: Eric Eaton

Title: Senior Account Executive

Phone No.: (303) 754-5405 FAX: (303) 799-9534

E-mail: eeaton@metlife.com

Company Tax Information:

Arizona Transaction Privilege (Sales) Tax No.:

MetLife Auto & Home is licensed in the State of Arizona

Arizona Use Tax No.: N/A

Federal I.D. No.: 13-2725441

City & State Where Sales Tax is Paid: N/A

If a Tempe based firm, provide Tempe Transaction Privilege (Sales) Tax No.: Not Applicable

THIS PROPOSAL IS OFFERED BY

Name of Authorized Individual (TYPE OR PRINT IN INK) Eric Eaton

Title of Authorized Individual (TYPE OF PRINT IN INK) Senior Account Executive

REQUIRED SIGNATURE OF AUTHORIZED OFFEROR (MUST SIGN IN INK)

By signing this Proposal Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other Offeror or potential Offeror. In accordance with A.R.S. 35-393, et seq., the Offeror hereby certifies that it does not have scrutinized business operations in Iran or Sudan. Failure to sign and return this form with proposal offer will be considered nonresponsive and rejected.

Eric Eaton

Signature of Authorized Offeror

July 13, 2010

Date

Form 201-B (RFP)
(H/RFP 3-2008)

INSTRUCTIONS TO OFFERORS

Failure to follow these instructions shall result in rejection of a proposal for non-responsiveness or cancellation of any Contract awarded.

1. Preparation of Proposal:

- A. Offers shall be submitted to the City of Tempe ("City") in the sequence specified herein, on the forms attached hereto, including Vendor's Offer, form no. 201-B(RFP).
- B. All proposals shall be submitted on the forms provided in this Request for Proposal, signed by an authorized signer and returned with the Proposal to the City.
- C. Completed and signed proposal forms for offer, acceptance and any solicitation amendments shall be signed by an authorized signer. Such proposal constitutes an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit all additional data, documentation, or information as requested by the City, signifying its intent to be bound by the terms of the Request for Proposal.
- D. Negligence in preparation of a proposal confers no right of withdrawal. Offeror is solely responsible for seeking clarification of any requirement and presenting accurate information in the proposal. The City shall not reimburse any costs for a proposal, or its submission, presentation or withdrawal, for any reason.
- E. Offeror shall identify each subcontractor(s) to be utilized in the services and/or work set forth herein, in the proper form as indicated.

MetLife has followed the Preparation of Proposal Instructions as listed. Following is a listing of our subcontractors and/or vendors which assist us in providing quality insurance services to our customers.

MetLife Auto & Home retains the services of vendors in administering its business. Services provided by vendors for MetLife Auto & Home include:

- Direct Mail services
- Services to process policies and claims for MetLife Auto & Home's policyholders.
- Services related to the answer and documentation of calls received from interested third parties (currently no MetLife Auto & Home Group Program policyholders).

MetLife Auto & Home performs careful due diligence in the process of selecting vendors. All vendors must enter into a contract with MetLife Auto & Home which requires the vendor to maintain the confidentiality of all non-public personal and proprietary information. Please be assured that MetLife Auto & Home retains liability for all services, provided directly by MetLife Auto & Home or a vendor in the performance of our contracts. Due to the number and nature of our agreements with vendors / subcontractors, we are unable to provide more specific details.

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2. **Late, Unsigned and/or Incomplete Proposal:** A late, unsigned and/or materially incomplete proposal will be considered nonresponsive and rejected.

Noted

3. **Inquiries:** Questions regarding this Request for Proposal shall be directed to the City Procurement Officer identified on the cover page of this document, unless another City contact is specifically named. Inquiries shall be submitted in writing, identifying the appropriate Request for Proposal's number, page and paragraph at issue. **PLEASE NOTE: Offeror must not place the Request for Proposal number on the outside of an envelope containing questions.** Oral responses provided by the City shall have no binding effect or legal effect. Inquiries should be submitted no later than ten (10) days before proposal opening. Those received within ten (10) days of proposal opening shall not be considered. The City reserves the right to contact Offerors to obtain additional information for use in evaluating proposal and solicitation requirements.

Noted

4. **Proposal Conference:** If a proposal conference is scheduled, Offeror shall attend the conference to seek clarification of any points of confusion or requirements at issue.

Noted

5. **Withdrawal of Proposal:** At any time before the specified proposal opening date and time, an Offeror may withdraw its proposal by way of written correspondence from the Offeror or its authorized representative.

Noted

6. **Proposal Addendum(s):** Receipt and acceptance of a Request for Proposal Addendum shall be acknowledged by signing and returning the document either with the vendor's proposal offer or by separate envelope prior to proposal opening date and time. Failure to sign and return an addendum prior to proposal opening time and date shall result in the proposal being considered nonresponsive to that portion of the Request for Proposal and may result in rejection.

Noted

7. **Evaluation:** The City shall determine whether a proposal meets the specifications and requirements of this Request for Proposal, at its sole discretion, and reject any proposals not meeting the intent or requirements set forth therein. The City reserves the right to reject any and all proposals.

Noted

8. **Payment:** For a single requirement purchase, the City will make an effort to remit payment within thirty (30) calendar days from receipt and approval of acceptable products,

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materials and/or services and approval of correct invoice. For ongoing term Contract purchases, the City will make an effort to remit payment within thirty (30) calendar days from approval of monthly statement.

Not applicable.

9. **Discounts:** Payment discounts periods shall be computed from the date of receipt of acceptable products, materials and/or services or correct invoice, whichever is later to the date payment is mailed. Discounts shall be taken on the full amount of the invoice, unless otherwise indicated. City shall be entitled to receive any discounts offered by Offeror, if payment is made within the discount period.

Not applicable to MetLife Auto & Home's proposal for providing insurance coverage.

10. **Compliance with City Solicitation Requirements:** Unless stated otherwise in this Request for Proposal, the City reserves the right to award by individual line item, by group of items, or as a total at City's discretion. The City expressly reserves the right to waive any immaterial defect or informality, or reject any or all proposals, or portions thereof, or reissue this Request for Proposal.

Noted

11. **Award of Contract:** A proposal shall constitute a binding offer to Contract with the City based on the terms, conditions and specifications contained in this Request for Proposal. An Offeror shall become a Contractor only upon execution of a formal Contract from the City Procurement Office ("Contract"). Unless this Request for Proposal includes separate contract document(s) or requires the Offeror to submit a contract for review, a contract shall be formed when the City Procurement Office provides a written notice of award or a purchase order to the successful Offeror. All items and conditions of the Contract are contained herein, unless modified by an amendment approved by the City. Proposals that take exception to the terms, conditions, specifications and/or other requirements stated within this Request for Proposal may cause the vendor's proposal offer to be considered as nonresponsive and rejected. Exceptions will be evaluated on an individual basis to determine compliance with the purpose and intent of the terms and conditions stated within this solicitation. The City shall be the sole judge as to whether an exception complies with the general purpose and intent of any term, condition and/or specification set forth herein.

See attached MetLife Auto & Home Group Insurance Program standard agreement.

12. **Taxes:** All materials, equipment and/or products shall be proposed as F.O.B. City, prepaid. Unless specified herein, sales, use or federal excise tax shall not be included in proposal pricing. The City is exempt from payment of federal excise tax. For proposal evaluation, transaction (sales) privilege tax paid (returned) to the City is considered a pass-through cost, calculated as zero (0) expense. For information on privilege (sales) tax, please contact the City's Tax and License Office at (480) 350-2955 or visit their web site at www.tempe.gov/salestax.

Not applicable to MetLife Auto & Home's proposal to provide property and casualty insurance.

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If you have questions regarding taxes applicable to our proposal, please contact your Sales Contact, Eric Eaton, who will consult with our legal department.

13. **Payment by City Procurement Card:** The City Procurement Office may elect to remit payment through the use of a City procurement card. Each Offeror may indicate on the Price Sheet of this Request for Proposal, its ability to accept City procurement card payments. The inability to accept payment by City procurement card will not disqualify a proposal.

We do not believe this is applicable to MetLife Auto & Home's proposal to provide property and casualty insurance. If it is, we would be willing to discuss upon receiving additional information upon being named a finalist.

14. **Proposal Results:** Offerors may attend the scheduled proposal opening at which the name of each Offeror will be publicly read. All other information contained in the proposals shall be kept confidential until contract is awarded. After award of contract, an appointment may be made with the City Procurement Officer to review proposal documents. Formal Contract award results shall be placed on the Procurement Office web page (www.tempe.gov/purchasing) and posted at the front counter of the Procurement Office at the time the Contract award is approved by the City Council. Award recommendations may also be viewed via the City Clerks web site normally up to 5 days prior to the scheduled City Council meeting by visiting (<http://documents.tempe.gov/sirepub/web>).

Noted.

15. **Protests:** Any actual or prospective Offeror who is aggrieved in conjunction with this Request for Proposal or award may protest the award to the City Procurement Office. A protest based upon alleged improprieties in this Request for Proposal that are apparent before the proposal opening shall be filed prior to the proposal opening. A protest concerning an award recommendation must be filed within ten (10) business days after the date of award. Up to five (5) days before award of a Contract, the City Procurement Office will post award recommendations on its web page (www.tempe.gov/purchasing) and at the Procurement Office front counter for public review. A protest shall be in writing and include the protester's name, address and phone number, identification of the solicitation or Contract being protested, a detailed statement of the legal and factual grounds of the protest, including copies of all relevant documents, and the form of relief requested. A protest is to be on the protester's company letterhead and signed by the protestor or its authorized representative.

Noted.

16. **Compliance of Proposal Offeror/Contractor Forms:** Any documents or forms (including separate contract, maintenance agreement or training agreement intended by the Offeror to be utilized in any resulting Contract, must be submitted with proposal. Any documents inconsistent with or taking exception to the terms, conditions, specifications and/or other requirements stated within this Request for Proposal may cause the proposal to be considered as nonresponsive and rejected. No documents will be considered unless submitted with vendor's proposal offer and approved by the City Procurement Office.

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MetLife has provided a 'Sample MetPay Program Agreement' as requested.

We have also addressed the various sections of the Request for Proposal. Please refer to our entire Proposal Response and the Cost & Benefit Summaries for our property and casualty proposal.

17. **Definitions:** For purposes of this Request for Proposal and resultant Contract, the following definitions apply:

- A. "City" means the municipal corporation of the City of Tempe, Arizona.
- B. "Code Governance" means unless otherwise specified herein, the provisions of the Tempe City Code, Chapter 26A shall apply and govern this Request for Proposal.
- C. "Contract" means the agreement for the procurement of goods, services, work, construction or concessions.
- D. "Contractor" means an Offeror responding to a Request for Proposal who has been awarded a Contract with the City.
- E. "Offer" means a written offer to furnish goods, services, work, materials, construction and/or concessions to the City, in conformity with the standards, specifications, delivery terms and conditions, and all other requirements established in a competitive solicitation.
- F. "Offeror" means a business, entity or person who submits an offer in response to a competitive solicitation.
- G. "Public Record" means proposals and all other documents submitted in response to this solicitation shall become the property of the City and shall be a matter of public record available for review following the Contract award.
- H. "Purchase Order" means a document issued by the City Procurement Office directing the Contractor to deliver goods, services, work, materials, construction and/or concessions to the City.
- I. "Request for Proposal" means a competitive solicitation issued by the City for the procurement of goods, services, work, materials, construction and/or concessions.

Noted

18. **Responsiveness to Specifications:** Performance or feature requirements which are designated as mandatory or minimums are needed in order to satisfy an identified task or performance need. A description is given for each designated feature. This description shall be used to determine if Offeror's proposed product(s) and/or service(s) is/are capable of performing the function(s) specified in the Request for Proposal.

It is recognized that more than one method may be used to accomplish the sought after task functionality. If Offeror has an alternate method of performing functional tasks, then Offeror shall list such method as an "alternate," and described in full detail within the Proposal. The City shall be the sole judge as to whether any alternate methodology will be accepted.

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"Must," "shall," "will", "minimum", "required" and/or "mandatory" performance/feature statements must be met or exceeded by the Offeror. Should no Offeror be found totally responsive to all designated Request for Proposal requirements, the City at its option, may either award the Contract to the most responsive Offeror or cancel the Request for Proposal and issue another Request for Proposal for the need under revised specifications.

Noted

19. **Technical Questionnaire:** Offeror must complete the Technical Questionnaire portion of this Request for Proposal and provide any documentation required to support the answers to the Questionnaire. Questionnaire items, which are designated as mandatory, are needed to satisfy a required task or performance criteria. Items, which may be listed as desirable, are not required to be responsive to the Request for Proposal and will be relatively evaluated against other proposals in making a final award decision.

If supporting documentation is required, Offeror shall provide the documentation in the sequence set forth in the Request for Proposal and ensure all technical literature and/or narrative explanations fully address the specifics of the question. Vague or disorganized responses that do not allow sufficient information for evaluation purposes may result in rejection of a Proposal.

Provided.

20. **Proposal Opening:** Proposals shall be opened at the time and place designated on the cover page of this Request for Proposals. The name of each Offeror and the identity of the Request for Proposals for which the proposal was submitted shall be publicly read and recorded in the presence of witnesses. Proposals, modifications and all other information received in response to this Request for Proposals shall be shown only to City personnel having a legitimate interest in its evaluation. Prices shall not be read. After Contract award, the proposals and the evaluation documentation shall be open for public inspection.

Noted.

21. **Technical Proposal Opening:** Technical proposals (as received in step one of a two step bidding process) shall be opened at the time and place designated on the cover page of this document. The name of each Offeror and the identity of the Request for Proposals for which the proposal was submitted shall be publicly read and recorded in the presence of witnesses. Proposals, modifications and all other information received in response to this Request for Proposal shall be shown only to City personnel having a legitimate interest in the evaluation. Evaluation documentation to substantiate technical proposal selection(s) shall be open for public inspection.

