

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**Agreement**”) is entered into on January 01, 2026 (the “**Effective Date**”), by and between City of Charles City. (“**Covered Entity**”) and Gallagher Benefit Services, Inc. (“**Business Associate**”).

RECITALS

WHEREAS, Business Associate provides, or intends to provide, certain services to Covered Entity described in an underlying agreement (“**Underlying Agreement**”);

WHEREAS, to the extent that Covered Entity and Business Associate qualify as a “covered entity” and “business associate” (as such terms are defined in 45 C.F.R. § 160.103) with regard to any Protected Health Information (“**PHI**”) processed as part of the Underlying Agreement, Covered Entity and Business Associate mutually desire to outline their individual responsibilities with respect to the use, disclosure and security of PHI under the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d (“**HIPAA**”), the Health Information Technology for Economic and Clinical Health Act of 2009, as codified at 42 U.S.C. § 17901 *et seq.* (“**HITECH Act**”), and any current and future regulations promulgated under HIPAA or the HITECH Act (HIPAA, HITECH Act, and any current and future regulations promulgated under either are collectively referred to as the “**Regulations**”); and

WHEREAS, in the event and only to the extent that the Regulations apply to any data received by Business Associate from or on behalf of Covered Entity, Covered Entity and Business Associate understand and agree that the Regulations require Covered Entity and Business Associate to enter into this Business Associate Agreement, which shall govern the use, disclosure and security of PHI.

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. When used in this Agreement and capitalized, the following terms have the following meanings:

- (a) “**Breach**” shall have the same meaning as the term “breach” in 45 C.F.R. § 164.402.
- (b) “**Electronic Protected Health Information**” or “**ePHI**” shall mean Protected Health Information transmitted by electronic media or maintained in electronic media.
- (c) “**Individual**” shall have the same meaning as the term “individual” in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- (d) “**Privacy Rule**” shall mean the Standards for Privacy of Individual Identifiable Health Information as set forth at 45 C.F.R. Parts 160 and 164 Subparts A and E.
- (e) “**Protected Health Information**” or “**PHI**” shall have the same meaning as the term “protected health information” in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- (f) “**Required by Law**” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.103.

(g) “**Secretary**” shall mean the Secretary of the Department of Health and Human Services or their designee.

(h) “**Security Incident**” shall mean a successful unauthorized access, use, disclosure, modification or destruction of Unsecured PHI;

(i) “**Security Rule**” shall mean the Standards for Security of ePHI, as set forth at 45 C.F.R. Parts 160 and 164 Subparts A and C.

(j) “**Unsecured PHI**” shall have the same meaning as the term “unsecured protected health information” in 45 C.F.R. § 164.402.

Capitalized terms used but not defined in this Agreement shall have the same meaning as those terms are defined in the Regulations.

2. Obligations and Activities of Business Associate Regarding PHI.

(a) Business Associate shall only use or disclose PHI as permitted or required by this Agreement.

(b) Business Associate shall use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.

(c) Business Associate agrees to take reasonable steps, including providing adequate training to its employees, to ensure compliance with this Agreement and the Regulations.

(d) Business Associate shall ensure that any agents and sub-contractors that create, receive, maintain or transmit PHI on behalf of Business Associate agree to comply with substantially the same restrictions, conditions and requirements that apply to Business Associate with respect to such information. Business Associate shall enter into written agreements with any such agents and subcontractors, and the terms of such agreements shall incorporate the applicable requirements of, and otherwise comply with, the Regulations.

(e) Upon request of Covered Entity and to the extent that Business Associate maintains PHI in a Designated Record Set that is not also in Covered Entity’s possession, Business Associate shall provide Covered Entity with access to the PHI in the Designated Record Set in a reasonable time and manner as designated by Covered Entity, in order for Covered Entity to comply with the requirements under 45 C.F.R. § 164.524.

(f) To the extent that Business Associate maintains PHI in a Designated Record Set, Business Associate shall make any amendment to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 in a reasonable time and manner as designated by Covered Entity.

(g) Upon request of Covered Entity, Business Associate shall provide Covered Entity with documentation of any disclosures by Business Associate that would be required for an accounting of disclosures to an Individual under 45 C.F.R. § 164.528 in a reasonable time and manner as designated by Covered Entity.

(h) Business Associate shall give notice to Covered Entity of any request under 45 C.F.R. §§ 164.524, 164.526 or 164.528 that it receives directly from an Individual in order for Covered Entity to comply with its requirements under the Regulations.

(i) Business Associate shall have policies and procedures in place to ensure its compliance with the Privacy Rule to Support Reproductive Health Care Privacy, 89 Fed. Reg. 32976 (2024), and to ensure it does not use or disclose PHI in violation of 45 C.F.R. § 164.502(a)(5)(iii).

(j) To the extent Business Associate performs any of Covered Entity's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligations.

(k) Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary, in a reasonable time and manner as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Regulations, subject to any attorney-client or other applicable legal privileges.

3. Permitted Uses and Disclosures of PHI by Business Associate.

(a) Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of, Covered Entity, including as necessary to perform the services set forth in the Underlying Agreement.

