

**ILLINOIS ASSOCIATION OF SCHOOL BOARDS
WORKERS' COMPENSATION SELF-INSURANCE TRUST**

**INTERGOVERNMENTAL COOPERATIVE
POOLING AGREEMENT**

As Amended and Restated July 1, 2015

**ILLINOIS ASSOCIATION OF SCHOOL BOARDS
WORKERS' COMPENSATION SELF-INSURANCE TRUST**

**INTERGOVERNMENTAL COOPERATIVE
POOLING AGREEMENT**

As Amended and Restated July 1, 2015

THIS AGREEMENT is made and entered into by and among the **TRUSTEES** of the **ILLINOIS ASSOCIATION OF SCHOOL BOARDS WORKERS' COMPENSATION SELF-INSURANCE TRUST** ("TRUST") and eligible public agencies as defined by the Illinois Intergovernmental Cooperation Act.

INTRODUCTION

The **TRUST** has established joint self-insurance programs as authorized by Section 6 of the Intergovernmental Cooperation Act, which provides "public agencies" may contract to jointly self-insure against liability or loss in a designated insurable area, 5 ILCS 220/6, and by Article 7, Section 10 of the Illinois Constitution of 1970, which provides that school districts and other units of local government may contract or otherwise associate among themselves or with other governmental bodies to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law. Parties to this Agreement ("**MEMBERS**"), which are public agencies, have applied for and have been accepted for membership by the ("**TRUSTEES**") under the terms of the trust agreement between the Illinois Association of School Boards and the **TRUSTEES** as it may be amended ("**TRUST AGREEMENT**") and the rules and regulations adopted by the **TRUSTEES**.

THIS POOLING AGREEMENT sets forth certain operating and membership requirements of the **TRUST's** joint self-insurance programs.

IT IS AGREED:

SECTION 1 MEMBERS

1.1 Participation in Joint Self-Insurance Programs

All public agencies that have applied and are accepted for membership by the **TRUSTEES** may elect to participate in the pooling of workers' compensation and employers' liability obligations (collectively, "**Workers' Compensation Liabilities**") as set forth in the Workers' Compensation Coverage Agreement issued by the **TRUST**, as amended from time to time ("**Workers' Compensation Coverage Agreement**"). Public agencies may elect to participate solely in the Trust's joint self-insurance program for the pooling of liabilities covered under the Excess Workers' Compensation Liability Coverage Agreement (respectively, "**Excess Workers' Compensation Liabilities**" and "**Excess Workers' Compensation Coverage Agreement**"). The Workers' Compensation Coverage Agreement and Excess Workers' Compensation Coverage Agreement shall be referred to collectively as "**Coverage Agreements**".

1.2 Membership Classes

1.2.1 Those **MEMBERS** that participate in the pooling of Workers' Compensation Liabilities and are covered under the Workers' Compensation Coverage Agreement shall be Full Members ("**FULL MEMBERS**"). **FULL MEMBERS** shall be eligible for the receipt of dividends or return of surplus pursuant to Section 10 of this Agreement and shall be subject to special assessment pursuant to Subsection 8.4 of this Agreement.

1.2.2 Those **MEMBERS** that elect to participate solely in the pooling of Excess Workers' Compensation Liabilities and are covered under the Excess Workers' Compensation Coverage Agreement shall be Pool 2 Members ("**POOL 2 MEMBERS**"). **POOL 2 MEMBERS** shall not be eligible for the receipt of

dividends or return of surplus described in Section 10 of this Agreement and shall not be subject to special assessments described in Subsection 8.4 of this Agreement.

1.2.3 Intentionally omitted.

SECTION 2
THE FUND

The **TRUSTEES** shall pay all contributions received from **MEMBERS** and all reinsurance proceeds and other amounts collected on behalf of the **TRUST** into a single reserve fund ("**FUND**") that shall be available for the payment of all benefits, dividends and costs payable in connection with the **TRUST's** joint self-insurance programs. The respective rights of each class of **MEMBERS** with respect to the payment of benefits and dividends out of the monies held in the **FUND** and the respective obligations of each class of **MEMBERS** to pay contributions for the maintenance of the **FUND** are set forth in this Agreement.

SECTION 3
FISCAL YEAR

The **FUND** and **TRUST** shall operate on a fiscal year from 12:01 a.m. July 1 to 12:01 a.m. July 1 of the following year. The membership term of the undersigned applicant shall commence on the date shown on the signature page of this Agreement or as otherwise designated by the **TRUSTEES** and may be terminated by either the **MEMBER** or the **TRUST** in accordance with the provisions of Section 9 of this Agreement. Appropriate adjustments of contributions may be made by the **TRUSTEES** for those **MEMBERS** who became **MEMBERS** other than at the beginning of the year.

