

**AMENDED AND RESTATED**  
**CENTRAL OHIO HEALTH CARE CONSORTIUM**  
**JOINT SELF-INSURANCE AGREEMENT**

WHEREAS, Section 9.833 of the Ohio Revised Code permits any POLITICAL SUBDIVISION that provides health care benefits for its officers or employees to join in any combination with other POLITICAL SUBDIVISIONS to establish and maintain a joint self-insurance program to provide health care benefits pursuant to a written agreement;

WHEREAS, effective January 1, 1992, a number of political subdivisions joined together to form the Central Ohio Health Care Consortium Joint Self-Insurance Agreement with other POLITICAL SUBDIVISIONS and established a joint self-insurance program to provide health care benefits for its officers and/or employees;

WHEREAS, the Original Agreement was terminated on July 1, 1994, through the implementation and execution of Amendment No. 1 to Central Ohio Health Care Consortium Joint Self-Insurance Agreement ("Amendment No. 1");

WHEREAS, in 1997, the MEMBERS of the POOL adopted Amendment No. 2 to Amendment No. 1 ("Amendment No. 2"), pursuant to which Sections 3.06(a) and 8.01(b) of Amendment No. 1 were amended;

WHEREAS, in 2000, the MEMBERS further amended Amendment No. 1 and Amendment No. 2 by replacing existing Section 6.03 with a new provision regarding the POOL CONTRIBUTION FACTOR; and

WHEREAS, in 2003, the MEMBERS further amended Amendments No. 1 and No 2 by modifying Section 7.01 Monthly Payments and Section 7.04 Assessments adding "Thereafter, payment is subject to a 5% penalty with the interest of 1 ½% per month or portion thereof"; and

WHEREAS, in 2006, the MEMBERS further amended Amendments No. 1 and No. 2 by modifying Section 3.05 and making other minor clarification modifications; and

WHEREAS, in 2009 the MEMBERS amended Amendments No. 1 and No. 2 by modifying Section 4.02 to add the BOARD office of Treasurer; by modifying Section 4.03 to add the Treasurer to the Executive Committee; by modifying Section 4.05 to create a Finance Committee; and by modifying Section 4.03 to eliminate the term limitation for BOARD Chairman; and

WHEREAS, the MEMBERS further desire to amend and restate the AGREEMENT to incorporate all prior and current amendments into one document and to modify the AGREEMENT to: 1) create a mandatory reserve and specify the method to

determine and create the mandatory funding level; and 2) establish October 1<sup>st</sup> as the member withdrawal deadline;

NOW, THEREFORE, the undersigned agree as follows:

## **ARTICLE ONE NAME**

Section 1.01. Name. There is hereby created an unincorporated joint self-insurance program to be known as Central Ohio Health Care Consortium (the "POOL")

Section 1.02. Duration. The POOL shall have a perpetual duration and shall continue until terminated pursuant to this AGREEMENT. Health benefits coverage hereunder for FOUNDING MEMBERS initially commenced on January 1, 1992, immediately upon the termination of the health care coverage that previously was provided by Central Benefits Mutual Insurance Company.

Section 1.03. Legal Status. The POOL shall be deemed to be a legal entity, separate and apart from its MEMBERS, formed for the public purpose of enabling its MEMBERS to obtain insurance, to create a joint self-insurance program, and to provide for the joint administration of the funds of the POOL.

Section 1.04. Effective Date. This AGREEMENT amends and completely supercedes the existing Central Ohio health Care Consortium Joint Self-Insurance Agreement (the "Original Agreement") and all subsequent amendments. This AGREEMENT shall become effective as of January 1, 2013.

## **ARTICLE TWO DEFINITIONS**

Section 2.01. Act. "ACT" shall mean Section 9.833 of the Ohio Revised Code and any successor statute thereto, as amended from time to time.

Section 2.02. Administrator. "ADMINISTRATOR" shall mean the entity designated to supervise the administration of the POOL and to perform such other duties as are set forth in a certain Administration Agreement.

Section 2.03. Agreement. "AGREEMENT" shall mean this Amendment No. 1 to Central Ohio Health Care Consortium Joint Self-Insurance Agreement and all counterparts hereto, as amended from time to time.

Section 2.04. Board. "BOARD" shall mean the Board of Directors of the Pool.

Section 2.05. Contribution. "CONTRIBUTION" shall mean any amounts paid by a MEMBER to any FUND.

Section 2.06. Fund. “FUND” or “FUNDS” shall mean those amounts paid by MEMBERS pursuant to Articles Six and Seven.

Section 2.07. Member. “MEMBER” shall mean a POLITICAL SUBDIVISION who is a party to this AGREEMENT and who has not withdrawn from or been terminated from participation in the POOL.

Section 2.08. Founding and Non-Founding Members. “NON-FOUNDING MEMBER” shall mean any MEMBER who is not an original MEMBER of the POOL, and “FOUNDING MEMBER” shall mean any MEMBER who is an original MEMBER of the POOL.

