

CONTRACT FOR PROFESSIONAL SERVICES

This Agreement made as of the 21st day of March 2016 in the Territory of the United States Virgin Islands, by and between the GOVERNMENT OF THE VIRGIN ISLANDS, DEPARTMENT OF PROPERTY AND PROCUREMENT, on behalf of the OFFICE OF THE LIEUTENANT GOVERNOR, DIVISION OF BANKING AND INSURANCE (hereinafter referred to as "Government") and INS REGULATORY INSURANCE SERVICES, INC. (hereinafter referred to as "Contractor").

WITNESSETH:

WHEREAS, the Government is in need of the services of a Contractor to provide Financial, information technology and actuarial services to conduct a financial condition examination of Guardian Insurance Company located at The Guardian Building, 2nd Floor, St. Thomas, VI 00802 and Division of Banking and Insurance located at Nisky Center Suite 200 St. Thomas, Virgin Islands, which duties and responsibilities are more particularly described in Addendum I attached hereto; and

WHEREAS, the Contractor represents that he is willing and capable of providing such services;

NOW THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written agreement, the parties hereto do covenant and agree as follows:

1. SCOPE OF WORK

The Contractor shall provide the services described in Addendum I attached to this Contract.

2. TERM

The term of this Contract shall commence upon its execution by the Governor and shall terminate 360 days thereafter.

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3. PROFESSIONAL STANDARDS

Contractor agrees to maintain the professional standards applicable to the insurance auditing profession and to insurance auditors practicing in the United States Virgin Islands.

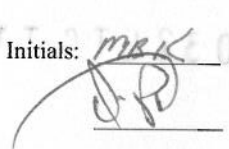
4. COMPENSATION

In consideration of satisfactory performance of the services more specifically described in Addendum I to this Contract, the Government agrees to pay Contractor the compensation of ONE HUNDRED THREE THOUSAND and 00/100 DOLLARS (\$103,000.00) in accordance with the terms of compensation set forth in Addendum II. In no event shall the compensation under this Contract exceed ONE HUNDRED THREE THOUSAND and 00/100 DOLLARS (\$103,000.00).

Contractor shall submit invoices for his work under the Contract and the Government shall use its best efforts to pay the Contractor within thirty (30) days of approval of individual invoices. Contractor expressly acknowledges and agrees that in the event the Government fails to make timely payments under this Contract, Contractor's only recourse against the Government shall be the termination of the Contract.

5. TRAVEL AND LODGING EXPENSES ASSOCIATED WITH PERFORMANCE OF CONTRACT

Included in the amount specified in Section 4 above, the Government agrees to pay Contractor for documented travel and lodging expenses incurred in connection with the performance of the services provided in accordance with Addendum II incorporated herein and made a part of this Contract. All travel and lodging expenses including air travel, ground transportation, lodging, meals and incidentals must be documented and must be reasonably incurred by Contractor in performing its responsibilities under this Contract; provided, however, that in no event shall said costs and expenses exceed the amount of THIRTY THOUSAND and 00/100 DOLLARS (\$30,000.00) or cause an increase in the total not to exceed the amount specified in Section 4 above.

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6. RECORDS

Contractor, shall maintain and provide to the Government precise records of time and/or money expended under this Contract.

7. DOCUMENTS, PRINTOUTS, ETC.

All documents, books, records, instructional materials, programs, printouts and memoranda of every description derived therefrom and pertaining to this Contract shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government.

8. LIABILITY OF OTHERS

Nothing in this Contract shall be construed to impose any liability upon Government persons, firms, associations, or corporations engaged by Contractor as servants, agents, independent contractors, or in any other capacity whatsoever, or make the Government liable to any such persons, firms, associations or corporations for the acts, omissions, responsibilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to unemployment insurance and social security taxes for Contractor, its servants, agents or independent contractors.

9. ASSIGNMENT

The Contractor shall not subcontract or assign any part of the services under this contract without the prior written approval of the Government.

10. INDEMNIFICATION

Contractor agrees to indemnify, defend and hold harmless the Government from and against any and all loss, damage, liability, claims, demands, detriments, cost, charges and expenses (including attorney's fees) and causes of action of whatsoever character which the Government may incur, sustain or be subjected to, arising out of or in any way connected to the

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services to be performed by Contractor under this Contract and arising from any cause, except the sole negligence of Government.

11. INDEPENDENT CONTRACTOR

The Contractor shall perform this Contract as an independent contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status.

12. GOVERNING LAW

This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction over any and all issues arising under this Contract shall be exclusively in the courts of the United States Virgin Islands.

13. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term, condition or provision of this Contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representative, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

14. ENTIRE AGREEMENT

This agreement constitutes the entire agreement of the parties relating to the subject matter addressed in this agreement. This agreement supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this Agreement, whether written or oral.

15. RIGHT TO WITHHOLD

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If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold out of any payment due to Contractor, such sums as the Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, the Government may apply such sums in such manner as the Government may deem proper to secure itself or to satisfy such claims. The Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.

No such withholding or application shall be made by the Government if and while Contractor gives satisfactory assurance to the Government that such claims will be paid by the Contractor or its insurance carrier, if applicable, in the event that such contest is not successful.