SECTION 4
BENEFITS

4.1 Plans of Coverage

The **TRUSTEES** have developed written plans of joint self-insurance for the coverage of the Workers' Compensation Liabilities and Excess Workers' Compensation Liabilities. These plans of joint self-insurance are set forth in, and shall be implemented, respectively, by the Workers' Compensation Coverage Agreement and Excess Workers' Compensation Coverage Agreement (collectively, "**Coverage Agreements**"). In their sole discretion, the **TRUSTEES** may revise the plans of joint self-insurance and the Coverage Agreements from time to time to add or delete types of coverage, to raise or lower limits of coverage and to change the terms of coverage.

4.2 Workers' Compensation Coverage

In consideration of the payment of contributions by a **FULL MEMBER**, the **TRUST** shall perform all of its obligations under the terms and conditions of the Worker's Compensation Coverage Agreement issued to the **FULL MEMBER** including the payment of all benefits required to be paid to the employees of the **FULL MEMBER** pursuant to the Illinois Workers' Compensation and Workers' Occupational Diseases Acts in connection with injuries caused by accidents occurring during the term of the Workers' Compensation Coverage Agreement with the **FULL MEMBER** or by certain diseases as provided in such Agreement.

4.3 Excess Workers' Compensation Coverage

In consideration of the payment of contributions by a **POOL 2 MEMBER**, the **TRUST** shall perform all of its obligations under the terms and conditions of the Excess Worker's Compensation Coverage Agreement issued to the **POOL 2 MEMBER**, including the payment of all benefits required to be paid to the employees of the **POOL 2 MEMBER** pursuant to the Illinois Workers' Compensation and Workers' Occupational Diseases Acts in connection with injuries caused by accidents occurring during the term of the Excess Workers' Compensation Coverage Agreement with the **POOL 2 MEMBER** or by certain diseases as provided in such Agreement.

4.4 Tort Immunity

The Coverage Agreements shall not waive any defenses or immunities of **MEMBERS** provided by the Illinois Tort Immunity Act or any other applicable statute or common law.

4.5 Reinsurance and Excess Insurance

In their sole discretion, the **TRUSTEES** may purchase reinsurance or excess insurance in such amounts and on such terms as appear prudent to the **TRUSTEES** for the purpose of controlling the costs of, and enhancing the continuity and stability of, the coverage provided under the Workers' Compensation Coverage Agreement and/or the Excess Workers' Compensation Coverage Agreement.

4.6 Exclusivity

No **MEMBER** (including former and terminated **MEMBERS**) nor any other person, partnership, corporation or association shall have any right, title or interest in or to the **TRUST** or the **FUND** except when, and to the extent that, indemnity and/or expense is payable under the terms of the Coverage Agreements as determined by the **TRUSTEES**, or except as provided elsewhere in this Agreement or in the **TRUST AGREEMENT**.

SECTION 5 **MEMBERSHIP APPLICATION**

A public agency applying for membership shall file such forms as are approved by the **TRUSTEES** and shall designate whether it is applying for membership as a **FULL MEMBER**, or **POOL 2 MEMBER**. The applicant shall furnish all information required by the **TRUSTEES** or by any governmental authority. The applicant, if approved for membership, shall comply with the requirements of participation in the **TRUST** and **FUND** as set forth herein and in the **TRUST AGREEMENT**.

SECTION 6
TRUST GOVERNANCE

The **TRUSTEES** shall govern all aspects of the **TRUST** and **FUND**, including participation in the **TRUST**, the investment of **FUND** monies and assets and interpretation of the Coverage Agreements and other applicable documents. The **TRUSTEES** shall approve all individuals or organizations providing legal, actuarial, accounting, loss prevention and claims management services as required or appropriate to operate the **TRUST** and **FUND**.

SECTION 7
TRUST ADMINISTRATOR

The **TRUSTEES** may engage one or more administrators and consultants who may:

7.1 Present recommendations with respect to applicants for consideration by the **TRUSTEES** based on underwriting standards and other considerations.

7.2 Recommend contribution rates to the **TRUSTEES** based on the factors set forth in Section 8 below.

7.3 Recommend policies to the **TRUSTEES** on the return of funds to **FULL MEMBERS** in the form of dividends or return of surplus.

7.4 Compute adjustments in **MEMBERS'** contributions based on payroll audit or other relevant documents following each coverage year.