Section 2.09. Political Subdivision. “POLITICAL SUBDIVISION” shall have the same meaning given to it by the ACT.

Section 2.10. Pool Contribution Factor. “POOL CONTRIBUTION FACTOR” shall have the meaning as defined in Section 6.03 hereof.

Section 2.11. Scope of Coverage. “SCOPE OF COVERAGE” shall mean the coverage, limits and deductibles set forth in Section 4.07 hereof.

Section 2.12. Surplus Funds. “SURPLUS FUNDS” shall mean the amount by which the funds available to operate the POOL for any year or years exceed all of the costs, liabilities (including claim liabilities, claim reserves and reserves for terminal liability) and expenses of operation the POOL.

Section 2.13. Term. “TERM” shall mean a three (3) year contract period entered into by the MEMBERS beginning January 1 of any of the following years: 2010, 2013, 2016, 2019.

### **ARTICLE THREE MEMBERSHIP**

Section 3.01. Qualifications. An applicant seeking membership in the POOL must meet all of the qualifications required by the ACT and, in the case of a NON-FOUNDING MEMBER, must demonstrate to the satisfaction of the BOARD the financial ability to pay all CONTRIBUTIONS.

Section 3.02. Application. All applicants to become MEMBERS shall apply for membership in any manner and on any form approved by or acceptable to the BOARD.

Section 3.03. Effective Time of Membership. An applicant shall become a MEMBER at the time that a duly authorized officer of the applicant executes, and a duly authorized officer of the POOL accepts, this AGREEMENT on behalf of the POOL. No applicant shall be permitted to become a MEMBER unless it provides written documentation satisfactory to the BOARD, in its sole judgment, that the applicant has the

requisite capacity and authority, and has obtained all required approvals, to execute this AGREEMENT and to perform all of its obligations hereunder.

Section 3.04. Duties of Members. Each MEMBER agrees to do or cause to be done all of the following:

(a) To cooperate with and institute all loss prevention procedures and guidelines developed by the BOARD or the ADMINISTRATOR;

(b) To designate a representative of the MEMBER to serve on the BOARD, and to cause that director to attend all monthly and special meeting of the BOARD;

(c) To provide the ADMINISTRATOR access to the records of the MEMBER during normal business hours, upon 24 hours prior written notice and only for the purpose of conducting necessary services related to the operation of the POOL and for no other purpose;

(d) To permit the ADMINISTRATOR and any agent or attorney thereof to represent the MEMBER in investigating, litigating and settling any claim made against the POOL or the MEMBER that is within the SCOPE OF COVERAGE provided by the POOL;

(e) To promptly pay when and as due all CONTRIBUTIONS required under this AGREEMENT.

Section 3.05. Terms of Membership.

(a) Each FOUNDING MEMBER of the POOL previously committed to remain a MEMBER for three (3) years, until December 31, 1994. Thereafter, the MEMBERS agreed to continue the POOL for three successive 3-year terms (each such 3-year period hereunder, a "TERM"). In 2003, the members agreed to continue the pool for successive three (3) year terms indefinitely.

(b) The MEMBERS intend that the POOL shall continue in effect indefinitely, for succeeding three-year TERMS, subject to the continual election of MEMBERS to remain participants in the POOL as provided below.

(c) On or before October 1, of the last year of the current TERM (the "ELECTION"), each MEMBER of the POOL shall indicate in writing to the BOARD whether or not it intends to continue its participation beyond the current TERM. At least two MEMBERS must elect to continue their participation for the POOL to continue. If less than two MEMBERS elect to continue, the POOL shall terminate effective as of 11:59 p.m., local Columbus, Ohio time, on December 31 of the last year of the current TERM, and the BOARD shall be responsible for winding up and dissolving the affairs of the POOL.

(d) If MEMBERS representing more than one-third (1/3) of the employees and officers of MEMBERS insured by the POOL elect to leave the POOL at the ELECTION, the remaining MEMBERS shall be given another opportunity to indicate in writing whether they desire to continue in the POOL (the "SECOND ELECTION"). The SECOND ELECTION shall be made by each remaining MEMBER on or before November 1, and at least two MEMBERS must elect to continue their participation for the POOL to continue. If less than two MEMBERS elect to continue, the POOL shall terminate effective as of 11:59 p.m., local Columbus, Ohio time, on December 31 of the last year of the current TERM, and the BOARD shall be responsible for winding up and dissolving the affairs of the POOL.

(e) If two or more MEMBERS elect to continue, either at the ELECTION or SECOND ELECTION, all such MEMBERS shall be required to participate for another three (3) year TERM; provided, however, that any such continuing MEMBER may voluntarily withdraw at the end of any year within that subsequent term upon compliance with the withdrawal provisions of Section 8.01 herein. The rights of MEMBERS to share in the surplus FUNDS of the POOL upon withdrawal are governed by Section 8.01 hereof.

Section 3.06. Terms of Membership for Non-Founding Member.