Noted.

22. **Proposal Evaluation and Award:** Award(s) shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the City, taking into

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consideration the evaluation factors set forth in the Request for Proposals. The City shall be the sole judge as to the acceptability of the products and/or services offered.

Noted.

23. **Clarifications and Negotiations with Offerors and Revisions to Proposal:** Clarifications may be made with any submitting firm at any time during the evaluation phase of this procurement. Clarifications are not negotiations and may be utilized by the City to ensure thorough and complete understanding of, and responsiveness to, the solicitation requirements. Negotiations may be conducted with responsible Offerors who submit proposals determined to be reasonably susceptible of being selected for award. The purpose of negotiations is to allow the City and the Offeror(s) to revise initial offers through an exchange or series of exchanges. Should the City elect to call for final proposal revisions (best and final offers), Offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiations and revision of proposals, and such revisions may be permitted after submissions and prior to award. In conducting clarifications and negotiations there shall be no disclosure of any information derived from proposals submitted by competing Offerors. The purposes of such negotiations shall include but not be limited to:

- A. Determine in greater detail such Offeror's qualifications;
- B. Explore with the Offeror the scope and nature of the project, the Offeror's proposed method of performance, and the relative utility of alternate methods of approach;
- C. Determine that the Offeror will make available the necessary personnel and facilities to perform within the required time; and
- D. Agree upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

Noted.

24. **Code Governance:** Unless otherwise specified herein, the provisions of the Tempe City Code, Chapter 26A shall apply and govern this Request for Proposal.

If MetLife does business with City of Tempe, it intends to comply with all applicable laws. Further details concerning this law will need to be discussed upon being named a finalist.

25. **Public Record:** Proposals and all other documents submitted in response to this solicitation shall become the property of the City and shall be a matter of public record available for review following the Contract award. Material portions of the recommended offer(s) as determined by the City may be posted to the City's web site up to five days prior to City Council meeting.

Noted.

STANDARD TERMS & CONDITIONS

Please note that these Standard Terms & Conditions shall be fully complied with by Offeror. Failure to comply with these requirements may result in rejection of a proposal for non-responsiveness, or cancellation or termination of any awarded Contract.

MetLife Auto & Home Comments:

Please note that MetLife Auto & Home has responded below to specific items, however, if further details and/or discussions are needed, we are willing to discuss further upon being named a finalist.

1. **Applicable Law:** This Contract shall be governed by, and the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code as adopted in the State of Arizona, except as otherwise provided in this Request for Proposal and resultant Contract, and all statutes or ordinances pertaining specifically to the City. This Contract shall be governed by State of Arizona law and suits pertaining to this Contract may only be brought in courts located in Maricopa County, Arizona.

OK for the contract between the City and MetLife Auto & Home. As to insurance policies issues as a result of the MetLife Auto & Home Group Insurance Program, the terms and conditions of the policies apply.

2. **Arizona Climate Action Compliance:** Offeror shall comply with all applicable standards, laws, rules, orders and regulations issued pursuant to A.R.S. §49-101, *et seq.*, including but not limited to, Arizona Executive Orders Nos. 2006-13 and 2005-02, with regard to reducing GHG emissions, increasing energy efficiency, conserving natural resources and developing renewable energy sources.

MetLife Auto & Home is in compliance with all laws applicable to our proposal.
If MetLife does business with City of Tempe, it intends to comply with all applicable laws.
Further details concerning this law will need to be discussed upon being named a finalist.

3. **Availability of Funds for the Next Fiscal Year:** The City's obligation for performance of the Contract is contingent upon the availability of City, state and federal funds that are allocated or appropriated for payment obligations of the Contract. If funds are not allocated by the City or available for the continued use or purchase of services, work and/or materials set forth herein, the City may terminate the Contract. The City will use reasonable efforts to notify Contractor of such non-allocation affecting the obligations of Contractor and/or City. City shall not be penalized or adversely affected for exercise of its termination rights. Further, City shall in no way be obligated or liable for additional payments or other damages as a result of such termination. No legal liability on the part of the City for any payment may arise for performance under this Contract.

Not Applicable

4. **Certification:** By signing the "Vendor's Offer", form 201-B (RFP), the Offeror certifies:
 - A. The submission of the vendor's proposal offer response did not involve collusion or other anti-competitive practices.

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- B.** City is an equal opportunity, affirmative action employer. Offeror hereby covenants that it shall not discriminate unlawfully against any employee or applicant for employment, nor shall it deny the benefits of this Contract, to any person on the basis of race, color, national origin, physical or mental disability, age, sex or veteran status. Offeror agrees and covenants that it will comply in all respects with the applicable provisions of Executive Order 11246, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Vietnam Era Veterans' Readjustment Assistance Act, the Rehabilitation Act, Arizona Executive Order No. 99-4, and all other applicable state and federal statutes governing equal opportunity.
- C.** Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to sign the "Vendor's Proposal Offer" or signing it with a false statement shall void the submitted proposal and any resulting Contract. In addition, the Offeror may be barred from future proposal and bidding participation with the City and may be subject to such further actions as permitted by law.
- D.** The Offeror agrees to promote and offer to the City only those materials and/or services as stated and allowed by this Request for Proposal and resultant Contract award. Violation of this condition shall be grounds for Contract termination by the City.
- E.** The Offeror expressly warrants that it has and will continue to comply in all respects with Arizona law concerning employment practices and working conditions, pursuant to A.R.S. § 23-211, *et seq.*, and all laws, regulations, requirements and duties relating thereto. Offeror further warrants that to the extent permitted by law, it will fully indemnify City for any and all losses arising from or relating to any violation thereof.
- F.** Offeror agrees and covenants that it will comply with any and all applicable governmental restrictions, regulations and rules of duly constituted authorities having jurisdiction insofar as the performance of the work and services pursuant to the Contract, and all applicable safety and employment laws, rules and regulations, including but not limited to, the Fair Labor Standards Act, the Walsh-Healey Act, Arizona Executive Order No. 99-4, and the Arizona Fair and Legal Employment Act, along with all laws, rules and regulations attendant thereto. Offeror acknowledges that a breach of this warranty is a material breach of this Contract and Offeror is subject to penalties for violation(s) of this provision, including termination of this Contract. City retains the right to inspect the documents of any and all contractors, subcontractors and sub-subcontractors performing work and/or services relating to the Contract to ensure compliance with this warranty. Any and all costs associated with City inspection are the sole responsibility of Offeror. Offeror hereby agrees to indemnify, defend and hold City harmless for, from and against all losses and liabilities arising from any and all violations thereof.

If MetLife Auto & Home does business with City of Tempe, it intends to comply with all applicable laws. Further details concerning this law will need to be discussed upon being named a finalist.

Contractors and subcontractors:

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Each subcontractor arrangement has been entered with focus on ensuring we provide the best and most effective services for our corporate customers and our insureds.

Although MetLife Auto & Home is accountable for the performance of all subcontractors, we are unable to agree to the inspection of all contractors, subcontractors and sub-subcontractors performing work and/or services.

Hold Harmless:

Our contract includes the following language:

Section 9. Indemnification. Each of the parties hereto will indemnify and defend the other if sued for the other's negligence, error, omission or breach of confidentiality with respect to the terms of this Agreement. In addition, Account will indemnify and defend MetLife Auto & Home if MetLife Auto & Home is sued due to the fact that Account has not deducted the correct amount in connection with a payroll deduction as set forth in the notice provided by MetLife Auto & Home to Account pursuant to the terms hereof or due to other errors caused by Account in connection with payroll deductions. In addition, MetLife Auto & Home will indemnify and defend the Account if Account is sued for (a) something MetLife Auto & Home has done in connection with its offer, provision and/or cancellation of insurance provided pursuant to the terms hereof and/or (b) an error in the payroll deduction notice provided by MetLife Auto & Home to Account. In the event of a claim, the indemnified party agrees to notify the indemnifying party as soon as possible after it learns of the claim and to cooperate with the indemnifying party in its resolution and/or defense. This indemnity includes: defense, indemnification and holding harmless of the indemnified party and its officers, directors and employees from and against all losses, costs, expenses and outside counsel legal fees which shall actually and reasonably be sustained and which are directly caused by the actions of the indemnifying party.

5. **Commencement of Work:** Contractor is cautioned not to commence any work or provide any materials or services under the Contract until and unless Contractor receives a purchase order, Notice to Proceed, or is otherwise directed in writing to do so, by the City.

Noted

6. **Confidentiality of Records:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.

Acknowledged

7. **Conflict of Interest:** This Contract is subject to the cancellation provisions of A.R.S. § 38-511.

Noted

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8. **Contract Formation:** This Contract shall consist of this Request for Proposal and the vendor's proposal offer submitted, as may be found responsive and approved by the City. In the event of a conflict in language between the documents, the provisions of the City's Request for Proposal shall govern. The City's Request for Proposal shall govern in all other matters not otherwise specified by the Contract between the parties. All previous contracts between the Offeror and the City are not applicable to this Contract or other resultant contracts. Any contracted vendor document(s) that conflict with the language and requirements of the City's solicitation are not acceptable and void the Contract.

Noted

9. **Contract Modifications:** This Request for Proposal and resultant Contract may only be modified by a written contract modification issued by the City Procurement Office and counter-signed by the Contractor. Contractors are not authorized to modify any portion of this solicitation or resulting Contract without the written approval of the City Procurement Office and issuance of an official modification notice.

Noted

10. **Contracts Administration:** Contractor must notify the designated Procurement Officer from the City's Procurement Office for guidance or direction of matters of Contract interpretation or problems regarding the terms, conditions or scope of this Contract. The Contract shall contain the entire agreement between the City and the Contractor and the Contract shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders or master agreements in any form.

Noted

11. **Cooperative Use of Contract:** Any Contract resulting from this solicitation shall be for the use of the City of Tempe. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tempe's Department of Procurement are eligible to participate in any subsequent Contract. Additionally, this Contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See <http://www.maricopa.gov/Materials/SAVE/save-members.pdf> for a listing of participating agencies. The parties agree that these lists are subject to change. Any such usage by other municipalities and government agencies must be in accord with the ordinance, charter and/or rules and regulations of the respective political entity.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others. Contractor shall be responsible for correctly administering this contract in accordance with all terms, conditions, requirements, and approved pricing to any eligible procurement unit.

MetLife Auto & Home's agreement is with the City of Tempe; however, we would be willing to provide proposals for any other municipalities upon request.

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11. **Dispute Resolution:** This Contract is subject to arbitration to the extent required by law. If arbitration is not required by law, the City and the Contractor agree to negotiate with each other in good faith to resolve any disputes arising out of the Contract. In the event of any legal action or proceeding arising out of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred with said fees and costs to be included in any judgment rendered.

Confirmed, with the exception of the last sentence as our contract provides for the parties equally splitting costs of arbitration.

13. **Energy Efficient Products:** The City may consider energy conservation factors including costs in the evaluation of equipment and product purchases for the purpose of obtaining energy efficient products. In addition, vendor proposal offers may specify items that have been given an energy efficient classification by the federal government for consideration by the City.

Not applicable to MetLife Auto & Home's proposal to provide property and casualty insurance.

14. **Billing:** All invoices submitted by Contractor for City's review and approval shall be in itemized form to identify the specific item(s) being billed. Items must be identified by the name, model number, and/or serial number most applicable. Any purchase/delivery order issued by the City shall refer to the Contract number resulting from this Invitation for Bid. Separate invoices are required on individual contracts or purchase orders. Only invoices with items resulting from this Request for Proposal will be accepted for review and approval by the City.

Not applicable to MetLife Auto & Home's proposal to provide property and casualty insurance.

As to the payroll deduction process, prior to each payroll run, MetLife Auto & Home will provide the City of Tempe with a bill file containing updated payroll deduction amounts. After each payroll run, we will ask that a confirmation file be returned to us in order to verify the actual deductions taken from the employees' paychecks. We will then use this information to update our policy records in time for the next bill cycle. After MetLife Auto & Home receives the confirmation file, an invoice is generated equal to the sum of deductions reported on the confirmation file. Payment can be remitted to MetLife Auto & Home by check or by wire on a pay period or monthly basis.

A MetLife Account Representative will work with representatives from your payroll and human resources departments to assist with the ongoing administration of the program. The Account Representative is responsible for day to day operations including the monitoring of the billing, confirmation and eligibility process and can answer any questions as they pertain to individual insured information and payroll deduction. The Account Representative is also dedicated to resolving escalated service issues once coverages are effective.

Employees participating in the MetLife Auto & Home Group Insurance Program will have access to the MetLife Auto & Home customer service center. Your employees will have a single 800# they can call for premium quotations, binding coverage, claims reporting, billing questions and more.

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15. **Estimated Quantities:** This Request for Proposal references quantities as a general indication of the City needs. The City anticipates considerable activity resulting from Contracts that will be awarded as a result of this Request for Proposal; however, the quantities shown are estimates only and the City of Tempe reserves the right to increase or decrease any quantities actually acquired, in its sole discretion. No commitment of any kind is made concerning quantities and Offeror hereby acknowledges and accepts same.

Not applicable to MetLife Auto & Home's proposal to provide property and casualty insurance.