7.5 Provide administrative services to enable current and prospective **MEMBERS** to obtain information concerning the general administrative and financial aspects of the program.

7.6 Provide periodic reports and accountings to the **TRUSTEES, FULL MEMBERS** and **POOL 2 MEMBERS** on **TRUST** finance, claims management and claim reserves, and activities pertaining to loss prevention.

7.7 Provide information on funding levels, loss ratios and specific claims to any of the **TRUST's** reinsurers or excess insurers.

7.8 File reports as required by applicable law and respond to governmental inquiries.

7.9 Provide assistance and advice to legal, accounting, and actuarial personnel as required or appropriate.

7.10 Provide or arrange for the provision of claims management services, as needed, to include claims reporting and investigation procedures, claim reserve procedures, contact with claimants to resolve and settle claims or arrange for rehabilitation or medical assistance, and delivery of statistical reports on claims to the **TRUST** and each **FULL MEMBER**.

7.11 Provide assistance in the selection of counsel and assist in the orderly disposition of litigated matters.

7.12 Provide or arrange for the provisions of loss prevention and safety engineering services for the **MEMBERS**, which may include periodic bulletins and seminars, and physical inspections of the **MEMBERS'** premises when advisable.

7.13 Provide other services requested by the **TRUSTEES** as required to ensure sound management of the program of joint self-insurance.

SECTION 8 CONTRIBUTIONS AND SPECIAL ASSESSMENTS

8.1 Contributions of FULL MEMBERS

Contributions required of **FULL MEMBERS** shall be calculated to cover estimated benefit payments and related costs under the Workers' Compensation Coverage Agreement and related administrative and operational expenses. The initial contribution due from each **FULL**

MEMBER upon its acceptance for membership may include a contribution to the **TRUST's** reserves in an amount determined by the **TRUSTEES**. Aside from this initial contribution to reserves, contributions of **FULL MEMBERS** shall be calculated in part on the basis of current rates promulgated by the National Council on Compensation Insurance, taking into account experience as a **FULL MEMBER** of the **TRUST**, as such experience develops. As more fully set forth in Subsection 9.3 of this Agreement and notwithstanding anything in this Agreement to the contrary including termination of membership a **FULL MEMBER** and a terminated **FULL MEMBER** shall be obligated to pay the total amount of contribution(s) due and/or the total amount that would have been due under Coverage Agreement(s), which were in effect and/or would have been in effect but for termination of such **MEMBER**, **including** the entire term of any **RATE GUARANTEE AGREEMENT** with such **MEMBER**. **RATE GUARANTEE AGREEMENT** shall mean a written agreement among the **TRUSTEES** and a **MEMBER** pursuant to which the **TRUSTEES** agree that the cost rate(s), which is applied to risk and exposure factors to determine the total contribution due under a Coverage Agreement, shall remain constant for the entire term of such **RATE GUARANTEE AGREEMENT**. Although the cost rate(s) shall remain constant for the entire term of such **RATE GUARANTEE AGREEMENT**, total contributions for a **MEMBER** may change due to changes in its risk and exposure factors.

8.2 Contributions of POOL 2 MEMBERS

Contributions required of **POOL 2 MEMBERS** shall be calculated to cover the benefit/payments and related costs under the Excess Workers' Compensation Coverage Agreement and related administrative and operational expenses. As more fully set forth in Subsection 9.3 of this Agreement and notwithstanding anything in this Agreement to the contrary including termination of membership, a **POOL 2 MEMBER** and a terminated **POOL 2**

MEMBER shall be obligated to pay the total amount of contribution(s) due and/or the total amount of contributions that would have been due under the Coverage Agreement(s), which were in effect and/or would have been in effect but for termination of such **MEMBER**, during the entire term of any **RATE GUARANTEE AGREEMENT** with such **MEMBER**.

8.3 **MEMBERS' and Past MEMBERS' Assessment Liability Based on Redetermination of Payroll**

The **TRUSTEES** may at any time assess or reassess **FULL MEMBERS**, past **FULL MEMBERS**, **POOL 2 MEMBERS** and past **POOL 2 MEMBERS**, for additional contributions based on a determination or redetermination of payroll whether by audit or otherwise. Termination of membership for whatsoever reason shall in no way limit or terminate the liability of a **FULL MEMBER** or **POOL 2 MEMBER** under this Agreement for such obligations.