(a) Upon initial entry into the POOL, each NON-FOUNDING MEMBER shall be required to remain a MEMBER, and may not withdraw from the POOL, until December 31<sup>st</sup> following the third anniversary of the MEMBER'S joining the POOL. A NON-FOUNDING MEMBER'S rights to participate in and/or withdraw from the POOL for any subsequent TERM shall be governed by Section 3.05 hereof.

(b) Subject to Section 8.01 hereof, NON-FOUNDING MEMBERS shall be entitled to share in surplus FUNDS of the POOL on the same basis as FOUNDING MEMBERS. NON-FOUNDING MEMBERS shall pay a surcharge and/or otherwise buy into such surplus on terms established by the BOARD.

**ARTICLE FOUR  
BOARD OF DIRECTORS**

Section 4.01. Establishment of Board. The POOL shall have a Board of Directors, which shall, among other duties, determine the general policy of the POOL. Each MEMBER shall be entitled to appoint one director.

Section 4.02. Term of Directorships. A person appointed by a MEMBER to serve as a director on the BOARD shall remain in office until (1) the POOL receives evidence of the appointment of his or her successor or (2) the effective time of the withdrawal from or termination of the MEMBER'S participation in the POOL.

Section 4.03. Officers and Executive Committee. The BOARD shall annually elect from the directors of the BOARD a Chairman, a Vice-Chairman, a

Secretary, and a Treasurer. The directors receiving the largest number of votes for each office shall be elected.

The BOARD shall annually elect an executive committee to be comprised of the Chairman, the Vice-Chairman, the Secretary and the Treasurer of the POOL, and two other directors. The two directors receiving the largest number of votes for the executive committee shall be elected. The executive committee may bind the BOARD only as to matters over which the BOARD has given express authorization.

Section 4.04. Meetings.

(a) Meetings of the Board shall be held monthly at such time as the Secretary shall prescribe. The Secretary shall give written or electronic notice to each director of the time, date and place of each meeting, at least seven days prior to each meeting. This notice may, but is not required to, contain an agenda of items to be discussed. Any item of POOL business may be considered at the monthly meetings contained in the notice of the meeting.

(b) Special meetings may be called by the ADMINISTRATOR, the Chairman, or by a majority of the directors. Only items listed for discussion in the notice of the special meeting may be considered. The Secretary shall give written or electronic notice to each director of the time, date, place and purposes of a special meeting at least three days prior to each meeting.

Section 4.05. Committees of the BOARD.

(a) The BOARD shall appoint a standing Finance Committee consisting of as many directors as the Board chooses and to be chaired by the Treasurer.

(b) The Chairman or BOARD may from time to time appoint ad hoc committees consisting of no fewer than five of the directors. Membership of the ad hoc committees may be changed at any time by the Chairman or by the BOARD. An ad hoc committee may bind the BOARD only as to matters over which the BOARD has given such committees express authorization.

Section 4.06. Compensation. Directors shall be entitled to reimbursement of actual expenses incurred in the pursuit of POOL business and such other reasonable and lawful compensation as may be awarded from time to time by the BOARD.

Section 4.07. Powers and Duties. The BOARD is authorized and directed to carry out each and every act necessary, convenient or desirable to and for carrying out the purpose of this AGREEMENT and the POOL, including, but not limited to:

- (a) hiring the ADMINISTRATOR;
- (b) receiving MEMBERS' CONTRIBUTIONS;

- (c) administering the POOL and settling and paying, or causing the payment of, claims on behalf of the MEMBERS;
- (d) making and entering into subcontracts to conduct and operate the POOL, including, but not limited to, the execution of an administrative agreement with the ADMINISTRATOR;
- (e) employing agents and employees on behalf of the POOL;
- (f) approving new MEMBERS;
- (g) terminating the participation of existing MEMBERS;
- (h) approving and amending the annual budget of the POOL;
- (i) resolving disputes over the SCOPE OF COVERAGE provided by the POOL;
- (j) approving educational and other programs relating to risk reduction;
- (k) approving reasonable and necessary loss reduction and preventive procedures to be followed by all MEMBERS;
- (l) approving each MEMBER'S FUNDING RATE (as that term is defined in Section 7.01 hereof);
- (m) establishing rules and regulations regarding the payment of funds from the POOL as shall from time to time seem appropriate or necessary;
- (n) investing POOL monies;
- (o) providing surety and/or fidelity bonds for directors and all persons charged with the custody or investment of POOL funds;
- (p) purchasing directors and officers, errors and omissions and such other insurance coverage for the benefit of the POOL and its directors as the BOARD shall deem necessary, appropriate or desirable;
- (q) hiring an independent actuary who shall be a member of the American Academy of Actuaries (the "ACTUARY") to perform duties required by Section 9.833 of the Ohio Revised Code or otherwise by the BOARD;
- (r) establishing one or more bank accounts, which may include establishing a trust account with the trust departments of a local,

Columbus, Ohio national bank, to collect premiums, pay claims and otherwise to manage and account for all POOL FUNDS;

- (s) requiring the ADMINISTRATOR to provide evidence of coverage satisfactory to the BOARD with respect to stop-loss and/or any other kind of insurance purchased by the ADMINISTRATOR for the benefit of the POOL;
- (t) Determining whether the POOL has any surplus FUNDS and, if so, how such surplus FUNDS shall be utilized for the operation of the POOL and/or shall be distributed to MEMBERS, in accordance with the terms of this AGREEMENT.