16. **Events of Default and Termination:**

- A. The occurrence of any or more of the following events shall constitute a material breach of and default under the Contract. The City reserves the right to terminate the whole or any part of the Contract due to Contractor's failure to fully comply with any term or condition herein.
- i) Any failure by Contractor to pay funds or furnish materials, services and/or goods that fail to conform to any requirement of this Contract or provide personnel that do not meet Contract requirements;
 - ii) Any failure by Contractor to observe, perform or undertake any provision, covenant or condition of this Contract to be observed or performed by Contractor herein, including but not limited to failing to submit any report required herein;
 - iii) Any failure to make progress in the performance required pursuant to the Contract and/or gives the City reason to believe that Contractor cannot or will not perform to the requirements of the Contract; or,
 - iv) Any failure of Contractor to commence construction, work or services within the time specified herein, and to diligently undertake Contractor's work to completion.
- B. Upon and during the continuance of an event of default, City, at its option and in addition to any other remedies available by law or in equity, without further notice or demand of any kind to Contractor, may do the following:
- i) Terminate the Contract;
 - ii) Pursue and/or reserve any and all rights for claims to damages for breach or default of the Contract; and/or,
 - iii) Recover any and all monies due from Contractor, including but not limited to, the detriment proximately caused by Contractor's failure to perform its obligations under the Contract, or which in the ordinary course would likely result therefrom, including, any and all costs and expenses incurred by City in: (a) maintaining, repairing, altering and/or preserving the premises (if any) of the Project; (b) costs incurred in selecting and retaining substitute contractor for the purchase of services, materials and/or work from another source; and/or (c) attorneys' fees and costs in pursuing any remedies under the Contract and/or arising therefrom.

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- C. The exercise of any one of City's remedies as set forth herein shall not preclude subsequent or concurrent exercise of further or additional remedies. In addition, the City shall be entitled to terminate this Contract at any time, in its discretion. The City may terminate this Contract for default, non-performance, breach or convenience, or pursuant to A.R.S. § 38-511, or abandon any portion of the project for which services have not been fully and/or properly performed by the Contractor.
- D. Termination shall be commenced by delivery of written notice to Contractor by the City personally or by certified mail, return receipt requested. Upon notice of termination, Contractor shall immediately stop all work, services and/or shipment of goods hereunder and cause its suppliers and/or subcontractors to cease work pursuant to the Contract. Contractor shall not be paid for work or services performed or costs incurred after receipt of notice of termination, nor for any costs incurred that Contractor could reasonably have avoided.
- E. The City, in its sole discretion, may terminate or reduce the scope of this Contract if available funding is reduced for any reason.

Please refer to the Sample MetPay Program Agreement for details regarding our Default and Termination provisions.

17. **Termination for Convenience:** The City at its sole discretion may terminate this contract for convenience with 30 days advance notice to Contractor. Contractor shall be reimbursed for all appropriate costs as provided for within the contract up to the termination date specified.

MetLife Auto & Home's standard MetPay Program Agreement contains the following termination language.

Section 6. Term/Termination. The term of the Agreement shall be one (1) year from the date hereof (the "Initial Term"). Upon the completion of the Initial Term, this Agreement shall continue for successive annual terms until terminated. At any time after the initial term, either party may terminate this Agreement upon ninety (90) days' prior written notice to the other. At any time, either during or after the Initial Term, the parties may mutually agree to terminate this Agreement. In addition, either party may terminate this Agreement, in whole or in part, upon ninety (90) days' prior written notice if the other party breaches its agreements hereunder and fails to cure its breach within sixty (60) days of being given notice of such breach.

18. **Force Majeure:**

- A. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under the Contract only in the event that and to the extent that such party's performance of the Contract is prevented by reason of force majeure. Force majeure means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, mobilization, labor disputes, civil disorders, fire, floods, lockouts, injunctions, failures or refusal to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

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- B. Force majeure shall not include the following occurrences:
- i) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.
 - ii) Late performance by a subcontractor.
- C. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours of the commencement thereof and shall specify the causes of such delay in the notice. Such notice shall be hand delivered or sent via certified mail and shall make a specific reference to this clause, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing by hand delivery or certified mail when it has done so. The time of completion shall be extended by Contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with the Contract.

It is MetLife Auto & Home's position that this provision is not applicable to the nature of the services which would be provided by MetLife Auto & Home if awarded the business.

19. **Gratuities:** The City may elect to terminate any resultant Contract, if it is found that gratuities in any form were offered or given by the Contractor or agent thereof, to any employee of the City or member of a City evaluation committee with a view toward securing an order, securing favorable treatment with respect to awarding, amending or making of any determinations with respect to performing such order. In event the Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from Contractor the amount of gratuity.

Noted

20. **Indemnification:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, officer, officials, and employees from and against all claims, damages, losses and expenses (including but not limited to attorney's fees, court costs, and the costs of appellate proceedings), arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work, services, or professional services of the Contractor, its agents, employees, or any other person (not the City) for whose acts, errors, mistakes, omissions, work, services, or professional services the Contractor may be legally liable in the performance of this contract. Contractor's duty to hold harmless and indemnify the City, its agents, officers, officials and employees shall arise in connection with any claim for damage, loss or expenses that is attributable to bodily injury, sickness disease, death, or injury to, impairment, or destruction of any person or property, including loss of use resulting from, caused by any acts, errors, mistakes, omissions, work, services, or professional services in the performance of this contract by Contractor or any employee of the Contractor or any other person (not the City) for whose acts, errors, mistakes, omissions, work, or services the Contractor may be legally liable. The amount and type of insurance coverage requirement set forth herein will in no way be construed as limiting the

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scope of indemnity in this paragraph. This provision shall survive the term of this Contract.

Our contract includes the following language which has been approved by our Board of Directors. :

Section 9. Indemnification. Each of the parties hereto will indemnify and defend the other if sued for the other's negligence, error, omission or breach of confidentiality with respect to the terms of this Agreement. In addition, Account will indemnify and defend MetLife Auto & Home if MetLife Auto & Home is sued due to the fact that Account has not deducted the correct amount in connection with a payroll deduction as set forth in the notice provided by MetLife Auto & Home to Account pursuant to the terms hereof or due to other errors caused by Account in connection with payroll deductions. In addition, MetLife Auto & Home will indemnify and defend the Account if Account is sued for (a) something MetLife Auto & Home has done in connection with its offer, provision and/or cancellation of insurance provided pursuant to the terms hereof and/or (b) an error in the payroll deduction notice provided by MetLife Auto & Home to Account. In the event of a claim, the indemnified party agrees to notify the indemnifying party as soon as possible after it learns of the claim and to cooperate with the indemnifying party in its resolution and/or defense. This indemnity includes: defense, indemnification and holding harmless of the indemnified party and its officers, directors and employees from and against all losses, costs, expenses and outside counsel legal fees which shall actually and reasonably be sustained and which are directly caused by the actions of the indemnifying party.

21. Interpretation of Parol Evidence: This Contract is intended as a final expression of the agreement between the parties and as a complete and exclusive statement of the Contract, unless the signing of a subsequent Contract is specifically called for in this Request for Proposal. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of the Contract, even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

Contractor shall respond within five (5) calendar days after notice by the City of any defects and/or maintenance requests to immediately remedy the condition of the job site. Should the Contractor fail to respond promptly as set forth herein, the City shall correct the job site at the expense of the Contractor, and recover all attendant costs.

Not Applicable

22. Key Personnel: Contractor shall provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract during the Contract term and any renewal periods. The Contractor must agree to assign specific individuals to the key positions.
- A. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without prior written notice to the City.
- B. If key personnel are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately

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notify the City, and shall replace each person with personnel of substantially equal ability and qualifications upon prior City approval.

Acknowledged

23. **Licenses and Permits:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor, at its sole expense.

Noted

24. **No Assignment:** No right or interest in this Contract shall be assigned by Contractor and no delegation of any duty of Contractor shall be made without prior written permission of the City.

Not applicable

25. **Notices:** All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provision collectively called "Notices"), shall be in writing and shall be hand delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

City of Tempe Procurement Office
Attn: Procurement Officer
20 E. 6th Street (Second Floor)
PO BOX 5002
TEMPE, ARIZONA 85280

[CONTRACTOR'S NAME]
[ATTN OF OFFEROR NAMED IN CONTRACT]
[ADDRESS]

or to such other address as either party may from time to time furnish in writing to the other by notice hereunder.

Noted

26. **No Waiver:** No breach of default hereunder shall be deemed to have been waived by the City, except by written instrument to that effect signed by an authorized agent of the City. No waiver of any such breach or default shall operate as a waiver of any other succeeding or preceding breach or default, or as a waiver of that breach or default after demand by the City for strict performance of this Contract. Acceptance of partial or delinquent payments or performance shall not constitute the waiver of any right of the City. Acceptance by City for any materials shall not bind the City to accept remaining materials, future shipments or deprive the City of the right to return materials already accepted. Acceptance by City of delinquent or late delivery shall not constitute a waiver of a later claim for damages and/or bind the City for future or subsequent deliveries.

Noted

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27. **Overcharges by Antitrust Violations:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the City. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as the goods and/or services used fulfill the Contract.

Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

28. **Performance Standards:** Equipment shall operate in accordance with the performance criteria specified in the Request for Proposal, including the manufacturer's published specifications applicable to the machine involved. Each machine is expected to be available for productive use, as provided in the procurement documents Penalties and/or bonuses applicable to machine and system performance, if any, shall be calculated as specified in the Request for Proposal.

Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

29. **Preparation of Specifications by Persons Other Than City Personnel:** No person preparing specifications for this Request for Proposal shall receive any direct or indirect benefit from the use of these specifications.

Noted

30. **Procurement of Recycled Materials:** If the price of recycled material that conforms to specifications is within five percent (5%) of the lower priced material that is not recycled and the recycled Offeror is otherwise the lowest responsive and responsible Offeror, the Proposal containing recycled material shall be considered more advantageous; provided the item(s) to be obtained contains at least the minimum amount of recycled content material as defined in the City's solicitation and sufficient funds have been budgeted for the purchase.

Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

31. **Provisions By Law:** Each and every provision of law and any clause required by law to be in this Contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract will forthwith be physically amended to make such insertion or correction.

MetLife Auto & Home intends to comply with all applicable laws.

32. **Public Record:** After award of Contract, proposal responses shall be considered public record and open for public inspection except to the extent the withholding of information is permitted or required by law. If an Offeror believes a specific section of its proposal response is confidential, the Offeror shall mark the page(s) confidential and isolate the pages marked confidential in a specific and clearly labeled section of its proposal response. The Offeror shall include a written statement as to the basis for considering the marked

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pages confidential and the City Procurement Office will review the material and make a determination, pursuant to A.R.S. §§ 39-121, *et seq.*, and 41-1330, *et seq.*

Noted

33. **Records:** Pursuant to provisions of Title 35, Chapter 1, Article 6 Arizona Revised Statutes §§ 35-214 and 36-215, Contractor shall retain, and shall contractually require each subcontractor to retain, all books, accounts, reports, files and other records relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All such documents shall be subject to inspection and audit at reasonable times. Upon request, a legible copy of any or all such documents shall be produced at the offices of the City Attorney or City Procurement Office.

Noted

34. **Relationship of Parties:** It is clearly understood that each party to this Contract will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other party. The Contractor is an independent contractor and shall be solely responsible for any unemployment or disability insurance payments, or any social security, income tax or other withholdings, deductions or payments that may be required by federal, state or local law with respect to any compensation paid to the Offeror. An employee or agent of one party shall not be an employee or agent of the other party for any purpose whatsoever.

Noted

35. **Rights and Remedies:** No provisions of this Request for Proposal or in the proposal shall be construed, expressly or by implication, as a waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of Contract. The failure of the City to insist upon strict performance of any term or condition of the Contract or to exercise or delay the exercise of any right or remedy provided in the Contract, or by law, shall not release the Contractor from any responsibilities or obligations imposed by the Contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.

Noted

36. **Safety Standards:** All items supplied on this Contract must comply with the current applicable Occupational Safety and Health Standards of the State of Arizona Industrial Commission, the National Electric Code and the National Fire Protection Association Standards.

Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

37. **Serial Numbers:** Proposals shall include equipment on which the original manufacturer's serial number has not been altered in any way. The City reserves the right to reject any and all equipment.

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Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

38. **Severability:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the invalid provision or application.

Noted.

39. **Specially Designated Nationals and Blocked Persons List:** Contractor represents and warrants to City that neither Contractor nor any affiliate or representative of Contractor:

- A. Is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury (OFAC) pursuant to Executive Order no. 13224, 66 Fed. Reg. 49079 ("Order");
- B. Is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirements contained in any enabling legislation or other related Order(s);
- C. Is engaged in activities prohibited in the Order; or,
- D. Has been convicted, pleaded *nolo contendere*, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

MetLife Auto & Home complies with OFAC and all other applicable laws. However, if further details and/or discussions are needed regarding this question, we are willing to discuss further upon being named a finalist.

40. **Time of the Essence:** Time is and shall be of the essence in this Contract. If the delivery date(s) specified herein cannot be met, Contractor shall notify City using an acknowledgment of receipt of order and intent to perform without delay, for instruction. City reserves the right to terminate this Contract and to hold Contractor liable for any cost of cover, excess cost(s) or damage(s) incurred as a result of delay.

Noted

41. **Unauthorized Firearms & Explosives:** No person conducting business on City property is to carry a firearm or explosive of any type. All Offerors, Contractors and subcontractors shall honor this requirement at all times and failure to honor this requirement shall result in Contract termination and additional penalties. This requirement also applies to any and all persons, including those who maintain a concealed weapon's permit. In addition to Contract termination, anyone carrying a firearm or explosive device will be subject to further legal action.

Noted

42. **Warranties:** Contractor expressly warrants that all materials and/or goods delivered under the Contract shall conform to the specifications of this Contract, and be merchantable and

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free from defects in material and workmanship, and of the quality, size and dimensions specified herein. This express warranty shall not be waived by way of acceptance or payment by the City, or otherwise. Contractor expressly warrants the following:

- A. All workmanship shall be finest and first-class;
- B. All materials and goods utilized shall be new and of the highest suitable grade for its purpose; and,
- C. All services will be performed in a good and workmanlike manner. Contractor's warranties shall survive inspection, acceptance and/or payment by the City, and shall run to the City, its successors, agents and assigns.

