

**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 (the “AGREEMENT”); and

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 (the “Original Agreement”) to provide health care benefits for its officers and/or employees; and

WHEREAS, the Original Agreement was restated 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”); and

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; and

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 1½% 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 4.03 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, in 2016, the MEMBERS amended and restated the AGREEMENT (the “RESTATED 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; and

WHEREAS, in 2018, the MEMBERS again desire to amend and restate the AGREEMENT to provide current operating terms under the AGREEMENT for the three-year TERM of the AGREEMENT beginning January 1, 2019, making the changes identified herein;

NOW, THEREFORE, the undersigned agree as follows:

## **ARTICLE ONE NAME**

Section 1.01. Name. The unincorporated joint self-insurance program known as the Central Ohio Health Care Consortium (the “POOL”) is hereby continued as stated herein.

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 VESTED 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 POOL as well as 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 “RESTATED AGREEMENT”). This restated AGREEMENT shall become effective as of January 1, 2019.

## **ARTICLE TWO DEFINITIONS**

Section 2.01. Act. “ACT” means Section 9.833 of the Ohio Revised Code (“ORC”) and any successor statute thereto, as amended from time to time.

Section 2.02. Administrator. “ADMINISTRATOR” means the entity designated to supervise the administration of the POOL and to perform such other duties as are set forth in any applicable Administration Agreement.

Section 2.03. Agreement. “AGREEMENT” means this Amended and Restated Central Ohio Health Care Consortium Joint Self-Insurance Agreement and all counterparts hereto, as amended from time to time.

Section 2.04. Board. “BOARD” means the Board of Directors of the POOL.

Section 2.05. Contribution(s). “CONTRIBUTION(S)” means any amounts paid by a MEMBER to any FUND.

Section 2.06. Fund. “FUND” or “FUNDS” means those amounts paid by MEMBERS pursuant to Articles Six and Seven of this AGREEMENT.

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 “MEMBER” means a POLITICAL SUBDIVISION that is a party to this AGREEMENT and that has not withdrawn from or been terminated from participation in the POOL.

Section 2.08. Political Subdivision. “POLITICAL SUBDIVISION” has the same meaning given to it by the ACT.

Section 2.09. Pool Contribution Factor. “POOL CONTRIBUTION FACTOR” has the meaning as defined in Section 6.03 hereof.

Section 2.10. Scope of Coverage. “SCOPE OF COVERAGE” means the coverage, limits and deductibles set forth in Section 4.07 hereof.

Section 2.11. Surplus Funds. “SURPLUS FUNDS” means 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 operating the POOL.

Section 2.12. Term. “TERM” means a three-year contract period entered into by the MEMBERS beginning January 1 of any of the following years: 2010, 2013, 2016, 2019, 2022, 2025.

Section 2.13. Vested and Non-Vested Members. “VESTED MEMBER” means any MEMBER who was an original MEMBER of the POOL as well as any MEMBER after such MEMBER has completed one full three-year TERM, and “NON-VESTED MEMBER” means any MEMBER who has not completed one full three-year TERM. Prior to this 2019 restatement, such MEMBERS were referred to as FOUNDING and NON-FOUNDING MEMBERS.

Section 2.14. Terms Defined Elsewhere.

ACTUARY	Section 4.07(s)
CERTIFIED PUBLIC ACCOUNTANT or CPA	Section 4.07(s)
DIRECTOR	Section 3.04(c)
ELECTION	Section 3.05(c)
EXPECTED COSTS	Section 7.01
FUNDING RATE	Section 7.01
INCURRED BUT NOT REPORTED or IBNR	Section 6.04
POOL	Section 1.01
RESTATED AGREEMENT	Section 1.04
SECOND ELECTION	Section 3.05(d)
SMALL MEMBER GROUP	Section 6.03

### **ARTICLE THREE MEMBERSHIP**

Section 3.01. Qualification. An applicant seeking membership in the POOL must meet all of the qualifications required by the ACT and, in the case of a NON-VESTED 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 adopt and institute wellness program components or options as identified by the BOARD or the ADMINISTRATOR;

(c) to designate a representative of the MEMBER (a "DIRECTOR") to serve on the BOARD, and to cause that DIRECTOR to attend all monthly and special meetings of the BOARD;

(d) 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;

(e) 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; and

(f) to promptly pay when and as due all CONTRIBUTIONS, assessments and uncovered losses (as described in Sections 7.02 and 7.03), if any, required under this AGREEMENT.

Section 3.05. Terms of Membership.

(a) Each original VESTED MEMBER of the POOL committed to remain a MEMBER for three years, until December 31, 1994. Thereafter, the MEMBERS agreed to continue the POOL for three successive three-year terms (each such three-year period hereunder, a "TERM"). In 2003, the MEMBERS agreed to continue the POOL for successive three-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-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-Vested Member.