The coverage, limits, deductibles and other terms of the health care benefits (the "SCOPE OF COVERAGE") to initially be provided by the pool are described in Exhibit 4.07, which is attached hereto and is incorporated herein by this reference. From time to time hereafter, the BOARD may revise the SCOPE OF COVERAGE as it deems necessary or appropriate.

Section 4.09. Voting; Proxies. Each director shall be entitled to one vote on each matter voted upon by the BOARD, except that the Chairman shall have an additional vote in the event of a tie. A director may be represented and may vote by a proxy appointed by an instrument in writing signed by the director and confirmed by the MEMBER which elected such director, but such instrument must be filed with the Secretary of the meeting before the person holding the proxy shall be allowed to vote.

Section 4.10. Quorum. A quorum of the BOARD shall consist of fifty percent (50%) of the directors. Except as provided in Section 11.09 below, the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the vote of the BOARD.

## **ARTICLE FIVE ADMINISTRATOR**

Section 5.01. Contract. The BOARD shall contract with an ADMINISTRATOR and delegate to such ADMINISTRATOR some or all of its contractual powers and duties (set forth in Article Four above), as the BOARD shall deem advisable.

Section 5.02. Annual Report. The BOARD shall require the ADMINISTRATOR to prepare and present to the BOARD an annual report regarding the condition of the POOL, within ninety days after each fiscal year end. The report shall be in such form and include such information as is prescribed by, or acceptable to, the BOARD. The report may be consolidated with the ADMINISTRATOR'S budget recommendation required by Section 6.02 hereof.



## ARTICLE SIX POOL FUNDS

Section 6.01. Establishment of the Funds(s). The BOARD shall establish one or more FUNDS which shall consist of MEMBER CONTRIBUTIONS in amounts it deems sufficient to annually fund the administrative expenses of the POOL, to purchase excess insurance, stop-loss insurance or reinsurance for the POOL, to pay current year claims and claim expenses and to establish and maintain sufficient reserves. At or about the close of any three-year term hereunder, the BOARD may also establish one or more FUNDS, which may consist of MEMBER CONTRIBUTIONS and/or any existing surplus FUNDS, in amounts it deems appropriate to fund the claims, claims expense and other costs and expenses associated with the termination and run-off of the three-year Term then ending.

Section 6.02. Budget. No later than October 1 in each POOL year, the ADMINISTRATOR shall prepare and submit to the BOARD an estimate of the budget of the POOL for the succeeding fiscal year. If the budget is acceptable to the BOARD, the BOARD shall approve such budget in the manner established in Article Four.

Section 6.03. Pool Contribution Factor. The POOL CONTRIBUTION FACTOR for each MEMBER of the POOL shall be as follows:

| Number of Employees<br>and Officers Insured<br>by the MEMBER | Percentage of<br>Adjustment Related<br>to the MEMBER'S Loss<br>Experience | Percentage of<br>Adjustment Related<br>to the POOL'S Loss<br>Experience |
|--|---|---|
| -----  | -----   | -----   |
| 50-79  | 20%   | 80%   |
| 80-99  | 30%   | 70%   |
| 100-124  | 40%   | 60%   |
| 125-149  | 50%   | 50%   |
| 150-199  | 60%   | 40%   |
| 200-299  | 70%   | 30%   |
| 300 +  | 80%   | 20%   |

With respect to those MEMBERS whose number of insured employees and officers is fewer than 50, all such MEMBERS shall be treated as a single group (the "SMALL MEMBER GROUP"). The POOL CONTRIBUTION FACTOR for each MEMBER in the SMALL MEMBER GROUP shall be determined by adding all employees and officers insured by each MEMBER in the SMALL MEMBER GROUP, and by then applying the percentages shown in the chart shown above to that total.

Each POOL CONTRIBUTION FACTOR shall remain constant for the entire life of the POOL, subject to change only as provided in Section 11.09 hereof.

Additionally, and notwithstanding anything contained in this AGREEMENT elsewhere to the contrary, the MEMBERS in the SMALL MEMBER GROUP shall be treated as if they were a single MEMBER not only for purposes of

determining their POOL CONTRIBUTION FACTOR, but also for purposes of allocating and distributing Surplus FUNDS, establishing the FUNDING RATE for the SMALL MEMBER GROUP and for determining and assessing supplemental payments to the POOL under ARTICLE SEVEN of the AGREEMENT. In each such case, the Members rights and/or liabilities within the SMALL MEMBER GROUP shall be determined by dividing (a) the number of employees and officers insured by the MEMBER by (b) the total number of all employees and all officers insured by all MEMBERS within the SMALL MEMBER GROUP, and applying that fraction to each such MEMBER as the BOARD shall deem appropriate under the circumstances.