8.4 **Special Assessments**

The **TRUSTEES** may impose special assessments on **FULL MEMBERS** and past **FULL MEMBERS** whenever, in the sole discretion of the **TRUSTEES** such assessments are required to reduce or eliminate a deficit of the **TRUST**. In calculating the deficit, the **TRUSTEES** may in their sole discretion include reasonable reserves for all incurred claims, whether or not reported, all production and loss adjustment expenses, net investment income and any other relevant items, including administrative and operational expenses. The **TRUSTEES** may impose a special assessment at any time, except as their discretion may be limited by law.

8.5 **Allocation of Special Assessments**

The **TRUSTEES** shall impose the entire amount of any special assessment on **FULL MEMBERS** and past **FULL MEMBERS**. The **TRUSTEES** shall calculate the amount of a special assessment. The amount and timing of any special assessment shall be in the sole discretion of the **TRUSTEES**.

8.6 Finality of the TRUSTEES' Allocations

The TRUSTEES' good faith allocation of any special assessment among individual FULL MEMBERS and past FULL MEMBERS shall be considered final and binding on all such FULL MEMBERS and past FULL MEMBERS.

SECTION 9
MINIMUM TERMS OF MEMBERSHIP AND TERMINATION

9.1 A MEMBER'S initial term of membership and following terms of membership shall ordinarily begin on July 1 and end on the next following July 1. However, if the initial term of membership begins after July 1 but before January 1, the initial term shall end as of next following July 1. If the initial term of membership begins on or after January 1 but before July 1 of the same year, the initial term shall end as of the next following July 1. The minimum initial length of membership of a MEMBER shall be three terms as defined immediately above. A MEMBER may withdraw at the expiration date of the minimum initial length of membership or thereafter at the expiration date of its Coverage Agreement by giving a minimum of 120 days' prior written notice of such termination.

9.2 MEMBERS may be terminated from the TRUST under rules set forth in the TRUST AGREEMENT or as otherwise established by the TRUSTEES for reasons that include but are not limited to:

9.2.1 Failure to remit or otherwise pay requisite contributions or assessments on the date when due or within the period of time allowed by the TRUSTEES for such payment.

9.2.2 Failure to meet other requirements for continued participation that may be determined by the TRUSTEES to preserve the stability and strength of the TRUST and which are consistent with the provisions of the TRUST

AGREEMENT, including participation in programs or efforts designed to reduce losses or adjust claims in order to carry out the purposes for which the **TRUST** was established.

9.3 A terminated **MEMBER** shall pay to the **TRUST** within thirty (30) days after the effective date of termination (i) all contributions due for coverage under prior Coverage Agreement(s), and (ii) total amount of contributions due and/or total amount of contributions that would have been due under Coverage Agreement(s), which were in effect and/or would have been in effect but for termination of such **MEMBER** during required minimum terms of membership that includes minimum terms required by subsection 9.1 above and by any rate guarantee agreement with such **MEMBER**.

For purposes of calculating total contributions due after termination, which amount will be due as liquidated damages and not as a penalty, it will be assumed that there are no changes in the risk and exposure factors used to calculate contributions due from such **MEMBER** with respect to the Coverage Agreement during which term the **MEMBER** is terminated, unless the **TRUSTEES** determine that some other risk and exposure assumptions should be used for calculating such contributions. A terminated **MEMBER** shall also be liable for one or more special assessments that the **TRUSTEES** imposea prior to or subsequent to its termination, on all **MEMBERS** with respect to a year of account in which the **MEMBER** participated pursuant to its Coverage Agreement.

SECTION 10 **EXCESS FUNDS**

TRUSTEES may determine if there are funds accumulated in the **FUND** in excess of the amounts needed to provide for claim and benefit payments owed to **FULL MEMBERS** under the terms of the Workers' Compensation Coverage Agreement and related administrative and

operating expenses. If in the **TRUSTEES'** sole discretion, the **FUND** balance remaining after making such payments is in excess of an amount reasonably necessary to fulfill the purposes of the **TRUST**, the **TRUSTEES** may arrange an equitable apportionment of such excess among **FULL MEMBERS** as a dividend or other return of surplus that shall be subject to the **TRUST AGREEMENT** then in effect and such rules established by the **TRUSTEES** as may be then in effect.

SECTION 11
OBLIGATIONS OF MEMBERS

Each **MEMBER** shall be bound by all of the terms of the **TRUST AGREEMENT** and shall abide by the rules and regulations promulgated by the **TRUSTEES** for the administration of the **TRUST**, which shall include, but not be limited to:

11.1 Each **FULL MEMBER** and **POOL 2 MEMBER** shall initiate and maintain a safety program to give its employees safe and sanitary working conditions and agrees to follow the general recommendations of the **TRUST**, its Administrator and agents to promote the general welfare of its employees. Each **FULL MEMBER** and **POOL 2 MEMBER**, however, shall remain solely responsible for all decisions concerning its safety program and practices and may not rely upon evaluations or recommendations made by the **TRUST**, its Administrator or agents in making final decisions concerning its safety program and practices.