The Contractor agrees to make good by replacement and/or repair, at its sole expense and at no cost to the City, any defects in materials or workmanship which may appear during the period ending on a date twelve (12) months after acceptance by the City, unless otherwise specified herein. Should Contractor fail to perform said replacement and/or repair to City's satisfaction within a reasonable period of time, City may correct or replace said defective or nonconforming materials and recover the costs thereof from Contractor. This warranty shall not operate to reduce the statute of limitations period for breach of contract actions or otherwise, or reduce or eliminate any legal or equitable remedies.

Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

43. **Work for Hire and Ownership of Deliverables:** Contractor hereby agrees and covenants that all the results and proceeds of Contractor's work and/or services for the Project specified herein, for Contractor and all of its agents, employees, officers and subcontractors, shall be owned by the City, including the copyright thereto, as work for hire. In the event, for any reason such results and proceeds are not deemed work for hire, Contractor agrees and covenants that it shall be deemed to have assigned to City all of its right, title and interests in such results, proceeds and content to the City, without limitation. Contractor agrees to indemnify and hold City harmless from and against all claims, liability, losses, damages and expenses, including without limitation, legal fees and costs, arising from or due to any actual or claimed trademark, patent or copyright infringement and any litigation based thereon, with respect to any work, services and/or materials contemplated in this Contract. Contractor agrees to pay to defend any and all such actions brought against the City. Contractor's obligations hereunder shall survive acceptance by the City of all covenants herein as well as the term of the Contract itself.

Our contract includes the following language which has been approved by our Board of Directors:

Section 9. **Indemnification.** Each of the parties hereto will indemnify and defend the other if sued for the other's negligence, error, omission or breach of confidentiality with respect to the terms of this Agreement. In addition, Account will indemnify and defend MetLife Auto & Home if MetLife Auto & Home is sued due to the fact that Account has not deducted the correct amount in connection with a payroll deduction as set forth in the notice provided by MetLife Auto & Home to Account pursuant to the terms hereof or due to other errors caused by Account in connection with payroll deductions. In addition, MetLife Auto & Home will indemnify and defend the Account if Account is sued for (a) something MetLife Auto & Home has done in connection with its offer, provision and/or cancellation of insurance provided pursuant to the terms hereof and/or (b) an error in the payroll deduction notice provided by MetLife Auto & Home to Account. In the event of a claim, the indemnified party agrees to notify the

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indemnifying party as soon as possible after it learns of the claim and to cooperate with the indemnifying party in its resolution and/or defense. This indemnity includes: defense, indemnification and holding harmless of the indemnified party and its officers, directors and employees from and against all losses, costs, expenses and outside counsel legal fees which shall actually and reasonably be sustained and which are directly caused by the actions of the indemnifying party.

44. **Non-exclusive Contract:** Any Contract resulting from this Invitation for Bid shall be awarded with the understanding and agreement that it is non-exclusive and entered into for the sole convenience of the City. The City reserves the right to obtain like goods or services from another source to secure cost savings or if timely delivery may be met by the Contractor.

Noted.

45. **Ordering Process:** Upon award of a Contract by the City Procurement Office, the City may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate Contractor. Each purchase order must cite the correct Contract number. Such purchase order is required for the City to order and the Contractor to deliver the material and/or service.

Noted.

46. **Shipping Terms:** Prices shall be F.O.B. Destination to the delivery location(s) designated herein. Contractor shall retain title and control of all goods until they are delivered and the contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the Contractor. The City will notify the Contractor promptly of any damaged materials and shall assist the Contractor in arranging for inspection. Shipments under reservation are prohibited. No tender of a bill of lading shall operate as a tender of the materials.

Not applicable to MetLife Auto & Home's proposal to provide insurance coverages.

47. **Delegated Awards:** In the event this contract(s) is administratively awarded via delegated authority as provided for in Section 26A-5 of the Procurement Ordinance, the Contractor acknowledges that a final contract with the City of Tempe requires City Council approval and possibly the signature of the Mayor. Should this contract be rejected by the City Council, Contractor agrees that it is immediately void and unenforceable against any party. The awarded firm(s) will be compensated only for any and all costs incurred up to the date of notification of such termination.

Noted.

Special Terms and Conditions

Proposals taking exception to Special Terms & Conditions stated within this Request for Proposal may cause the Proposal to be considered nonresponsive and rejected.

1. **City Procurement Document:** This Request for Proposal is issued by the City. No alteration of any portion of this Request for Proposal by an Offeror is permitted and any attempt to do so shall result in vendor's proposal offer being considered nonresponsive, and rejected. No alteration of any portion of a resultant Contract is permitted without the written approval of the City Procurement Office and any attempt to do so shall be considered a breach of the Contract. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, Contract termination and/or suspension of the Contractor.

Acknowledged.

2. **Offer Acceptance Period:** To allow for an adequate evaluation, the City requires the vendor's proposal offer in response to this Request for Proposal to be valid and irrevocable for one-hundred and twenty (120) days after the proposal opening time and date.

Confirmed

3. **Contract Type:** Term with justifiable price adjustments allowed, indefinite quantity.

Not applicable to our property and casualty proposal.

4. **Term of Contract:** The term of the Contract shall commence on the date of award and shall continue for a period of one year thereafter, unless terminated, canceled or extended as otherwise provided herein.

MetLife's standard MetPay Program Agreement contains the following termination language.

Section 6. Term/Termination. The term of the Agreement shall be one (1) year from the date hereof (the "Initial Term"). Upon the completion of the Initial Term, this Agreement shall continue for successive annual terms until terminated. At any time after the initial term, either party may terminate this Agreement upon ninety (90) days' prior written notice to the other. At any time, either during or after the Initial Term, the parties may mutually agree to terminate this Agreement. In addition, either party may terminate this Agreement, in whole or in part, upon ninety (90) days' prior written notice if the other party breaches its agreements hereunder and fails to cure its breach within sixty (60) days of being given notice of such breach.

5. **Contract Renewal:** The City reserves the right to unilaterally extend the period of any resultant Contract for ninety (90) days beyond the stated term. In addition, the City at its option may renew for supplemental terms of up to a maximum of two (2) additional years. The period for any single renewal increment shall be determined by the City Procurement Office. Such increment shall not be for more than a period of two (2) years each, unless the City is eligible to obtain a significant cost and/or supply advantage by a longer Contract renewal period.

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Please refer to the sample MetPay Program Agreement for information related to the contract term.

6. **Insurance:**

- A. **Insurance Required:** Prior to commencing services under this Contract, Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries (including death) to persons and damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees, subcontractors, or sub-subcontractors. For Offerors with self-insurance, proof of self-insurance with minimum limits expressed below must be submitted on proper forms for evaluation prior to award of Contract.

Please note that MetLife Auto & Home does not believe much of these insurance requirements are applicable to our proposal for property and casualty coverages. However, following is a listing of our liability coverages for your review.

If you need further details, please discuss with your sales contact, Eric Eaton and we will respond in greater detail upon being named a finalist in the bid process.

<u>Type of Coverage</u>	<u>Limit of Liability</u>	<u>Insurer</u>
Commercial General Liability	\$2 million per occurrence	Old Republic Insurance Company & others
Excess Liability	\$25 million per occurrence	Zurich
Professional Liability (errors and omissions)	\$10 million per occurrence \$5 million (clients)	Self-Assumed
Fidelity Bond	\$20 million	St. Paul Fire and Marine Insurance and Others

Any risk that is not covered by our corporate insurance coverage is covered by MetLife Auto & Home assuming any risk that would normally be covered by Errors and Omissions coverage.

Certificates of insurance as evidence of the various coverages may be provided upon request upon being named a finalist with a 3-day lead time.

For the self-assumed Professional Liability coverage, please refer to the following financials which show our strength:

MetLife's **Annual Report** and **Proxy Statement** are available on our website.

Please use the following links to view the documents.

Link to 2008/2009 Annual Report as well as prior years:

<http://investor.metlife.com/phoenix.zhtml?c=121171&p=irol-reportsannual>

A Contract Award Notice or Purchase Order will not be issued to a Vendor until receipt of all required insurance documents by the City Procurement Office with such documents meeting all requirements herein. In addition, before any Contract renewal, all required insurance must be in force and on file with the City

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Procurement Office. Contractor must submit required insurance within ten (10) calendar days after request by the City Procurement Office or the award may be rescinded and another Vendor selected for award.

Certificates of insurance as evidence of the various coverages may be provided upon request upon being named a finalist with a 3-day lead time.

For the self-assumed Professional Liability coverage, please refer to the following financials which show our strength:

MetLife's **Annual Report** and **Proxy Statement** are available on our website.

Please use the following links to view the documents.

Link to 2008/2009 Annual Report as well as prior years:

<http://investor.metlife.com/phoenix.zhtml?c=121171&p=irol-reportsannual>

- B. Minimum Limits of Coverage: Without limiting any obligations or liabilities, the Contractor, at its sole expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed or otherwise approved by the State of Arizona, Department of Insurance and with forms satisfactory to the City. Each insurer shall have a current A.M. Best Company, Inc., rating of not less than A-. Use of alternative insurers requires prior approval from the City.**

- i. Minimum Limits of Insurance. Contractor shall maintain limits no less than:**

a. Commercial General Liability

Commercial general liability insurance limit of not less than \$1,000,000 for each occurrence, with a \$2,000,000 general aggregate limit. The general aggregate limit shall apply separately to the services under this Contract or the general aggregate shall be twice the required per claim limit. The policy shall be primary and include coverage for bodily injury, property damage, personal injury, products, completed operations, and blanket contractual coverage, including but not limited to the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as insurance service officer policy form CG2010 11/85 edition or any replacement thereof.

In the event the general liability policy is written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of the services as evidenced by annual certificates of insurance.

Such policy shall contain a "severability of interests" provision.

MetLife Auto & Home maintains Commercial General Liability insurance for an amount in excess of \$10 million dollars. Details regarding this coverage may be provided upon being named a finalist.

b. Worker's Compensation

The Contractor shall carry worker's compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of services; and employer's liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit.

In case services are subcontracted, the Contractor will require the subcontractor to provide worker's compensation and employer's liability to at least the same extent as provided by Contractor.

MetLife Auto & Home maintains Workers' Compensation coverage in all states either through commercial insurance carriers, State Funds or self insurance. The Workers Compensation limit is statutory and the employer's liability limit is \$1 million.

c. Automobile Liability

Commercial business automobile liability insurance with a combined single life or bodily injury and property damages of not less than \$1,000,000 per accident regarding any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor services. Coverage will be at least as broad as coverage Code 1 "any auto." Insurance Service Office policy form CA0001 Y87 or any replacements thereof. Such coverage shall include coverage for loading and unloading hazards.

While MetLife Auto & Home does maintain Business Automobile Liability coverage, a requirement for this coverage is not applicable to the insurance proposal MetLife Auto & Home is providing.

d. Professional Liability

The Contractor shall maintain professional liability insurance covering errors and omissions arising out of the services performed by the Contractor and/or any person(s) employed by it, with an unimpaired limit of not less than \$1,000,000 each claim and \$1,000,000 all claims. In the event the insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of services as evidenced by annual certificates of insurance provided by Contractor to the City. In addition, Contractor shall maintain property coverage on an all-risk, replacement cost basis in an amount established by the City with valuable papers insurance sufficient to assure the restoration of any documents, memoranda, reports, or other similar data relating to the services of the Contractor used in the completion of this Contract.

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Any risk that is not covered by our corporate insurance coverage is covered by MetLife Auto & Home assuming any risk that would normally be covered by Errors and Omissions coverage.

- C. **Additional Insured.** The insurance coverage, except for workers compensation and professional liability coverage, required by this Contract, shall name the City, its agents, representatives, directors, officials, employees, and officers, as additional insureds, and shall specify that insurance afforded the Contractor shall be primary insurance, and that any insurance coverage carried by the City or its employees shall be excess coverage, and not contributory coverage to that provided by the Contractor.

It is not MetLife Auto & Home practice to name customers as additional insureds. MetLife Auto & Home typically does not list customers as additional insureds under its Commercial General Liability policy. However, we are willing to discuss this need in greater detail upon being named a finalist.

- D. **Coverage Term.** All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted by the City. Failure to do so shall constitute a material breach of this Contract.

Noted

- E. **Primary Coverage.** Contractor's insurance shall be primary insurance to the City, and any insurance or self insurance maintained by City shall be excess of the Contractor's insurance and shall not contribute to it.

It is not MetLife Auto & Home practice to name customers as additional insureds. MetLife Auto & Home typically does not list customers as additional insureds under its Commercial General Liability policy. However, we are willing to discuss this need in greater detail upon being named a finalist.

- F. **Claim Reporting.** Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect City.

Noted

- G. **Waiver.** The policies, including workers' compensation, shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of the Contractor.

It is not MetLife Auto & Home's practice to waive rights of subrogation.

IRS W-9 FORM

- H. **Deductible/Retention.** The policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self insured retentions shall not be applicable with respect to the coverage provided to City under such policies. Contractor shall be solely responsible for deductible and/or self-insurance retention and City, at its option, may require Contractor to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

Noted

- I. **Certificates of Insurance.** Prior to commencing work or services under this Contract, Contractor shall furnish the City with certificates of insurance, or formal endorsements as required by the Contract, issued by the Contractor's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number or name and shall provide for not less than thirty (30) days advance notice of cancellation, termination, or material alteration. Such certificates shall be sent directly to: Contract Administrator, City of Tempe, P. O. Box 5002, Tempe, AZ 85280.