Except as otherwise provided in the preceding paragraph, the MEMBERS in the SMALL MEMBER GROUP shall be treated as separate and distinct MEMBERS for all other purposes under the AGREEMENT. The BOARD shall have authority to interpret this AGREEMENT to resolve any conflicts or issues arising out of the creation of the SMALL MEMBER GROUP and the allocation of any rights and liabilities to each MEMBER within the SMALL MEMBER GROUP.

Section 6.04. Mandatory Reserve. The BOARD shall establish a mandatory reserve for the purposes of protecting the fund from future losses and maintaining fiscal solvency. This reserve shall be set aside for contingencies and potential unforeseen liabilities such as a spike in claims payments in excess of expected. As a part of the annual budget process, the mandatory reserve target shall be calculated as the greater of either the fund's Incurred But Not Reported (IBNR) estimate as identified by the Administrator, or the prior year's average three month claims expense. Should additional contributions be required to achieve the reserve funding target, the board shall determine a reserve surcharge for members to be included in the members' contributions.

Section 6.05. Surplus Funds. In the event that member contributions exceed claims and expenses for the FUND, the BOARD, shall first apply the surplus funds to the mandatory reserve. Should the reserve exceed the BOARD'S established funding target, the board may, in its sole discretion, apply surplus FUNDS toward the CONTRIBUTIONS of MEMBERS for any subsequent year, and/or fund any other necessary and proper cost, liability and/or expense of the POOL. Additionally, the BOARD may rebate to its MEMBERS all or some portion of its excess payments, if any, made by its MEMBERS to the POOL, which reimbursement may be based on each MEMBER'S and the POOL'S loss experience and such other factors as the BOARD deems appropriate under the circumstances. The BOARD shall determine the amount of SURPLUS FUNDS, if any, as of December 31 of each year hereunder on or before March 1 in each succeeding year, and shall promptly communicate this information to each MEMBER.

Section 6.06. Purchase of Stop-Loss Insurance. The BOARD shall use its best efforts in each year hereunder to purchase aggregate stop-loss insurance for the POOL. In each year, the BOARD shall investigate the purchase of specific stop-loss coverage, and upon the termination of the POOL, the availability of insurance to cover the terminal liabilities of the withdrawing MEMBERS, and shall purchase such coverage if deemed to be in the best interests of the MEMBERS at that time.

Section 6.07. Actuarial Report. The BOARD shall require the ACTUARY to prepare and deliver to the BOARD the report required by Section 9.833 of the Ohio Revised Code.

**ARTICLE SEVEN  
FUNDING  
SCOPE OF RISK SHARING PROTECTION**

Section 7.01. Monthly Payments. On or before October 1 in each year hereunder, the BOARD (after consultation with its ADMINISTRATOR, its ACTUARY or such other persons as the BOARD may deem necessary or appropriate) shall calculate the expected costs ("EXPECTED COSTS") for the POOL for the next calendar year. EXPECTED COSTS shall include anticipated claims costs and fixed and administrative costs associated with the operation of the POOL, including premiums for stop-loss insurance, excess insurance and directors and officers liability insurance, and fees for its ADMINISTRATOR, ACTUARY and legal counsel. After calculating EXPECTED COSTS and on or about October 1 in each year hereunder, the BOARD shall determine each MEMBER'S funding rate ("FUNDING RATE"). A MEMBER'S FUNDING RATE shall be determined with reference to the number of employees and officers of the MEMBER who are insured by the POOL as of October 1, the loss experience of the MEMBER and the MEMBER'S POOL CONTRIBUTION FACTOR. FUNDING RATES shall be established so as to enable the POOL to satisfy its EXPECTED COSTS, as well as any additional funding deemed necessary or appropriate by the BOARD. By way of example, the BOARD may establish FUNDING RATES to provide funds in excess of EXPECTED COSTS in order to establish reserves for future POOL year operations.

FUNDING RATES shall be paid monthly by MEMBERS, and payment must be received by the POOL on or before the 15<sup>th</sup> of each month hereunder with no grace period whatsoever. Thereafter, payment is subject to a 5% penalty with the interest of 1 ½% per month or portion thereof.

Section 7.02. Assessments. From time to time hereafter, the BOARD may require that MEMBERS make supplementary payments to the POOL for any necessary or appropriate purpose where there is reasonable concern that FUNDS then available to the POOL (whether through surplus, monthly payments of FUNDING RATES, stop-loss coverage, reinsurance or otherwise) will not be sufficient to meet the responsibilities of the POOL; provided, however, that the total of such supplementary payments and all payments under Section 7.01 hereof in any year shall not exceed two hundred percent (200%) of the EXPECTED COSTS for that POOL year. The BOARD may assess supplementary payments from MEMBERS, including withdrawn or terminated MEMBERS, for any one or more years of their membership. All assessments for supplementary payments shall be made proportionately among the MEMBERS of the POOL for the year as to which the assessment relates, in direct relation to each MEMBER'S FUNDING RATE for that year.