(b) Business Associate may use or disclose PHI as Required by Law.

(c) Business Associate must not use or disclose PHI in a manner that is prohibited under the Privacy Rule, 45 C.F.R. § 164.502(a)(5), or would otherwise violate the Privacy Rule if done by Covered Entity, except for the specific uses and disclosures permitted in this Agreement.

(d) Business Associate may use PHI for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate.

(e) Business Associate may disclose PHI for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate if:

(i) Such disclosure is Required by Law, or

(ii) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that such information will remain confidential and used or further disclosed only as Required by Law or for the purposes for which it was disclosed to the person, and the person agrees to notify Business Associate of any instances of which it is aware that the confidentiality of the information has been Breached.

(f) Business Associate shall limit its uses and disclosures of, and requests for, PHI, to the minimum amount of PHI necessary to accomplish the intended purpose of such use, disclosure or request subject to the exceptions set forth in the Privacy Rule.

(g) Business Associate may de-identify PHI in accordance with 45 C.F.R. § 164.514(a)-(c) (“**De-Identified Information**”) and may use and disclose such De-Identified Information for lawful purposes provided that the De-Identified Information cannot be reasonably linked to Covered Entity or any Individual.

(h) Business Associate may use PHI to provide Data Aggregation services related to the health care operations of Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(i) Business Associate shall comply with any requests for restrictions on certain uses and disclosures of PHI to which Covered Entity has agreed in accordance with 45 C.F.R. § 164.522 and of which Business Associate has been notified by Covered Entity.

(j) In the event Business Associate receives a request for the use or disclosure of PHI that is potentially related to Reproductive Health Care, as defined by 45 C.F.R. § 160.103 (“**RHI**”) and that may be prohibited under 45 C.F.R. § 165.502(a)(5)(iii), Business Associate shall (i) notify Covered Entity of such request; and (ii) only use or disclose the RHI to the requester if (1) Business Associate has reasonably determined that such use or disclosure is not prohibited under 45 C.F.R. § 165.502(a)(5)(iii), and (2) where required, Business Associate has received a signed attestation in the form required by 45 C.F.R. § 164.509 from the requestor that the use or disclosure of RHI is not for a purpose prohibited by 45 C.F.R. § 164.502(a)(5)(iii).

4. Obligations of Covered Entity Regarding PHI.

(a) Covered Entity agrees that the permitted and required uses and disclosures of PHI by Business Associate pursuant to this Agreement are and, at the time of execution and throughout the term of this Agreement, will be consistent with the form of the notice of privacy practices that Covered Entity provides to Individuals in accordance with 45 C.F.R. § 164.520. Covered Entity shall provide notice to Business Associate of any changes to its notice of privacy practices if such changes affect Business Associate’s permitted or required uses and disclosures of PHI.

(b) Covered Entity shall provide notice to Business Associate of any changes in, or revocation of, an authorization by an Individual to use or disclose PHI, if such changes affect Business Associate’s permitted or required uses and disclosures of PHI.

(c) Covered Entity shall provide notice to Business Associate of any restrictions to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, if such restrictions affect Business Associate’s permitted or required uses and disclosures of PHI.

(d) Covered Entity shall obtain any consent or authorization from Individuals that may be required under the Regulations or otherwise Required by Law.

(e) Covered Entity shall only provide Business Associate with the minimum amount of PHI necessary in order for Business Associate to perform the services set forth in the

Underlying Agreement, including, where possible, only providing Business Associate with PHI that has been de-identified in accordance with 45 C.F.R. § 164.514(a)-(c).

(f) Covered Entity shall require its employees, agents and representatives to be appropriately informed of its legal obligations pursuant to this Agreement and the Regulations and will reasonably cooperate with Business Associate in the performance of the mutual obligations under this Agreement.

5. Security of Protected Health Information.

(a) Business Associate has implemented policies and procedures to ensure that its receipt, maintenance or transmission of PHI on behalf of Covered Entity complies with the applicable administrative, physical and technical safeguards of the Security Rule.

(b) Business Associate shall ensure that its agents or subcontractors agree to implement the applicable administrative, physical and technical safeguards of the Security Rule.

(c) Business Associate shall establish procedures to mitigate, to the extent possible, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement.

(d) Business Associate agrees to notify Covered Entity as soon as practicable, but not later than sixty (60) days after Discovery (as defined by 45 C.F.R. § 164.410) of any Security Incident or Breach of Unsecured PHI and, to the extent available to Business Associate, provide the following information relating to a Breach of Unsecured PHI to Covered Entity:

- (1) The date of the Breach;
- (2) The date of the discovery of the Breach;
- (3) A description of the type of Unsecured PHI that was involved;
- (4) The identity of each Individual whose Unsecured PHI has been, or is reasonably believed to have been, accessed, acquired or disclosed; and
- (5) Any other information reasonably necessary to permit Covered Entity to comply with the requirements of 45 C.F.R. Part 164 Subpart D.

(e) Covered Entity acknowledges and agrees that Covered Entity is independently responsible for the security of all PHI in its possession, including all PHI that it receives from any third party (including from Business Associate).