Certificates of insurance as evidence of the various coverages may be provided upon request upon being named a finalist with a 3-day lead time.

For the self-assumed Professional Liability coverage, please refer to the following financials which show our strength:

MetLife's **Annual Report** and **Proxy Statement** are available on our website.

Please use the following links to view the documents.

Link to 2008/2009 Annual Report as well as prior years:

<http://investor.metlife.com/phoenix.zhtml?c=121171&p=irol-reportsannual>

Link to 2008/2009 Proxy Statement and Quarterly Financial Statements:

<http://investor.metlife.com/phoenix.zhtml?c=121171&p=irol-reportsannual>

- J. **Copies of Policies.** City reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the above policies and/or endorsements. City of Tempe shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of, City's right to insist on strict fulfillment of Contractor's obligations under this Contract.

Certificates of insurance as evidence of the various coverages may be provided upon request upon being named a finalist with a 3-day lead time.

For the self-assumed Professional Liability coverage, please refer to the following financials which show our strength:

MetLife's **Annual Report** and **Proxy Statement** are available on our website.

IRS W-9 FORM

Please use the following links to view the documents.

Link to 2008/2009 Annual Report as well as prior years:

<http://investor.metlife.com/phoenix.zhtml?c=121171&p=irol-reportsannual>

Proposal Questionnaire

Bidders shall submit answers to the following questions. Responses will be utilized in determination of contract award. The City of Tempe may consider other information, whether or not specifically provided by the bidder, in response to the RFP.

1. Please provide the address of your local office.

Home Office

MetLife, Inc.
200 Park Avenue
New York, NY 10166-0188

MetLife Auto & Home

700 Quaker Lane
Warwick, RI 02886

Sales Office

Eric J. Eaton
6400 S. Fiddler's Green Circle – Suite 220
Greenwood Village, CO 80111

2. If you do not have a local office, how do you intend to service the City of Tempe accounts?

MetLife Auto & Home's service centers handle the ongoing service and enrollment, at the employee level, for the City of Tempe.

For the initial sale and ongoing corporate service, a dedicated team of representatives will be assigned to the City of Tempe to handle all aspects of the implementation and ongoing administration of the MetLife Auto & Home Group Insurance Program. A description of each assigned representative's duties and responsibilities is provided below:

Account Executive

The Account Executive will be the primary MetLife liaison for the MetLife Auto & Home Group Insurance Program at the City of Tempe. This individual will be responsible for overseeing the successful and timely implementation and administration of the MetLife Auto & Home Group Insurance Program at the City of Tempe. The Account Executive will also be responsible for reporting facets of the MetLife Auto & Home Group Insurance Program at the request of the City of Tempe, including: enrollment, premium and loss information, state-by-state closing ratios, program enhancements and any other administrative issue.

Implementation Leader:

The Implementation Leader coordinates all necessary implementation resources and manages the tasks, activities and timelines to ensure a successful program implementation. Responsibilities will include scheduling and leading conference

calls with the City of Tempe to gather all information necessary to properly implement the program and monitor the implementation timeline to ensure all deadlines are met.

Account Representative

The Account Representative will serve as the day-to-day contact for the City of Tempe once the benefit has rolled out. The Account Representative is responsible for day to day operations including the monitoring of the billing, confirmation and eligibility process and can answer any questions as they pertain to individual insured information and payroll deduction. The Account Representative is also dedicated to resolving escalated service issues once coverages are effective.

Installations Representative

The Installations Representative will be responsible for establishing the payroll deduction interface and any other billing specifications required by the City of Tempe. This individual will monitor the transfer of bill and remittance data between MetLife Auto & Home and the City of Tempe for several cycles after the kick-off. Once the successful transfer of data is confirmed, the Installations Representative will transfer all administrative duties to the Account Representative for on-going service.

Marketing Consultant

The Marketing Consultant will develop and execute a customized communication strategy for the City of Tempe using MetLife's vast creative resources. This individual will manage the entire communication process, from development of creative concepts and market planning to production and mailing of printed materials. This individual will also measure and report on the effectiveness of each campaign.

3. Describe your company and its history.

Metropolitan Life Insurance Company was incorporated as a mutual insurance company in 1868 and for over 142 years has maintained high standards of integrity. On August 7, 2000, Metropolitan Life Insurance Company converted from a mutual life insurance company to a stock life insurance company and became a wholly owned subsidiary of MetLife, Inc., a publicly traded stock company. MetLife's portfolio of products helps offer financial security and protection to individual and institutional clients. MetLife is one of the largest insurance companies in the industry. Our financial strength and claims-paying ability have consistently received high ratings by independent rating agencies, and our customers have demonstrated this through long-term relationships

The MetLife MetLife Auto & Home Group Insurance Program was introduced in 1977. Underwritten by MetLife company, Metropolitan Property and Casualty Insurance Company, the MetLife MetLife Auto & Home Group Insurance Program as since evolved into a highly successful benefit enhancement for more than 2,000 organizations with over 16 million eligible individuals countrywide, generating in excess of \$1.0 billion in annual premium.

Since our early history, we have sought to provide insurance products and services of the highest quality. We invest in technology and support research to ensure innovative product development to respond to the changing needs of growing, evolving businesses.

Part of MetLife's growth strategy involves the acquisition of companies that compliment our plans. Accordingly, we are frequently in the process of contemplating or executing acquisitions.

MetLife, Inc. is a leading provider of insurance and other financial services to millions of individual and institutional customers throughout the United States. Through its subsidiaries and affiliates, MetLife, Inc. offers life insurance, annuities, automobile and homeowner's insurance and retail banking services to individuals, as well as group insurance, reinsurance and retirement and savings products and services to corporations and other institutions. Outside the U.S., the MetLife companies have direct insurance operations in Asia Pacific, Latin America and Europe.

MetLife is one of the largest insurance and financial services companies in the U.S. The Company's unparalleled franchises and brand names uniquely position it to be the preeminent provider of protection and savings and investment products in the U.S. In addition, MetLife's international operations are focused on emerging markets where the demand for insurance and savings and investment products is expected to grow rapidly in the future.

MetLife's well-recognized brand names, leading market positions, competitive and innovative product offerings and financial strength and expertise will help drive future growth and enhance shareholder value, building on a long history of tradition and integrity. For more information, please visit www.metlife.com.

- 4. Please provide contact information for the agent or account representative to be assigned to the City of Tempe contract, if awarded – name, phone, cell phone and e-mail.**

Sales Office

Eric J. Eaton
6400 S. Fiddler's Green Circle – Suite 220
Greenwood Village, CO 80111

Email: eeaton@metlife.com
Phone: 303-754-5405
Cell: 303-912-9908

- 5. Based on the census provided, please indicate if you can offer coverage to all eligible employees.**

Yes No

If no, please list the zip codes zones that could not be covered.

*Currently, MetLife Auto & Home is able to write 98% of auto policies. Evidence of fraud, material misrepresentation, open license suspension and past due premiums can be cause for coverage to be declined by the MetLife Auto & Home group insurance program. In some states, excessively poor driving records or high performance vehicles can preclude an insured from qualifying for coverage. In cases such as this, individuals will be referred to the MetLife General Agency for a quote and possible placement with another carrier.

Please note that home quotes are subject to various coastal and CAT management guidelines. Therefore, a flat quote percentage would not be accurate for all states.

6. Does your program offer guaranteed issue for applicants?

Yes _____ No ___ Not Applicable X

Please give details below:

Auto:

In most states, MetLife Auto & Home has dedicated a separate and distinct writing company (Metropolitan Group Property and Casualty Insurance Company or MetGroup) exclusively for our group program to better accommodate a wider variety of risks.

To develop rates, we review aggregate group loss experience by state and modify for differences pertaining to risk class (i.e. age, vehicle type, driving record, claim history, commuting distance, etc.). We then develop a formula, which is used to place a policy in one of 99 potentially available tiers. This creates multiple different rate levels to match the rate as closely as possible to the risk.

With MetGroup, we are currently able to offer auto coverage to 98% of all employees and retirees—regardless of their driving records. For those unusual risks that MetLife Auto & Home is unable to offer auto insurance we are often able to provide quotes for other carriers through the General Agency. Our multi-tier approach has a means for systematically reducing the tier assignments as the individual's driving record improves. Individual driving records will be reviewed on a yearly basis. Our rating structures will both reward and encourage safe driving.

Home:

Homeowner underwriting will evaluate each individual risk based on certain factors such as: prior loss history, Personal Financial Management (PFM) level, age of dwelling, replacement cost of the home, fire protection, proximity to tidal water and liability exposures (i.e. unfenced pool, dangerous animal, no handrails, the condition and maintenance of the home, etc.). Pricing will be developed using similar actuarial experience and philosophy as discussed in the automobile rating. In addition to the influence of home tiering, variables such as: age of

electrical and other home systems, replacement cost of home, city and state of residence, value of personal belongings and deductible and coverage selections will affect rates, in addition to other variables. With MetGroup, we are able to provide homeowner coverage to approximately 95% of eligible employees that call in for a quote.

7. Do you have any minimum participation requirements?

Yes _____ No X

Please explain below:

8. Describe any coverage enhancements that your program has that are unique in the marketplace?

MetLife Auto & Home:

The MetLife Auto & Home Program will offer City of Tempe employees the following coverages and discounts, pending state availability

Available Coverages

Automobile (antique and classic)
Homeowner
Condominium
Renters
Dwelling Fire
Landlord Rental
Motorcycle
Seasonal Dwelling
Personal Umbrella Liability
Personal Articles Coverage
Watercraft
Mobile Home
Recreational Vehicle
Flood

All of the above coverages are available in Arizona through MetLife Auto & Home or through the MetLife General Agency.

Special Group Discounts

* indicates Arizona availability

- *Group Deviation
- *Group Discount on Auto for being a City of Tempe employee
- * Group Discount on Home for being a City of Tempe employee
- *Employment Tenure Discount on Auto
- *Payroll Deduction Discount
- *Express-It Discount (for checking account deductions)
- Mortgagee Bill Discount on Homeowners
- *Garaging Discount (if vehicle is in enclosed garage at residence)

-
- *Homeownership
 - *MetRewards

In addition to the above discounts, City of Tempe employees will be eligible for the following discounts as seen in the retail market:

Auto

- *Auto Policy Plus
- *Defensive Driver and Driver Improvement Course*
- *Homeownership
Superior Driver and Youth Superior Driver
- *Passive Restraints
- *Anti-Theft Devices
- *Anti-lock brakes
- *Resident Student
Good Student

Home

- *Group Deviation
- *Age of Home
- *New Home
- *Age of Insured
- *Home Policy Plus
- *MetRewards
- *Superior Home
- *Protective Devices

At MetLife Auto & Home, we work to stay ahead of the ever-changing benefits marketplace by developing our products and services to reflect the needs of our customers. MetLife Group Auto and Home continuously evaluates the changing insurance industry to develop product offerings and enhancements that will allow us to remain an industry innovator and leader. Our policyholders find that our unique and quality benefits save them time and money, as well as offer peace of mind. Employees have the advantage of being able to select the coverages that respond to their needs and access rates not generally available in the retail market, along with the convenience of payroll deduction. MetLife Auto & Home presents multiple-channel communications, enrollment, billing and customer service capabilities, which gives employees flexibility, convenience and support during the entire buying cycle.

Employee Benefits & HR decision-makers must satisfy sometimes conflicting objectives between wanting to control cost and still needing to provide a robust benefits package as a way to retain and attract employees. We provide employers the choice of offering a single full-service administrative platform for delivering multiple voluntary benefits to associates. MetLife understands this challenge and has created a way to make your job easier by offering valuable employee-paid products that most people can use – like Auto and Home insurance.

Your employees will also see the advantages of having MetLife Auto & Home.

Most consumers today assume all insurance is the same because all they hear about is rate/low cost; and they don't understand the differences between companies and coverages.

With MetLife Auto & Home, you are offering the **Best in class coverage products** that minimize gaps and surprises – **guarantees** that deliver on the promise to protect your employees and their family when they need it the most. Advantages include the convenience of payroll deduction and special discounted rates. Auto & Home is a great example of providing employees with needed products - but at minimal cost to you / the employer.

Employer advantages of offering MetLife Auto & Home's Group Insurance Program:

- It controls cost: as an employee-paid product, there is no hard cost to implement
- It's easy: we provide the tools, service and expertise that make it simple to process payroll deduction, record-keeping, etc.
- Service and support: we employ a team of dedicated Voluntary Benefit specialists
- We have effective communication and enrollment programs designed to maximize participation while minimizing the burden on the Employer's HR staff
- And because we have been doing this for almost 35 years (keeping 96% of our customers) City of Tempe company can be assured selecting MetLife Auto & Home is a secure choice
- We are the #1 group auto and home provider, covering more than 2,100 group customers and 18 million eligible employees/members

Employee benefits:

- Ease of buying through a group* – saving both time and money with special group rates
- **Portability of coverage without interruption** available to employees who terminate or retire (subject to policy terms, underwriting guidelines, applicable law and local availability, if one moves upon retirement).
- **Convenience** of placing all personal property and casualty coverage with one family of companies.
- Employees view payroll deduction as both a convenience and a way to become more disciplined in their financial management.* It ensures on-time payments and continuing coverage
- "No Surprise" coverage - Best in class coverage provides piece of mind that your employees' two biggest purchases (auto and home) are truly protected
- Superior service that helps take care of matters quickly and easily, enabling employees to focus on their work – and not about a claim
- **Easy application** - Employees can get information or quotes anytime, any way they choose: *on the phone, on-line, or on-site*
- **One toll-free number and extended service hours** for application, customer service, and claims processing

Source: Fifth Annual MetLife Study of Employee Benefits Trends.