16. CONDITION PRECEDENT

This Contract shall be subject to the availability and appropriation of funds and to the approval of the Governor.

17. TERMINATION

Either party will have the right to terminate this Contract with or without cause on THIRTY (30) days written notice to the other party specifying the date of termination. If an action regarding the performance of the obligations under this Contract has been initiated in a Court, such notice of termination shall also be served upon the Court and the parties to the Action.

18. PARTIAL TERMINATION

The performance of work under this Contract may be terminated by the Government in part, whenever the Government shall deem such termination advisable. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to

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receive payment for services provided to the date of termination, including payment for the period of the THIRTY (30) day notice.

19. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, national origin or handicap.

20. CONFLICT OF INTEREST

(a) Contractor covenants that he has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.

(b) Contractor further covenants that he is:

- (1) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensation on a salary, fee or contractual basis); or
- (2) a territorial officer or employee and, as such, has:
 - (i) familiarized himself with the provisions of Title 3, Chapter 37, Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
 - (ii) not made, negotiated or influenced this Contract, in his official capacity;
 - (iii) no financial interest in this Contract as that term is defined in section 1101, (1) of said Code chapter.

21. EFFECTIVE DATE

The effective date of this Contract is upon the signature of the Governor.

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22. NOTICE

Any notice required to be given by the terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

Government

Osbert E. Potter
Lieutenant Governor/
Commissioner of Insurance
5049 Kongens Gade
Charlotte Amalie
St. Thomas, VI 00802

Randolph N. Bennet
Commissioner
Department of Property and Procurement
Sub Base, Building No. 1
St. Thomas, Virgin Islands 00802

Contractor

Michael B. Kogut, CPA
Chief Operating Officer
INS Regulatory Insurance Service, Inc.
419 South 2nd St., Suite 206
Philadelphia, PA 19147

23. LICENSURE

The Contractor covenants that he has obtained the applicable license under Virgin Islands law to perform the services under this Contract and shall provide the Government with evidence of such licensure.

24. DEBARMENT CERTIFICATION

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By execution of this Contract, the Contractor certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. If the Contractor receives the prior written approval from the Government, as required in Section 9 of this Contract, to hire a subcontractor to perform any of the services required under this Contract, the Contractor shall include this provision in each of its sub-contracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON-PROCUREMENT." In the event the Contractor or sub-contractor misrepresents its eligibility to receive contract awards using federal funds, the Contractor or sub-contractor agrees that it shall not be entitled to payment for any work performed under this Contract or sub-contract and that the Contractor or sub-contractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made. If, during the term of this Contract, the Contractor shall become ineligible to receive contract awards using federal funds, this Contract shall be terminated forthwith for cause and the Contractor shall not be entitled to payment for any work performed under this Contract or sub-contract after the effective date of such ineligibility.

25. FALSE CLAIMS

Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer, department, board, commission, or other agency thereof, knowing such claim to be false, fictitious or

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fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is an offense under Virgin Islands law.

26. NOTICE OF FEDERAL FUNDING

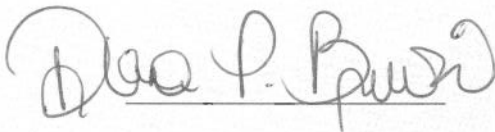
Contractor acknowledges that this Contract may be funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make or present any claim knowing such claim to be false, fictitious or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offense.

27. ADDITIONAL PROVISIONS

Addendum I and II attached hereto are, by reference, incorporated and made a part of this Contract.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

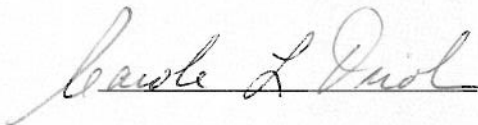
WITNESSES:

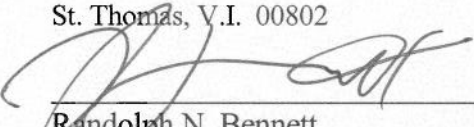


GOVERNMENT OF THE VIRGIN ISLANDS


Osbert E. Potter
Lieutenant Governor/
Insurance Commissioner
5049 Kongens Gade
St. Thomas, V.I. 00802

1/8/16
Date




Randolph N. Bennett
Commissioner
Department of Property and Procurement
Sub Base, Building No. 1
St. Thomas, Virgin Islands 00802

2/9/16
Date

Initials: 

CONTRACTOR

Jan Fletcher

Michael B. Kogut
Michael B. Kogut, CPA
Chief Operating Officer
INS Regulatory Insurance Service, Inc.
419 South 2nd St., Suite 206
Philadelphia, PA 19147

1/4/16
Date

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE

By: Terrell M. Snock 2/8/16
Date

APPROVED:

Kenneth E. Mapp 3-21-16
Date
Honorable Kenneth E. Mapp
Governor of the Virgin Islands

Account Code #

Purchase Order Document (P.O.)

DEPARTMENT OF JUSTICE
SUPPORT CENTER

2016 FEB 10 PM 2:05

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