(a) Upon initial entry into the POOL, each NON-VESTED MEMBER shall be required to remain a MEMBER, and may not withdraw from the POOL, until the December 31<sup>st</sup> following the second anniversary of the MEMBER'S joining the POOL. A 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-VESTED MEMBERS shall be entitled to share in SURPLUS FUNDS of the POOL on the same basis as VESTED MEMBERS. NON-VESTED 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 to the BOARD.

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. Such meetings may be held and attended in person or electronically through teleconference, video conference or other appropriate means. The Secretary shall give written or electronic notice to each DIRECTOR of the time, date, place, and format 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, format 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, proxies or other designees as the BOARD chooses and to be chaired by the Treasurer. The Finance Committee shall be responsible for the POOL's pricing policies and related matters.

(b) The BOARD shall also appoint a standing Benefits Committee consisting of as many DIRECTORS, proxies or other designees as the BOARD chooses and to be chaired by a member of the Benefits Committee as selected by the Committee members. The Benefits Committee shall be responsible for evaluating benefit plan designs, wellness initiatives and related matters.

(c) 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 committee 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 contracts 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) establishing and adopting requirements for membership in the POOL, including, but not limited to, a potential member's commitment to certain wellness initiatives to be identified by the BOARD and/or the ADMINISTRATOR;
- (g) approving new MEMBERS;
- (h) terminating the participation of existing MEMBERS;

- (i) approving and amending the annual budget of the POOL;
- (j) resolving disputes over the SCOPE OF COVERAGE provided by the POOL;
- (k) approving educational and other programs relating to risk reduction;
- (l) approving reasonable and necessary loss reduction and preventive procedures to be followed by all MEMBERS;
- (m) approving each MEMBER'S FUNDING RATE (as that term is defined in Section 7.01 hereof);
- (n) establishing rules and regulations regarding the payment of FUNDS from the POOL as shall from time to time seem appropriate or necessary, including the payment of reasonable expenses related to the administration of the POOL;
- (o) establishing and adopting policies for the administration of the POOL and/or the FUNDS, including, but not limited to investment and mandatory reserve policies as well as policies for pricing and rating;
- (p) investing POOL monies;
- (q) providing surety and/or fidelity bonds for DIRECTORS and all persons charged with the custody or investment of POOL FUNDS;
- (r) 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;
- (s) hiring an independent actuary who shall be a member of the American Academy of Actuaries (the "ACTUARY") as well as a CERTIFIED PUBLIC ACCOUNTANT (the "CPA") to perform duties required by ORC Section 9.833 or otherwise by the BOARD;
- (t) hiring independent legal counsel to provide services to the BOARD and POOL, as necessary;
- (u) establishing one or more bank accounts, which may include establishing a trust(s) with the trust department(s) of one or more National bank(s), to collect premiums, pay claims and otherwise to manage and account for all POOL FUNDS;
- (v) 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; and



(w) 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 be provided by the POOL are described in documents maintained by the BOARD and incorporated herein by this reference. From time to time, the BOARD may revise the SCOPE OF COVERAGE as it deems necessary or appropriate.

The BOARD may delegate one or more of these duties to one or more committees established under Section 4.05, with oversight and approval retained by the BOARD.

Section 4.08. 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.

The BOARD may include in any process or procedure for administering the POOL, including voting, the use of alternative media, including, but not limited to, telephonic, facsimile, computer or other such electronic means as available. Use of alternative media shall be deemed to satisfy any requirements of the POOL or this AGREEMENT requiring a "written" document or an instrument signed "in writing" to the extent permissible under the ORC, or the Internal Revenue Code of 1986, as amended, if applicable.

Section 4.09. 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 90 days after each calendar 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 calendar 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 and Officers Insured by the MEMBER -----	Percentage of Adjustment Related to the MEMBER'S Loss Experience -----	Percentage of Adjustment Related to the POOL'S Loss Experience -----
50-99	20%	80%
100-124	30%	70%
125-149	40%	60%
150-199	50%	50%
200-299	60%	40%
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. Such determination shall reviewed at the conclusion of each TERM in order to determine whether any MEMBER should be removed from or return to the SMALL MEMBER GROUP, as well as the POOL CONTRIBUTION FACTOR to be applied for the upcoming TERM.

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. Notwithstanding the above, the BOARD shall have the authority to use reasonable

discretion in the consideration of extenuating circumstances that may apply to any MEMBER in the determination and application of the appropriate POOL CONTRIBUTION FACTOR for such MEMBER. Further, the BOARD may develop and adopt policies regarding pricing and rates for MEMBERS, and particularly new NON-VESTED MEMBERS (as provided in Section 4.07(o)), based on the prior status of such MEMBER's benefit programs (e.g., fully-insured, self-funded with run-out claims liability, self-funded without run-out claims liability, etc.).