MEMBERS shall be responsible for supplementary payments during the life of the POOL and any later period when claims or expenses need be paid which are attributable to any year of membership when the event out of which the expenses or claim occurred.

Section 7.03. Member Reversion. (a) In the event that the losses of the POOL in any year shall exceed amounts paid to the POOL under Sections 7.01 and 7.02 hereunder, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the individual MEMBER or MEMBERS against which the claim was made, and the BOARD shall assess such MEMBER or MEMBERS for the full amount thereof.

(b) In the event that the administrative costs and expenses of operating the POOL exceed the FUNDS available therefor, including but not limited to amounts available to the POOL by assessment under Section 7.02 hereof, then the BOARD may assess the MEMBERS for such deficiency. All such assessments shall be made proportionately among the MEMBERS for the year, as to which the assessment relates, in direct relation to each MEMBER'S FUNDING RATE for that year.

Section 7.04. Payment of Assessments. Each MEMBER shall promptly pay all assessments hereunder, and in each case no later than the forty-fifth (45<sup>th</sup>) day after the BOARD has given the MEMBER written notice of the assessment, with no grace period whatsoever. Thereafter, payment is subject to a 5% penalty with the interest of 1 ½% per month or portion thereof.

## **ARTICLE EIGHT**

### **MEMBER'S WITHDRAWAL OR TERMINATION**

Section 8.01. Withdrawal.

(a) A FOUNDING MEMBER, or a NON FOUNDING MEMBER that has completed its three (3) years of membership as required in Section 3.06, may withdraw from the POOL by giving prior written notice thereof to the POOL no later than October 1. The MEMBER'S withdrawal shall be effective as of 11:59 p.m., local Columbus, Ohio time, on December 31 in the year in which such notice is given; provided, however, that the MEMBER shall remain liable thereafter for any assessments which the BOARD may make under Sections 7.02 and/or 7.03 hereof. At and after the effective time of withdrawal, the withdrawing MEMBER shall be wholly and solely responsible for providing health care benefits that previously had been provided by the POOL, including but not limited to any and all incurred but not reported and/or terminal liabilities related to its prior POOL participation, and the POOL shall have absolutely no liabilities to the MEMBER in that regard.

(b) No withdrawing MEMBER shall have any rights whatsoever to participate in a distribution of the surplus FUNDS of the POOL, whether then or thereafter in existence.

Section 8.02. Termination. Upon a vote of the BOARD taken in accordance with Article Four and upon five (5) days written notice, a MEMBER'S participation may be terminated, if such MEMBER materially breaches or violates any of the terms of this AGREEMENT. Without limiting the generality of the foregoing, the failure of a MEMBER to promptly make payments to the POOL in complete conformity with the provisions of Sections 7.01, 7.02, 7.03 and/or 7.04 hereof shall be deemed to be a material breach and violation of this AGREEMENT which warrants termination. Upon termination, the terminated MEMBER shall (a) remain liable for any and all amounts remaining due and unpaid under Sections 7.01, 7.02, 7.03 and 7.04 hereof, (b) have no rights whatsoever to share in any SURPLUS FUNDS then and/or thereafter in existence, and (c) effective as of 11:59 p.m., local Columbus, Ohio time, on the date on which such termination is effective, the terminated MEMBER shall be wholly and solely responsible for providing health care benefits that previously had been provided by the POOL, including but not limited to any and all incurred but not reported and/or terminal liabilities related to its prior POOL participation, and the POOL shall have absolutely no liabilities to the MEMBER in that regard.

## **ARTICLE NINE TERMINATION OF POOL**

Section 9.01. Termination. This AGREEMENT may be terminated only by the written agreement of no less than two-thirds (2/3) of all MEMBERS. After a vote to terminate the POOL, the BOARD shall wind-up the POOL'S business as quickly as practicable, but in any event shall complete this process no later than twelve months after the termination date. During such period, the POOL shall continue to pay all claims and expenses until the POOL FUNDS are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid twelve month period, any remaining SURPLUS FUNDS held by the POOL shall be paid to the MEMBERS of the POOL who are MEMBERS as of the termination date. The BOARD shall determine the manner in which such SURPLUS FUNDS shall be distributed, and shall consider (a) the percentage relationship which each MEMBER'S CONTRIBUTIONS to the POOL for the prior three calendar years of the POOL bears to all MEMBERS' CONTRIBUTIONS to the POOL for that same period and (b) the loss experiences of each MEMBER for the prior three calendar years of the POOL. The POOL, through the BOARD, may require that MEMBERS provide written documentation satisfactory to the BOARD, in its sole judgment, that such MEMBER has the requisite capacity and authority, and has obtained all required approvals, to vote on any matter contemplated by this Section 9.01.

The POOL shall not be responsible for any claims filed after the aforesaid twelve-month period. MEMBERS shall remain obligated to make payments to the POOL pursuant to Sections 7.02 claims and other expenses related to periods prior to the termination date.