What Makes Us Different

With the Group Auto & Home program, there are many bonus coverages and features we offer that you may not find with other companies – all at no additional cost. Some of these include: (*indicates California availability)

- **Special Group Rates***: Saving your employees 10% or more over normal retail rates – just because they are employees of your company.
- **Payroll Deduction***: Employees view payroll deduction as both a convenience and a way to become more disciplined in their financial management. It allows employees to pay their insurance premiums in smaller, regular installments. And deducting this from their paychecks means they never have to think about a bill or writing a check ever again.
- **Employee Tenure Discounts**: In most states we are able to reward company loyalty – so the longer someone is employed with your company, the greater the savings we can pass on to your employees. (not available in all states)
- **99-Tier Rating***: allows MetLife Auto & Home to match the insurance premiums as closely as possible to each employee. This gives greater flexibility in the determination of rates and enables MetLife Auto & Home to offer coverage to almost everyone.
- **Home- Replacement Cost & Coverage A Plus**
If, at the time of loss the amount of insurance applicable is determined to be 80% or more of the full current replacement cost, we will pay the full cost of repair or replacement without deduction for depreciation. In some states the Coverage A is capped at 125% of the limit, such as in California for Standard policies (150% in CA for Platinum). This feature is not widely available in the marketplace.
- **Deductible Savings Benefit***: rewards safe drivers for every year the policyholder is accident-free. MetLife will apply a \$50 credit in a deductible reimbursement account, up to a maximum of \$250.
- **Full Replacement Cost for Total Losses***: people understand that an automobile depreciates the minute you drive it off the lot. But with MetLife, if an employee has a total covered loss with a new vehicle in the first year or 15,000 miles (whichever comes first), the vehicle will be replaced with a new car – With No deduction taken for depreciation.
- **Replacement Cost for Special Parts***: Most accidents are not total losses, but most carriers will still depreciate the value of the parts needed to make repairs. Not the case w/ MetLife - NO deduction taken for items such as tires, batteries, steering or electrical wiring or brake parts, etc.
- **Enhanced Rental Car Coverage***: we provide the most comprehensive rental insurance coverage available, protecting employees from the normal “fine print charges” like *Loss of Use, Towing, Storage* and other costs the

rental company may charge if there is an accident with a rental car. The best part –it is automatically included in your employee’s policy at no additional cost

- **Lease/Loan Gap Coverage***
Lease/Loan Gap Coverage is an optional coverage that pays for the difference between the unpaid amount due on the lease or loan of the covered vehicle and the actual cash value (ACV) of the vehicle after a total loss.
- **Identity Protection Services*:** Credit card companies can reimburse customers for the money lost from fraudulent purchases– our service will help employees by greatly reducing the hassles and paperwork involved with restoring their name and credit score. And while many companies have similar service for an additional fee; this is included with almost every MetLife Auto & Home policy - at no extra charge.
- **Internet Capabilities*:** MetLife’s employee self-service web site, MyBenefits, provides employees with personalized and integrated access to information, tools, enrollment, and self-service capabilities for their MetLife benefits.
 - General Product and Service Information
 - Get an on-line auto quote
 - Bind auto coverage on-line
 - View Status of Payment or Claim
 - Make a Payment
 - Print Forms and Temporary ID Cards
 - Inquire About Claim and Policy

Unique Claim Benefits

Guaranteed Repair Program (GRP)*

One of the most distinctive features offered is our GRP. If a customer chooses an auto repair facility that we recommend, the body work will be guaranteed for as long as the customer owns that auto (not permitted by state law in MA). Each body shop selected exceeds the highest industry standard of service and quality in addition to passing MetLife Auto & Home’s stringent requirements. Benefits of selecting a shop from the GRP Program:

- After reporting the claim, if a customer wants to use a GRP facility the call will be transferred to the chosen GRP body shop to schedule a convenient appointment time.
- The repair time could be reduced when a participating shop repairs your vehicle.
- We guarantee the bodywork for as long as the policyholder owns that auto.

Other Value-Added Services include:

Local Consultant Program*

On-site Auto & Home Representatives can be made available to group clients, allowing face-to-face interaction with employees for enrollment and customer

service. This is a multi-faceted enrollment opportunity that supports significant employee participation through connecting local agents to eligible employees at the worksite allowing employees to discuss their insurance needs one-on-one. Ask your account rep for more details.

All of these items are designed to make things easier for you and your employees to access information and make a more educated decision with choosing benefits like auto and home insurance.

MetWatch

A program in which our quoting systems tracks any state rate revisions which may lower premiums. A follow up letter is sent to any affected employee who called in and did not bind coverage. Not available in all states.

Educational Materials*

Information for any employee is available on a wide variety of topics. A sampling of materials available includes:

Safe Driving Materials*

Establishing and maintaining good driving habits can have a profound impact on whether your vehicle becomes part of the statistics. There are a lot of factors that go into safe driving, particularly age and experience. Now, one of the nation's leading insurance companies, MetLife Auto & Home, has announced the launch of a series of materials targeted to help drivers at every stage of the age spectrum. The materials are available for free by calling 1-800-MET-LIFE (1-800-638-5433).

"Teaching Your Teens to Drive (Without Driving Each Other Crazy!)" is a step-by-step guide designed to help make the teen driving experience as painless as possible. The booklet provides parents and guardians with important guidelines to follow before their teenagers get behind the wheel, and emphasizes the importance that preparation and planning can play in defusing potentially stressful situations. As a complement, the company also offers a free DVD entitled "Young Drivers, the High-Risk Years."

"In the Drivers Seat: About Driving Safely" offers an important brush-up course for more experienced drivers. The 12-page booklet contains information on safe driving basics, including defensive driving tips, the facts on cell phone usage, what to do in the event of a car breakdown or accident, tips on how to avoid collisions with deer and other animals, and information about air bag and antilock brake systems.

"A Driver's Life: Assessing Your Driving Skills as You Age" provides essential information for older drivers committed to holding on to the keys of their vehicles for as long as they safely can. The booklet outlines some of the physical effects of aging that could impact driving ability, as well as tips on coping with them to remain a safe driver for the long run.

Life Advice®*

The Life Advice program is a unique feature to MetLife. This educational outreach initiative reflects our genuine concern for the well being of employees and their families, and demonstrates our ongoing commitment to world-class service. MetLife's Life Advice program includes a series of pamphlets addressing many significant life events, such as renting an apartment, selling a home, becoming a parent, choosing child care, and enjoying retirement. We do not promote any MetLife products or services in these pamphlets, but furnish them purely as a consumer information resource. This publication is produced both online and as a brochure. Employees can log onto our home web site at www.metlife.com to access information on Life Advice, or log on directly at www.lifeadvice.com. If employees prefer not to read a Life Advice brochure online, up to three brochures can be ordered per call, free of charge, by dialing the number listed on the site, 1-800-MET-LIFE.

9. What risks are ineligible for consideration in your Group Auto Program?

Risks that may be a factor in a declination are:

- Customers with uncollected premium
- Incomplete or inaccurate applications
- Unverifiable driving record
- History of fraudulent claims or unlisted driver claims
- No insurable interest in vehicle
- Unregistered, illegal or commercial vehicles
- Vehicles for rent or hire
- Excessive losses and/or violations on one's driving record

With MetGroup, we are currently able to offer auto coverage to 98% of all employees and retirees—regardless of their driving records. For those unusual risks that MetLife Auto & Home is unable to offer auto insurance we are often able to provide quotes for other carriers through the General Agency. Our multi-tier approach has a means for systematically reducing the tier assignments as the individual's driving record improves. Individual driving records will be reviewed on a yearly basis. Our rating structures will both reward and encourage safe driving.

10. What are the minimum and maximums available for:

- **Bodily injury limits:** 15/30 min and 250/500 max
300/500 and 500/1000 available at renewal
- **Property damage limits:** 10,000 min and 100,000 max
- **Combined single limits:** not available
- **Medical payment limits:** 1,000 min and 100,000 max
- **Uninsured/Underinsured motorist limits:**

15/30 min and 250/500 max
300/500 and 500/1000 avail at renewal

Uninsured/underinsured motorist limits must be the same as Bodily Injury Limit

- **Physical damage deductibles: 50 through 1500 at various amounts**

Please note that the above information has been provided for the State of Arizona. Circumstances on the quote as well as other states may dictate other minimum and maximum amounts.

11. What are the minimum and maximum values of homes that you will underwrite?

MetLife Auto & Home offers customers a choice for the dwelling loss settlement option. Sales consultants recommend the Best Coverage available— Coverage A Plus, however our customers can choose a lesser coverage if they so desire.

- **Coverage A Plus** –Pays the full cost for covered losses to repair or replace the eligible real property damaged or destroyed using materials of like kind and quality. Payment is not limited and extends to the amount actually and necessarily spent. ***The Best Coverage – available in most states***
- **Extended Limits** – Pays for the full cost for covered losses to repair or replace the eligible real property damaged or destroyed using material of like kind and quality. Cap: 125% of the amount of insurance purchased for Coverage A, Private structures payment is limited to the amount of insurance purchased for Coverage B. ***Better Coverage***
- **Replacement Cost** - Pays for covered losses up to the amount of insurance purchased for the full cost to repair or replace the eligible real property damaged or destroyed using materials of like kind and quality. ***Good Coverage***
- **Functional Replacement Cost** - Commonly used construction materials and methods which are functionally equivalent to and less costly than antique, custom or obsolete construction materials and methods. ***Frequently offered to Mobile home policies***
- **Actual Cash Value** – Market Value Policies

MetLife Auto & Home requires that the home be insured at 100% it's value. There are currently no restrictions on dwelling amounts for residential homes. However, mobile home coverage requires a minimum dwelling amount of at least \$20,000.

A detailed replacement cost calculation is performed at the time of a homeowner's quote to ensure proper dwelling coverage. On occasion, we perform on site home inspections to calculate dwelling coverage. Homeowner underwriting is based on many characteristics that will determine acceptability.

The Platinum Policy is available for high valued homes in most states. Platinum provides additional coverages and increased limits to the basic policy coverages. The Platinum Policy may not be available in all states.

12. Describe any types of homes that you will not insure.

Coverages available through the MetLife Auto and Home Group Insurance program include:

- Homeowner
- Condominium
- Renters
- Landlord Rental
- Seasonal Dwelling
- Condominium
- Mobile Home

For any product that MetLife Auto & Home cannot write because of state availability, the customer has the option of getting a quote through a company(s) with which we partner.

Currently, MetLife Auto & Home does utilize a corporate volatility management program for certain geographic locations which are prone to catastrophic events including the states of Florida and California which present an increased risk of hurricanes and earthquakes respectively. Within any state that has a volatility management program, there will be specific state guidelines that will address the acceptability of a risk in certain locations.

13. What are the required underlying limits for home and auto coverage to obtain personal umbrella coverage?

Following are the underlying limits for Arizona. They do differ depending on if the underlying policy is a MetLife Auto & Home policy or not. It is not a requirement in AZ, or any other state, that we need to insure the primary home policy.

PERSONAL EXCESS LIABILITY MANUAL

GENERAL RULES

ARIZONA

5. MINIMUM UNDERLYING INSURANCE IF UNDERLYING INSURER IS METROPOLITAN

The following minimum limits of underlying insurance are required for the various coverages.

<u>Coverage</u>	<u>Minimum Underlying Limits Required</u>
Automobile Liability	\$300,000 combined single limit or \$100,000/\$300,000 Bodily Injury and \$50,000 Property Damage
Personal Liability (CPL or Homeowners)	\$100,000
Watercraft Liability	\$100,000 combined single limit or \$100,000/\$300,000 Bodily Injury and \$50,000 Property Damage
Recreational Vehicle - Any R.V.	\$100,000
Employers Liability (For on-premises employees such as incidental office and domestic employees not covered under basic Personal Liability [CPL or Homeowners])	\$100,000

PERSONAL EXCESS LIABILITY MANUAL

GENERAL RULES

ARIZONA

MINIMUM UNDERLYING INSURANCE IF UNDERLYING INSURER IS NOT
METROPOLITAN

The following minimum limits of underlying insurance are required for the various coverages.

<u>Coverage</u>	<u>Minimum Underlying Limits Required</u>
Automobile Liability	\$300,000 combined single limit or \$250,000/\$500,000 Bodily Injury and \$100,000 Property Damage
Personal Liability (CPL or Homeowners)	\$300,000
Watercraft Liability	\$300,000
Recreational Vehicle - Any R.V.	\$300,000
Employers Liability (For on-premises employees such as incidental office and domestic employees not covered under basic Personal Liability [CPL or Homeowners])	\$300,000

If the minimum underlying insurance is not maintained, there will be no coverage or defense under this policy until the damages exceed the coverage and limit required for the exposure.

What is the maximum limit on personal umbrella coverage?

Personal umbrella policies are available with limits of \$500,000, \$1,000,000, \$2,000,000, \$3,000,000, \$5,000,000, \$6,000,000, \$7,000,000, \$8,000,000 and \$9,000,000. Limits of \$6,000,000 - \$9,000,000* may not be available in other states. Coverage may be increased with underwriting approval and certain underlying limits are required.

*are available in Arizona

Underwriting must approve any limit in excess of \$2,000,000 which is standard countrywide practice.

14. Is there any difference in underwriting acceptability/retention standards between group programs and regular individual underwriting?

In most states, MetLife Auto & Home files two sets of rates, one for our Group customers and one for our retail customers. As a result, the program provides rate flexibility and the ability to quote in all territories and for all types of claims history. The program provides quotes for up to 98% of eligible employees. Insureds that are written through retail agents may have limited availability in unprofitable territories and unprofitable classes of business (subject to statutory restrictions). The experience of individual accounts will be evaluated in the Group program upon reaching certain premium volume.