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 MEMBER'S 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 the 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 claims. 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. For purposes of a NON-VESTED MEMBER, the pricing of such reserve amount will be phased in over the first two years of the NON-VESTED MEMBER's participation in the POOL. 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 refund to its MEMBERS all or some portion of the 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 April 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 hereunder to purchase aggregate stop-loss insurance for the POOL. The BOARD shall also 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. The BOARD may, in its discretion, create sub-pools for the allocation of the costs for any purchased stop-loss coverage, with such factors to be reviewed on an actuarial basis, and applied each TERM.

Section 6.07. Actuarial and Financial Reports. The BOARD shall require the ACTUARY and the CPA to prepare and deliver to the BOARD the report(s) required by ORC Section 9.833.

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

Section 7.01. Monthly Payments. On or before October 1 in each year, 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, errors and omissions insurance and fees for its ADMINISTRATOR, ACTUARY, CPA and legal counsel. After calculating EXPECTED COSTS and on or about October 1 in each year, 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 covered by the POOL as of September 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 1½% per month or portion thereof.

Section 7.02. Assessments. From time to time, the BOARD may require that MEMBERS make supplemental 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 supplemental 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 supplemental payments from MEMBERS, including withdrawn or terminated MEMBERS (related to their period of membership in the POOL), for any one or more years of their membership. All assessments for supplemental 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 supplemental payments during the life of the POOL and any later period when claims or expenses need to be paid which are attributable to any year of membership during which the event causing the expenses or claims requiring the supplemental payments occurred.

Section 7.03. Member Reversion.

(a) In the event that the losses of the POOL in any year exceed amounts paid to the POOL under Sections 7.01 and 7.02, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of any uncovered losses shall be covered by the POOL and such losses shall be allocated to the MEMBERS as part of the POOL CONTRIBUTION FACTOR described in Section 6.03.

(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, 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 1½% per month or portion thereof.

**ARTICLE EIGHT**  
**MEMBER'S WITHDRAWAL OR TERMINATION**

Section 8.01. Withdrawal.

(a) A VESTED MEMBER, or a NON-VESTED MEMBER that has completed its membership requirement as described in Section 3.06, may withdraw from

the POOL by giving prior written notice to the POOL no later than October 1 of the year in which membership is to cease. 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. At and after the effective time of withdrawal, the withdrawing MEMBER shall be wholly and solely responsible for providing health care (and other, if any) benefits that previously had been provided by the POOL, including but not limited to any and all IBNR and/or terminal liabilities related to its prior POOL participation, to the extent such expenses exceed the total of the MEMBER's CONTRIBUTIONS for the last three months as an active MEMBER, 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 any time thereafter.

Section 8.02. Termination. Upon a vote of the BOARD taken in accordance with Article Four and upon five 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 Article Seven 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 Article Seven, (b) have no rights whatsoever to share in any SURPLUS FUNDS then and/or at any time thereafter, 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 (and other, if any) benefits that previously had been provided by the POOL, including, but not limited to, any and all IBNR and/or terminal liabilities related to its prior POOL participation, to the extent such expenses exceed the total of the MEMBER's CONTRIBUTIONS for the last three months as an active MEMBER, 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 12 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 12-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. If, after the payment of all claims and expenses, or upon the termination of the 12-month period, the POOL'S funds are not sufficient to pay claims and expenses, the payment of any uncovered losses shall revert to and be the sole obligation of the individual MEMBERS against which the claims or expenses were made, and the BOARD shall assess such MEMBERS for the full amount owed.

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 12-month period. MEMBERS shall remain obligated to make payments to the POOL pursuant to Article Seven related to periods prior to the termination date.

## **ARTICLE TEN INDEMNIFICATION**

Section 10.01. Indemnification. Subject to the determination required by Section 10.03 below, 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, reasonable attorneys' fees, filing fees, court reporters' fees and transcript costs), judgments, fines and amounts paid in settlement actually and reasonably incurred by the officer or DIRECTOR in connection with such action, suit or proceeding if he acted in good faith and in a manner he 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 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 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 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 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 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 of the case, he 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. Determination Required. Any indemnification provided for 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 has met the requirements 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 10.04. Advances for Expenses. Expenses (including, without limitation, reasonable 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, 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 shall not have been successful on the merits or otherwise:

(a) if it shall ultimately be determined as provided in Section 10.03 that he 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 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 10.05. 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 an 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.

Notwithstanding the foregoing, the parties may elect to use alternative media for the purpose of providing such notices and communications, including, but not limited to, facsimile, computer or other such electronic means as are available, provided that any method used shall include a confirmation statement or receipt providing evidence that such transmission was received by the intended recipient.

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 \_\_\_\_\_ day of \_\_\_\_\_, 2018 by the undersigned duly authorized officer of the MEMBER indicated below:

ACCEPTED FOR THE CENTRAL  
OHIO HEALTH CARE  
CONSORTIUM:

MEMBER:

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

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

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

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