## **ARTICLE TEN INDEMNIFICATION**

Section 10-01. Mandatory Indemnification. The POOL shall indemnify any officer or director of the POOL who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action threatened or instituted by or in the right of the POOL), against expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the POOL, and with respect to any criminal action or proceeding, he/she had no reasonable cause to believe his conduct was unlawful. A person claiming indemnification under this Section 10.01 shall be presumed, in respect of any act or omission giving rise to such claim for indemnification, to have acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the POOL, and with respect to any criminal matter, to have had no reasonable cause to believe his/her conduct was unlawful, and the termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, rebut such presumption.

Section 10.02 Court-Approved Indemnification. Anything contained in this AGREEMENT or elsewhere to the contrary notwithstanding:

(a) the POOL shall not indemnify any officer or director of the POOL who was a party to any completed action or suit instituted by or in the right of the POOL to procure a judgment in its favor by reason of the fact that he/she is or was a director, officer, employee or agent of the POOL, in respect of any claim, issue or matter asserted in such action or suit as to which he/she shall have been adjudged to be liable for acting with reckless disregard for the best interests of the POOL or misconduct (other than negligence) in the performance of his/her duty to the POOL unless and only to the extent that the Court of Common Pleas of Franklin County, Ohio or the court in which such action or suit was brought shall determine upon application that, despite such adjudication of liability, and in view of all the circumstances of the case, he/she is fairly and reasonably entitled to such indemnity as such Court of Common Pleas or such other court shall deem proper; and

(b) the POOL shall promptly make any such unpaid indemnification as is determined by a court to be proper as contemplated by this Section 10.02.

Section 10.03. Indemnification for Expenses. To the extent that an officer or director of the POOL has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.01, or in defense of any claim, issue or matter therein, he/she shall be promptly indemnified by the POOL against expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs) actually and reasonably incurred by him/her in connection therewith.

Section 10.04. Determination Required. Any indemnification required under Section 10.01 and not precluded under Section 10.02 shall be made by the POOL only upon a determination that such indemnification of the officer or director is proper in

the circumstances because he/she has met the applicable standard of conduct set forth in Section 10.01. Such determination may be made only (a) by a majority vote of a quorum consisting of directors of the BOARD who were not and are not parties to, or treated with, any such action, suit or proceeding, or (b) if such a quorum is not obtainable or if a majority of a quorum of disinterested directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the POOL or any person to be indemnified, within the past five years, or (c) by the court in which such action, suit or proceeding was brought, if any.

Section 10.05. Advances for Expenses. Expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs) incurred in defending any action, suit or proceeding referred to in Section 10.01 shall be paid by the POOL in advance of the final disposition of such action, suit or proceeding to or on behalf of the officer or director promptly as such expenses are incurred by him/her, but only if such officer or director shall first agree, in writing, to repay all amounts so paid in respect of any claim, issue or other matter asserted in such action, suit or proceeding in defense of which he/she shall not have been successful on the merits or otherwise:

(a) if it shall ultimately be determined as provided in Section 10.04 that he/she is not entitled to be indemnified by the POOL as provided under Section 10.01; or

(b) if, in respect of any claim, issue or other matter asserted by or in the right of the POOL in such action or suit, he/she shall have been adjudged to be liable for acting with reckless disregard for the best interests of the POOL or misconduct (other than negligence) in the performance of his duty to the POOL, unless and only to the extent that the Court of Common Pleas of Franklin County, Ohio or the court in which such action or suit was brought shall determine upon application that, despite such adjudication of liability, and in view of all the circumstances, he/she is fairly and reasonably entitled to all or part of such indemnification.

Section 10.06. Article Ten Not Exclusive. The indemnification provided by this Article Ten shall not be exclusive of, and shall be in addition to, any other rights to which any person seeking indemnification may be entitled, and shall continue as to a person who has ceased to be an officer or director of the POOL and shall inure to the benefit of the heirs, executors, executors, and administrators of such a person.

## **ARTICLE ELEVEN MISCELLANEOUS**

Section 11.01. Ohio Law Governs. This AGREEMENT shall be governed by and construed in accordance with the laws of the State of Ohio.

Section 11.02. Enabling Action by MEMBERS. If any action requiring the vote, consent or approval of any or all MEMBERS of the POOL, is required in order to make permissible or lawful any actions contemplated by this AGREEMENT, each director will vote for such action on behalf of its MEMBER.

Section 11.03. Counterparts. This AGREEMENT and any amendment hereto may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all counterparts taken together shall constitute one and the same AGREEMENT.

Section 11.04. Severability. The invalidity or unenforceability of any provision of this AGREEMENT in any particular respect shall not affect the validity and enforceability of any other provision of this AGREEMENT or of the same provision in any other respect.

Section 11.05. Captions. All captions used in this AGREEMENT are for convenience or reference only, do not form a substantive part of this AGREEMENT and shall not restrict or enlarge any substantive provision of this AGREEMENT.