Additionally, the City of Tempe employee's will have the added benefits of:

- Fewer underwriting barriers
- Convenient enrollment options
- Convenient payroll deduction
- A call center and service team dedicated to voluntary benefits

15. What type of discounts do you provide? (good student, multiple vehicle, etc.) State the amount of discount provided for each.

Following is a listing of the discounts which may be available for employee's located in Arizona. However, please note that all discounts may vary and are subject to state availability and quote specifics.

Auto:

Group Deviation -22%
Payroll Deduction -12%
Employment Tenure 0/-3/-15/-20%
Auto Plus -5/-7/-10%
Garaged -5/-10/-15%
ExpressIt -5%
Homeowners -1%
Defensive Driver -10%
Driver Improvement Course -0%
Passive Restraint -20/-30/-40%
Anti-Theft Devices -5/-10%
Anti-Lock -5%
Resident Student -10%
Policy Option – Annual
Met Rewards -8/-17/-22%

Home:

Group Deviation -25%
Age of Home +15% to -35%
Age of Insured -15%

Payroll Deduction -5%
Met Rewards -5/-10/-15%
Superior Home -10%
Home Policy Plus -5/-15/-18%
Protective Devices -10%/-5%

- 16. Do you guarantee rate for 12 months from date of issue on policies? What advance notice is given to the insured?**

Yes X (Auto & Home Policies in Arizona)

Please explain below:

While MetLife Auto & Home coverage's are not guaranteed renewable, the premium rate is guaranteed for the policy term (as long as the customer does not make any coverage changes). Rates are guaranteed for the policy term, either six months or one year on automobile policies and one year on all other personal lines policies. Rates are subject to the standard underwriting review period, usually the first 60 days of the customers first policy term.

In accordance with the various state statutes, policyholders will receive notice of any rate adjustments when they receive their renewal policies. This notice varies from state to state, but on average it is delivered 30 to 60 days prior to the renewal date on auto and homeowners policies.

- 17. Will terminated and retired employees be able to continue their coverage on a direct bill basis at discounted rates?**

Yes X (See following please)

Please explain below:

All of the policies obtained through MetLife Auto & Home are fully portable.

Employment Termination:

If a participant's employment is terminated for any reason, MetLife Auto & Home will continue his/her insurance coverage subject to standard underwriting guidelines. The former employee may need to select a new billing option, such as, automatic withdrawal from a checking account, monthly recurring credit card, direct bill. The garaging discount would continue to apply, and well as any discount for employment or association tenure at its current rate*. The special group discount would be discontinued after the renewal of the policy, since the employee would no longer be affiliated with the City of Tempe. Any discount applied for payroll deduction would cease immediately**.

Retirees:

Retirees will continue to retain the group discounts, except for any payroll deduction discount. Another payment option may be chosen at any time.

****Any change in rate from the loss of the payroll deduction discount would be communicated immediately, and additional premium changes processed on the following policy renewal date.**

* In Michigan, all discounts associated with a group policy are removed upon termination.

18. Explain how your Group Auto and Homeowners' program differs from strictly mass merchandising? Are your groups rates lower than mass merchandising rates?

Through the MetLife Auto & Home Group Insurance Program, we are able to offer rates, discounts, coverages and marketing that differ from our standard retail program.

Communication:

MetLife Auto & Home has a host of communication materials that can be implemented for the City of Tempe. These pieces are designed to be utilized during the initial offering, as well as on an on-going basis. MetLife Auto & Home Group Insurance Program communication pieces are designed to be effective as both an internal distribution as well as home mailing. MetLife Auto & Home will take the lead in managing every aspect of the communication process and will absorb all costs associated with communicating the MetLife Auto & Home Group Insurance Program. Some of the available options include:

- Home mailings (letter or postcards)
- New hire brochures and/or mailings
- Payroll inserts
- Informational bulletins
- Newsletter ads
- Newsletter articles
- E-mail messages
- "Virtual Brochures" (for distribution via e-mail or to be posted to intranets)
- On-site visibility events with a MetLife representative

Rates:

Rates available to the City of Tempe's employees through the MetLife Auto & Home Group Insurance Program differ from those available through the retail market because MetLife offers such unique discounts and program enhancements. Listed below are several special discounts the MetLife Auto & Home Group Insurance Program will offer your employees that are not available on an individual basis. These discounts are offered in addition to the traditional discounts in the retail marketplace.

- Group Discount (special to Group Employees)
- Employment Tenure Discount (for length of service with the City of Tempe)
- Payroll Deduction Discount (available to clients that offer payroll deduction)
- ExpressIt Discount (Checking Account Deduction)
- Vehicle Protective Enclosure Discount (Garaging)

All discounts are subject to state availability.

19. Describe your enrollment process.

A cornerstone of the MetLife Auto & Home Group Insurance Program is our easy, convenient and attractive service available to employees at the touch of a button. By simply calling our all-inclusive toll-free number at 1 800 GET-MET 8 (1-800-438-6388), the City of Tempe employees can speak with a licensed Insurance Consultant. Callers have a choice of receiving a policy quote comparison, enrolling in the program, changing an existing policy or resolving a billing question.

Another way employees may enroll in the program is through our employee portal MyBenefits. MetLife Auto & Home will provide the City of Tempe with a hyper-link from the the City of Tempe website to the MyBenefits site at www.mybenefits.com. Here, employees can obtain instant auto quotes and can bind coverage in most states.

20. Describe how quotes are obtained.

Employees will be required to answer a series of questions regarding their current auto policy to receive a quote. The information provided by the employee will enable MetLife Auto & Home to evaluate the risk and calculate policy premium. Also, in order to provide the best possible rate, the quoting process will also include the ordering of various consumer reports, which may include a credit report.

Employees are encouraged to have their current policy declaration page on hand to assist in the quoting process. This will ensure the quote the employee receives is based on the employee's existing coverage allowing them to accurately compare both coverage and rate.

For individuals using our toll-free number, typically it would take seven and ten minutes to obtain an auto quote, and ten to fifteen minutes to receive a home quote. The amount of time needed varies according to the type of coverage being quoted and the availability of the employee's current insurance information. Employees are encouraged to have their current policy declaration page on hand to assist in the quoting process, as well as to ensure the understanding in coverage differences that may have been recommended.

Auto:

Employees will be required to answer a series of questions regarding their current auto, which will enable MetLife Auto & Home to evaluate the risk and calculate policy premium.

Types of information requested include but is not limited to:

- drivers in the household
- VIN number
- vehicle options

-
- safety features
 - location car is stored
 - distance to work

To provide the best possible rate, the quoting process will also include the ordering of various consumer reports, which may include a credit report.

Home:

Employees will be required to answer a series of questions regarding their home and its location, which will enable MetLife Auto & Home to evaluate the risk and calculate policy premium.

Types of information requested include but is not limited to:

- foundation type
- siding material
- floor coverage
- custom enhancements
- wall and ceiling material
- distance from tidal water
- distance from fire hydrants

To provide the best possible rate, the quoting process will include the ordering of various consumer reports, which may include a credit report.

21. What types of policy servicing capabilities are available to City of Tempe employees? What are the hours of operation?

A cornerstone of the MetLife Auto & Home Group Insurance Program is our easy and convenient service available to employees at the touch of a button. By simply calling our all-inclusive toll-free number at 1-800-GET-MET8 (1-800-438-6388), the City of Tempe employees can speak with a licensed Insurance Consultant or a Customer Service Representative from one of our call centers. *Callers have a choice of receiving a policy quote comparison/enrolling in the program from a licensed Consultant, changing an existing policy, or accessing our claim reporting service.*

Our call center operation has a centralized operating framework empowered with cutting-edge telecommunications technology which links our three sites dedicated to Voluntary Benefits. This strategy allows us to efficiently handle tremendous call volume.

Staffing:

Within our call centers, MetLife Auto & Home employs an average of 150 licensed enrollment consultants and an average of 250 customer service representatives.

Hours:

Claims reporting is available via our toll-free number 24-hours a day.
Non-Claim Reporting Customer Service is available:

	EASTERN TIME
MONDAY – FRIDAY	8 a.m. to 11 p.m.
SATURDAY	9 a.m. to 5:00 p.m.

22. How do customers report claims? Where will City of Tempe claims be processed? What are the hours of operation?

All MetLife Auto & Home claims are reported via a toll-free number. The toll-free number is the same for service, enrollment, and claims. This toll-free number is provided in the policy package and on the Insurance Identification cards.

MetLife's Auto & Home Initial Action Team is available 24 hours a day and 7 days a week for all new claims and any emergencies that may occur on existing claims. Additionally, during the day, most of our customers will report new losses to claims adjusters working in our Resolution Centers who even have the ability to settle auto and home claims during the initial phone call.

23. Do you have Internet first-report-of-claim capabilities? Describe.

All MetLife Auto & Home claims are reported via a toll-free number.

Although we do not offer first-report-of-claim via the internet, MetLife Auto & Home does have the ability to settle auto and home claims with one phone call through a special program called Fast Track. For example, if a customer calls with a television theft claim, they will discuss over the phone with the claims consultant the model, where the item was purchased, and the cost. The representative will simultaneously check verification of the price via the Internet if the customer has not already done so. MetLife Auto & Home will then settle the claim during the same phone call, contingent upon the customer's claim history.

MetLife Auto & Home does have the ability to conveniently settle the claim and issue a check on the same day.

24. Do you have drive-in claims facilities? If so, in what areas?

The City of Tempe employees are able to have a field adjuster go out to their home, office or body shop. The choice remains up to the employee.

Auto:

The MetLife Auto & Home Group Insurance Program utilizes Guaranteed Repair Shops to deliver superior claims service to our policyholders. We currently have approximately 2,200 Guaranteed Repair Shops throughout the country to service our policyholders staffed by MetLife Auto & Home field appraisers. MetLife Auto & Home maintains high standards for the Guaranteed Repair Shops and inspects them regularly.

In addition, MetLife Auto & Home will guarantee the work for the lifetime of the car when a policyholder utilizes one of MetLife Auto & Home's vast network of Guaranteed Repair Shops.

The MetLife Auto & Home philosophy, with respect to claims, focuses on the ease of claim settlement. Customers can use an adjuster and have access to our quality-guaranteed Repair Shops to settle their claim.

MetLife Auto & Home is committed to providing quality service when handling a claim. In response to this commitment, MetLife Auto & Home is continually adding Guaranteed Repair Shops to our countrywide network.

Home:

If, as a result of covered loss, carpet replacement is needed, our customer has the option of utilizing the Home Depot for carpet replacement. Nationally, Home Depot has over 2,000 stores and is in all 50 states, which makes it very convenient for our customer to locate a Home Depot close to their home. The Home Depot provides a five-year workmanship warranty specifically to their insurance partners. Additionally, MetLife Auto & Home provides a life-time warranty, over and above the Home Depot five-year warranty, for work performed by the Home Depot as long as the insured owns the home.

25. Does your company employ its own claims adjusters or do you use independent contractors?

The MetLife Auto & Home claims department employs 887 adjusters, 173 appraisers, 221 claim specialists as of year-end 2009.

In addition to our appraisers, select auto repair shops, which are part of our Guaranteed Repair Program, are the primary method for claim appraisals. Countrywide, there are over 2,200 shops in this network. On the home side, we also have a network of over 1,900 home contractors nationwide that serve as claim adjusters. An independent claim adjuster is hired when it is not possible for a staff appraiser or Guaranteed Repair Shop to assess the damage. Convenience for the customer is top priority.

26. Provide three current references, including contact person and phone number. Of particular interest are public sector clients in Arizona.

Firm	Contact	Number
State of Arizona	Marcia Jarvis Department of Administration Benefit Services Division	Phone: (602) 542-4985 Fax: (602) 542-4048 Marcia.Jarvis@AZDOA.GOV
Arizona State University	Rachel R. Montoya Benefits Administrator HR Benefits Design & Management	Employee Services: 480-965-2701 Faculty Services: 480-727-9900 Departments: 2-1745 Rachel.Montoya@asu.edu

Petsmart	HR	Denise Eisen 623-587-2724.
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27. Provide your company's total Auto and Homeowners premium volume for the last three years

YE2009: \$1,112,507,589
 YE2008: \$1,094,643,748
 YE2007: \$1,067,257,918

28. Other than payroll deduction, what other types of premium payment options are available to employees?

MetLife Auto & Home offers the following payment options to participants of the MetLife Auto & Home Group Insurance Program. Participants can choose the payment option that best meets their individual needs.

- Payroll Deduction - Premium is deducted from the employee's paycheck.
- ExpressIT® - Premium is deducted from the employee's checking account on a monthly basis.
- Direct Billing - The employee receives a bill at home for their policy premium.
- Monthly Recurring Credit Card - The premium is billed directly to a customer's Visa, MasterCard, American Express, or Discover card on a monthly basis.
- Mortgagee Bill - This payment option is available for homeowner's policies. MetLife sends premium bills directly to the mortgage company.

Also, a customer may pay their bill at any time through our automated phone system or through our self-service website, Eservice.

29. Describe your billing/invoicing process. When does an insured's first payroll deduction occur? Is an employee's payroll deduction for the previous month's coverage, current month, or following month?

Once coverage has been approved, the employee will receive a package outlining their coverage selections, policy premium and discounts applied.

The first payroll deduction will typically occur on the pay date that immediately follows the effective date of their policy. The pay schedules are in accordance with the City of Tempe's pay schedules. The exact details and dates will be discussed and agreed upon during implementation.

If the premium will be paid via payroll deduction, the City of Tempe will be notified of approved coverage on each payroll deduction bill record forwarded by MetLife Auto & Home. New participants in the program will be indicated as

"ADD" records on each bill file as payroll deductions for employee policies are scheduled to begin.