6. Term and Termination.

(a) **Term.** This Agreement shall be effective as of the Effective Date and shall remain in effect until this Agreement is terminated and all PHI is returned, destroyed or is otherwise protected as set forth in Section 6(d).

(b) **Termination for Cause by Covered Entity.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall provide an

opportunity for Business Associate to cure the breach. If Business Associate does not cure the breach within thirty (30) days from the date that Covered Entity provides notice of such breach to Business Associate, Covered Entity shall have the right to immediately terminate this Agreement and the Underlying Agreement.

(c) **Termination by Business Associate.** This Agreement may be terminated by Business Associate upon thirty (30) days prior written notice to Covered Entity if Business Associate, acting in good faith, believes that the requirements of any law, legislation, consent decree, judicial action, governmental regulation or agency opinion (enacted, issued or otherwise effective after the date of this Agreement and applicable to PHI or to this Agreement) cannot be met by Business Associate in a commercially reasonable manner and without significant additional expense.

(d) **Effect of Termination.** Upon termination of this Agreement for any reason, at the written request of Covered Entity, Business Associate shall:

(1) Return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, without unreasonable delay, except as set forth below;

(2) Retain a copy of any PHI only as necessary for Business Associate to continue its proper management and administration of its business or to carry out its legal responsibilities;

(3) Continue to use appropriate safeguards and comply with the Security Rule with respect to the PHI for as long as Business Associate retains the PHI, and shall not use or disclose the PHI other than the purposes for which it was retained; and

(4) Shall return or destroy all PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration of its business or to carry out its legal responsibilities.

(e) **Survival.** The obligations of Business Associate under this Section shall survive the termination of the Agreement until all PHI is returned or destroyed.

7. Amendment.

The parties may agree to amend this Agreement from time to time as is necessary for compliance with the requirements of the Regulations, other applicable laws, and any other respect that they deem appropriate. This Agreement shall only be amended by written instrument executed by the parties.

8. Indemnification.

Each party agrees to indemnify, defend and hold harmless the other party and its directors, officers, employees and agents, from any and all third-party losses, damages, claims, fines, penalties, costs and expenses, arising from, in connection with, or based on a breach of this Agreement or a violation of the Regulations by the indemnifying party; provided, however, that any indemnification obligations shall be reduced to the extent such losses, damages, claims, costs and expenses arise from or are caused by the acts or omissions of the other party or its employees, agents or subcontractors. Each party shall promptly provide written notice to the other party of any claimed indemnification obligations;

provided, however, that the failure to give prompt notice shall only absolve or release the indemnifying party from its indemnification obligations to the extent actual prejudice results from the failed or delayed notice. The indemnification obligations provided for in this Section will commence on the Effective Date of this Agreement and will survive its termination.

9. Limitation of Liability.

Notwithstanding anything to the contrary in this Agreement, the parties agree that all liabilities between them under this Agreement will be subject to the limitations and exclusions of liability in the Underlying Agreement.

10. Severability.

The parties intend this Agreement to be enforced as written. Should any provision of this Agreement be held unenforceable or invalid under the laws of any jurisdiction, then the parties agree that the remaining provisions of the Agreement shall be severed therefrom and unaffected thereby, and that this Agreement, without the unenforceable or invalid provisions, shall remain in full force and effect.

11. Notices.

(a) The following are the primary contacts for purposes of any co-operation, communications or notices with respect to this Agreement:

- (1) City of Charles City. contact:
Brittney Lentz, City Clerk
641.257.6300 cityclerk@cityofcharlescity.org
- (2) Gallagher contact for Security Incidents or Breaches of Unsecured PHI: cyber_security@ajg.com.

Gallagher contact for all other communications or notices relating to this Agreement: GlobalPrivacyOffice@ajg.com.

(b) Each party shall promptly notify the other if any of the above contact information changes.

12. Regulatory Compliance.

The parties shall comply with their respective obligations under the Regulations. A reference in this Agreement to a section in the Regulations means the referenced section or its successor, and for which compliance is required to the extent that the Regulations apply to the party.

13. Headings and Captions.

The headings and captions of the various subdivisions of the Agreement are for convenience or reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

14. Entire Agreement.

This Agreement sets forth the entire understanding of the parties with respect to the subject matter herein and supersedes all prior agreements, arrangements and communications, whether oral or written, pertaining to the subject matter hereof. In the event of any conflict between the terms and conditions of this Agreement and the Underlying Agreement, the terms and conditions of this Agreement shall prevail.

15. Binding Effect.

The provisions of this Agreement shall be binding upon and shall inure to the benefit of both parties and their respective successors and assigns.

16. No Waiver.

No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions by either party shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

17. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Business Associate Agreement as of the Effective Date.

**BUSINESS ASSOCIATE:
Gallagher Benefit Services, Inc.**

By: 
Sohail Hooda (Jan 8, 2026 07:49:55 CST)
Name Sohail Hooda
Title Area President

**COVERED ENTITY:
City of Charles City.**

By: _____
Name Brittney Lentz
Title City Clerk