Section 11.06. Notices. All notices and other communications required or permitted under this AGREEMENT shall be in writing and shall be mailed by regular U.S. mail, postage prepaid, or otherwise delivered by hand or by messenger, addressed (a) if to a MEMBER, to the director representing that MEMBER at such director's address set forth on the last page of this AGREEMENT or at such other address as the MEMBER or director shall have furnished to the POOL in writing or (b) if to the POOL, at the POOL address set forth on the last page of this AGREEMENT and addressed to the attention of the secretary of the POOL or at such other address as the POOL shall have furnished to the MEMBERS in writing. Each such notice or other communication shall for all purposes of this AGREEMENT be treated as effective or having been given (a) when delivered, if delivered personally or (b) if sent by mail, when deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed in compliance with this Section 11.06.

Section 11.07. Entire Agreement. This AGREEMENT constitutes the entire agreement between the parties hereto in respect of the subject matter of this AGREEMENT, and this AGREEMENT supersedes all prior and contemporaneous agreements between the parties hereto in respect of the subject matter of this AGREEMENT.

Section 11.08. Pronouns; Gender. All pronouns and any variations thereof used in this AGREEMENT to refer to any person or persons shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

Section 11.09. Amendment. This AGREEMENT may be amended only by the written agreement of no less than two-thirds (2/3) of all MEMBERS. The POOL, through the BOARD, may require that MEMBERS provide written documentation satisfactory to the BOARD, in its sole judgment, that such MEMBER has the requisite capacity and authority, and has obtained all required approvals to vote on any matter contemplated by this Section 11.09.



Section 11.10. Other Instruments. The MEMBERS agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this AGREEMENT.

IN WITNESS WHEREOF, this AGREEMENT was executed on the 27<sup>th</sup> day of December, 2012 by the undersigned duly authorized officer of the POLITICAL SUBDIVISION indicated below:

POLITICAL SUBDIVISION:

City of Gahanna  
By: Rebecca W. Stinchcomb  
Title: Mayor

Address: 200 S. Hamilton Rd  
Gahanna, OH 43230

ACCEPTED FOR THE CENTRAL OHIO HEALTH  
CARE CONSORTIUM

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





## City of Gahanna

200 South Hamilton Road  
Gahanna, Ohio 43230

### Signature

### Ordinance

File Number: ORD-0243-2012

Date Passed: 12/17/2012

TO AUTHORIZE THE MAYOR TO ENTER INTO AGREEMENT WITH THE CENTRAL OHIO HEALTH CARE CONSORTIUM FOR JOINT SELF-INSURANCE PROGRAM FOR THE PERIOD FROM JANUARY 1, 2013 THROUGH DECEMBER 31, 2015; AND TO DECLARE AN EMERGENCY.

WHEREAS, Section 9.833 of the Ohio Revised Code permits any political subdivision that provides health care benefits for its officers or employees to join in any combination with other political subdivisions to establish and maintain a joint self-insurance program to provide health care benefits pursuant to a written agreement; and

WHEREAS, Section 9.833 of the Ohio Revised Code also permits the awarding of a contract, without the necessity of competitive bidding, to any person for the purposes of administration of a joint self-insurance program; and

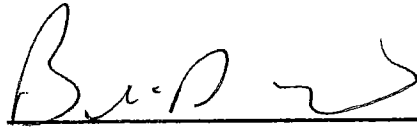
WHEREAS, it is critical for the orderly flow of business to approve this ordinance as soon as possible so that it will be in effect by January 1, 2013, all for the preservation of the public peace, property, health, safety and welfare;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, STATE OF OHIO:

Section 1. That the Mayor is hereby authorized to enter into Agreement with the Central Ohio Health Care Consortium for joint self-insurance program for the three year period from January 1, 2013 through December 31, 2015, with rates to be set each year and budgeted accordingly; Amended and Restated Agreement attached as EXHIBIT A, and made a part herein.

Section 2. That, for the reasons set forth in the preamble herein above, this ordinance shall be in full force and effect immediately upon passage by this Council and on date of signature approval by the Mayor

This Ordinance was Adopted as an Emergency, this 17th day of December, 2012.



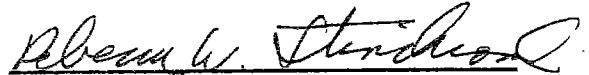
Brian D. Larick  
President

ATTESTED to and PRESENTED to the Mayor;  
this 18th day of December, 2012.



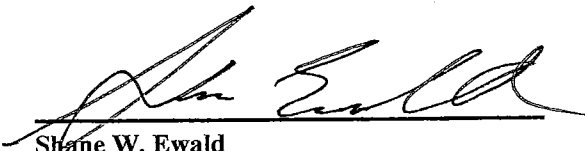
Isobel L. Sherwood, MMC  
Clerk of Council

APPROVED by the Mayor, this  
18th day of Dec. 2012.



Rebecca W. Stinchcomb  
Mayor

Approved as to form:



Shane W. Ewald  
City Attorney