30. Describe your method for transmitting payroll deduction data to City of Tempe. Provide your file layout.

MetLife Auto & Home requests an eligibility file from the City of Tempe. MetLife Auto & Home will use the eligibility file for employee mailings (as approved by the City of Tempe) and for processing enrollments. We request that the City of Tempe send updated eligibility files on a monthly or a pay period basis to ensure that MetLife Auto & Home has accurate and up to date information to service your employees.

During the implementation of the program, MetLife Auto & Home will gather information about your payroll. A billing and confirmation schedule will be created to mirror your payroll processing schedule. Our systems can accommodate multiple payroll processing locations and payroll frequencies.

Once an employee enrolls for coverage and elects to pay through payroll deduction, MetLife Auto & Home will calculate their payroll deduction amount. Prior to each payroll processing cycle, the bill records for employees on a specific payroll are collected and sent on a single bill file to the City of Tempe. After payroll is run, we ask that the City of Tempe send a confirmation file to MetLife Auto & Home. MetLife Auto & Home will use the confirmation file to update policyholder records prior to generation of the next bill file.

Actual cash payments equaling the balance(s) of these confirmation files are remitted by the City of Tempe to MetLife Auto & Home either by check or by wire on a pay period or monthly basis. MetLife Auto & Home will work with the City of Tempe to determine the most effective method of transmission.

A sample file layout has been included in the proposal binders.

31. Will you provide a representative for the initial enrollment meetings this year and annually (or more frequently) thereafter? Confirm that the cost of providing a representative has been included in your quoted rates.

Confirmed.

Your Account Executive will work with the City of Tempe to learn about your employees in order to enhance employee education and awareness of the benefit offering. MetLife will send representatives to mutually agreeable City locations to attend benefit fairs, informational meetings and/or open enrollment meetings upon request.

32. Describe the process for transitioning employees on the current group auto and home program to your program.

If an employee already has a policy through the retail program, the customer would need to initiate contact with MetLife Auto & Home to be transferred into the MetLife Auto & Home Group Insurance Program. The process is simple: Customer service would either re-rate the policy or place it in a Group specific writing company (if that state uses one) and inform the customer of the new premium with any special discounts applied. Either a change package or new policy package would be mailed, depending on a writing company change.

33. Describe your process for collecting premium from employees who are on leave of absence without pay.

If the participating employee is on a leave of absence and MetLife Auto & Home is notified, the participant would maintain all group discounts. MetLife Auto & Home will notify the employee of further payment options in the interim or re-spread the premium evenly over the remaining policy term after the employee returns to an active status. Once MetLife Auto & Home is notified of a leave of absence, it is MetLife Auto & Home's responsibility to coordinate billing arrangements with the employee.



MetLife® Customer Disclosure
INTERMEDIARY COMPENSATION NOTICE

MetLife enters into arrangements concerning the sale, servicing and/or renewal of MetLife group insurance and certain other group-related products ("Products") with brokers, agents, consultants, third-party administrators, general agents, associations, and other parties that may participate in the sale, servicing and/or renewal of such Products (each an "Intermediary"). MetLife may pay your Intermediary compensation, which may include base compensation, supplemental compensation and/or a service fee. MetLife may pay compensation for the sale, servicing and/or renewal of Products, or remit compensation to an Intermediary on your behalf. Your Intermediary may also be owned by, controlled by or affiliated with another person or party, which may also be an Intermediary and who may also perform marketing and/or administration services in connection with your Products and be paid compensation by MetLife.

Base compensation, which may vary from case to case and may change if you renew your Products with MetLife, may be payable to your Intermediary as a percentage of premium or a fixed dollar amount. In addition, supplemental compensation may be payable to your Intermediary. Under MetLife's current supplemental compensation plan, the amount payable as supplemental compensation may range from 0% to 2.25% of premium. The supplemental compensation percentage may be based on: (1) the number of Products sold or inforce through your Intermediary during a prior one-year period; (2) the amount of premium or fees with respect to Products sold or inforce through your Intermediary during a prior one-year period; and/or (3) a fixed percentage of the premium for Products as set by MetLife. The supplemental compensation percentage will be set by MetLife prior to the beginning of each calendar year and it may not be changed until the following calendar year. As such, the supplemental compensation percentage may vary from year to year, but will not exceed 2.25% under the current supplemental compensation plan.

The cost of supplemental compensation is not directly charged to the price of our Products except as an allocation of overhead expense, which is applied to all eligible group insurance products, whether or not supplemental compensation is paid in relation to a particular sale or renewal. As a result, your rates will not differ by whether or not your Intermediary receives supplemental compensation. If your Intermediary collects the premium from you in relation to your Products, your Intermediary may earn a return on such amounts. Additionally, MetLife may have a variety of other relationships with your Intermediary or its affiliates that involve the payment of compensation and benefits that may or may not be related to your relationship with MetLife (e.g., consulting or reinsurance arrangements).

More information about the eligibility criteria, limitations, payment calculations and other terms and conditions under MetLife's base compensation and supplemental compensation plans can be found on MetLife's Web site at www.whymetlife.com/brokercompensation. Questions regarding Intermediary compensation can be directed to ask4met@metlifeservice.com, or if you would like to speak to someone about Intermediary compensation, please call (800) ASK 4MET.

L1009064908 [exp1210] [All States]
Metropolitan Life Insurance Company
200 Park Avenue
New York, New York 10166

Vehicle only coverage - annual premium

Please note that the following AUTO QUOTE ILLUSTRATIONS do not include the following Arizona State discounts:

- ... Payroll deduction discount : Arizona - 12% .
- ... Employment tenure discount : Arizona - up to 20%.

Scenario 1

Single male
 Age 26
 No tickets, no moving violations
 Drives 12 miles one-way to work

	2008 Ford F-150	2008 Toyota Highlander	2008 Chevy Camaro	2008 Dodge Ram	2008 Ford Taures	2008 Toyota Camry	2008 Ford Fusion	2008 Chevy Malibu	2008 Honda Odyssey	2008 Hyundai Sonata
Liability \$100,000/\$300,000										
Property \$100,000										
Medical Payment - \$15,000										
Uninsured/UnderInsured - \$50,000/\$100/000										
Comprehensive Deductible - \$100										
Collision Deductible - \$250										
Total Cost	\$716.00	\$822.00	1,079.00	\$874.00	\$770.00	\$770.00	\$912.00	\$890.00	\$703.00	\$926.00

Scenario 2

Single female
 Age 26
 No tickets, no moving violations
 Drives 12 miles one-way to work

	2008 Ford F-150	2008 Toyota Highlander	2008 Chevy Camaro	2008 Dodge Ram	2008 Ford Taures	2008 Toyota Camry	2008 Ford Fusion	2008 Chevy Malibu	2008 Honda Odyssey	2008 Hyundai Sonata
Liability \$100,000/\$300,000										
Property \$100,000										
Medical Payment - \$15,000										
Uninsured/UnderInsured - \$50,000/\$100/000										
Comprehensive Deductible - \$100										
Collision Deductible - \$250										
Total Cost	\$480.00	\$551.00	\$711.00	\$582.00	\$514.00	\$514.00	\$605.00	\$589.00	\$470.00	\$613.00

Scenario 3

Married

Male - Age 40

Female - Age 38

Male - No tickets, no moving violations

Female - No tickets, no moving violations

Both drive 12 miles one-way to work

	Primary driver - male					Primary driver - female				
	2008 Ford F-150	2008 Toyota Highlander	2008 Chevy Camaro	2008 Dodge Ram	2008 Ford Taures	2008 Toyota Camry	2008 Ford Fusion	2008 Chevy Malibu	2008 Honda Odyssey	2008 Hyundai Sonata
Liability \$100,000/\$300,000										
Property \$100,000										
Medical Payment - \$15,000										
Uninsured/UnderInsured - \$50,000/\$100,000										
Comprehensive Deductible - \$100										
Collision Deductible - \$250										
Total Cost	\$867.00	\$1,007.00	1,144.00	\$921.00	\$893.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Scenario 4

Married

Male - Age 40

Female - Age 38

Male - one tickets, no moving violations

Female - No tickets, no moving violations

Drives 12 miles one-way to work

	Primary driver - male					Primary driver - female				
	2008 Ford F-150	2008 Toyota Highlander	2008 Chevy Camaro	2008 Dodge Ram	2008 Ford Taures	2008 Toyota Camry	2008 Ford Fusion	2008 Chevy Malibu	2008 Honda Odyssey	2008 Hyundai Sonata
Liability \$100,000/\$300,000										
Property \$100,000										
Medical Payment - \$15,000										
Uninsured/UnderInsured - \$50,000/\$100,000										
Comprehensive Deductible - \$100										
Collision Deductible - \$250										
Total Cost	1,029.00	\$1,197.00	1334.00	1,091.00	1,170.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Scenario 5

Married

Male - Age 40

Female - Age 38

Dependant male - Age 17 (drives the 2008 Honda Civic)

Male - no tickets, no moving violations

Female - No tickets, no moving violations

Male dependant - no tickets, no moving violations - good student

Drives 12 miles one-way to work and school

	Primary driver - male					Primary driver - female				Dependant
	2008 Ford F-150	2008 Toyota Highlander	2008 Chevy Camaro	2008 Dodge Ram	2008 Ford Taures	2008 Toyota Camry	2008 Ford Fusion	2008 Chevy Malibu	2008 Honda Odyssey	2008 Hyundai Sonata
Liability \$100,000/\$300,000										
Property \$100,000										
Medical Payment - \$15,000										
Uninsured/UnderInsured - \$50,000/\$100,000										
Comprehensive Deductible - \$100										
Collision Deductible - \$250										
Total Cost	4,624.00	4,584.00	4,761.00	4,710.00	4,819.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

House only coverage - annual premium

Please note that the following HOME QUOTE ILLUSTRATIONS do not include the following Arizona State discounts:

... Payroll deduction discount : Arizona - 5% .

Scenario 6

Zip Code - 85283

Year Built - 2000

Construction - Frame/Stucco with Tile Roof

Deductable - \$500 - all coverages

Non-smoker

Coverages	Amount	Cost	Amount	Cost	Amount	Cost	Amount	Cost
Dwelling	150,000		250,000		350,000		450,000	
Other Structures	15,000		25,000		35,000		45,000	
Contents/Personal Property (replacement cost)	75,000		125,000		175,000		225,000	
Loss of Use	30,000		50,000		70,000		90,000	
Personal Liability	100,000		100,000		100,000		100,000	
Medical Payment - per injury per person	5,000		5,000		5,000		5,000	
Total Cost		954.00		1,516.00		2,016.00		2,661.00

Scenario 7

Zip Code - 85044

Year Built - 2000

Construction - Frame/Stucco with Tile Roof

Deductable - \$500 - all coverages

Non-smoker

Coverages	Amount	Cost	Amount	Cost	Amount	Cost	Amount	Cost
Dwelling	150,000		250,000		350,000		450,000	
Other Structures	15,000		25,000		35,000		45,000	
Contents/Personal Property (replacement cost)	75,000		125,000		175,000		225,000	
Loss of Use	30,000		50,000		70,000		90,000	
Personal Liability	100,000		100,000		100,000		100,000	
Medical Payment - per injury per person	5,000		5,000		5,000		5,000	
Total Cost		828.00		1,314.00		1,749.00		2,312.00

Scenario 8

Zip Code - 85308

Year Built - 2000

Construction - Frame/Stucco with Tile Roof

Deductable - \$500 - all coverages

Non-smoker

Coverages	Amount	Cost	Amount	Cost	Amount	Cost	Amount	Cost
Dwelling	150,000		250,000		350,000		450,000	
Other Structures	15,000		25,000		35,000		45,000	
Contents/Personal Property (replacement cost)	75,000		125,000		175,000		225,000	
Loss of Use	30,000		50,000		70,000		90,000	
Personal Liability	100,000		100,000		100,000		100,000	
Medical Payment - per injury per person	5,000		5,000		5,000		5,000	
Total Cost		773.00		1,223.00		1,630.00		2,149.00

Renter coverage - annual premium

Scenario 9

Zip Code - 85283
 Deductable - \$250 - all coverages
 Non-smoker

Coverages	Amount	Cost	Amount	Cost	Amount	Cost	Amount	Cost
Contents/Personal Property (replacement cost)	15,000		25,000		35,000		45,000	
Personal Liability	100,000		100,000		100,000		100,000	
Medical Payment - per injury per person	5,000		5,000		5,000		5,000	
Total Cost		594.00		662.00		809.00		944.00

Scenario 10

Zip Code - 85044
 Non-smoker
 Deductable - \$250 - all coverages

Coverages	Amount	Cost	Amount	Cost	Amount	Cost	Amount	Cost
Contents/Personal Property (replacement cost)	15,000		25,000		35,000		45,000	
Personal Liability	100,000		100,000		100,000		100,000	
Medical Payment - per injury per person	5,000		5,000		5,000		5,000	
Total Cost		593.00		658.00		808.00		940.00

Scenario 11

Zip Code - 85308
 Deductable - \$250 - all coverages
 Non-smoker

Coverages	Amount	Cost	Amount	Cost	Amount	Cost	Amount	Cost
Contents/Personal Property (replacement cost)	15,000		25,000		35,000		45,000	
Personal Liability	100,000		100,000		100,000		100,000	
Medical Payment - per injury per person	5,000		5,000		5,000		5,000	
Total Cost		564.00		628.00		770.00		896.00

Scenario 12

Umbrella Policy

Assumption:

House Liability 100,000

Auto Insurance 100/300

No tickets/no accidents

Amount	Cost	Amount	Cost	Amount	Cost
1 Mil		2 Mil		3 Mil	
\$212.00		\$340.00		\$446.00	
\$393.00		\$629.00		\$826.00	

2 vehicles, no youthful

3 vehicles & youthful 17 yr old

Other Information

Discount for coverage of house and vehicles

Discount for multiple vehicles

Is glass coverage included on vehicle policies