11.2 When an injury covered by the Workers' Compensation Coverage Agreement occurs, the affected **FULL MEMBER** or **POOL 2 MEMBER** shall immediately complete an Employer's First Report of Injury form as issued by the Illinois Industrial Commission and file the original and one copy with the claim service designated by the **TRUSTEES**.

11.3 If a claim covered by any of the Coverage Agreements is made or a suit or other proceeding is brought against the **MEMBER**, the **MEMBER** shall immediately forward to the **TRUST** every demand, notice, summons or other process received.

11.4 The **MEMBER** shall fully cooperate with the **TRUST** and, upon the **TRUST**'s request, in accordance with the terms and conditions of the relevant Coverage Agreement, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and otherwise cooperate in the conduct of suits, hearings and proceedings. The **MEMBER** shall not, except at its own cost that shall not be reimbursed by the **TRUST**, voluntarily make any offer or payment, assume any obligation or incur any expense without prior written authorization of the **TRUST** other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation or Occupational Diseases Acts.

11.5 Each **MEMBER** shall make prompt payment of all contributions and assessments required under this Agreement.

11.6 Each **FULL MEMBER** does hereby appoint the **TRUST** or its Administrator as agent to act in the **FULL MEMBER**'s behalf to file reports and to make or arrange for payment of claims, medical expenses and all other things required or necessary insofar as they affect the **FULL MEMBER**'s liability under the Workers' Compensation or Occupational Diseases Acts or such **FULL MEMBER**'s obligation under the rules, regulations and orders of the Illinois Industrial Commission.

11.7 Each **MEMBER** agrees that in the event of the payment of any loss by the **TRUST** under this Agreement, the **TRUST** shall be subrogated to the extent of such payment to all the rights of the **MEMBER** against any person or other entity legally responsible for damages

for such loss, and in such event, the **MEMBER** shall render fully all reasonable assistance, other than pecuniary assistance, to effect recovery.

11.8 The **TRUSTEES**, the Administrator, and any of their agents, servants, employees, agents or attorneys, shall be permitted at all reasonable times to inspect a **FULL MEMBER's** and **POOL 2 MEMBER's** work places, plants, works, machinery, and appliances covered by this Agreement, and shall be permitted at all reasonable times and for at least three years following termination of membership to examine any **MEMBER's** books, vouchers, contracts, documents, and records of any and every kind that show or tend to show or verify contributions that are payable or were paid to the **TRUST**.

11.9 Each **MEMBER** agrees that the sole jurisdiction for litigating issues that arise pursuant to the Coverage Agreements, this Agreement and/or the **TRUST AGREEMENT** shall be the courts of Cook County, Illinois.. Each **MEMBER** further agrees that the **TRUST** shall be entitled to recover the following in connection with enforcing such **MEMBER'S** obligations under this Agreement, the Coverage Agreements and/or the **TRUST AGREEMENT**, regardless of whether the **TRUST** files suit: (a) **TRUSTEES'** costs, including reasonable attorneys fees; together with (b) simple interest on any outstanding balance that the **MEMBER** owes the **TRUST** at the rate of 1% per month as liquidated damages and not as a penalty, for each month that the **MEMBER** fails to comply with its obligations.

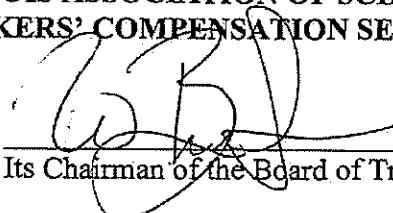
SECTION 12 **ENTIRE AGREEMENT**

Upon its effective date and excepting only the Coverage Agreements and the **TRUST AGREEMENT**, this Agreement contains all of the terms agreed upon by the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, amendments to agreements, arrangements and communications, between the parties concerning such subject

matter, whether oral or written, except as specifically provided otherwise in this Agreement. This Agreement shall be subject to the laws of Illinois excluding any provision regarding conflict of law principles.

IN WITNESS WHEREOF, the MEMBERS of the TRUST have caused this Agreement, which may be executed in one or more counterparts, to be executed by the duly authorized Chairman of the Board of TRUSTEES and the applicant MEMBER has caused this Agreement to be executed by its duly authorized representative.

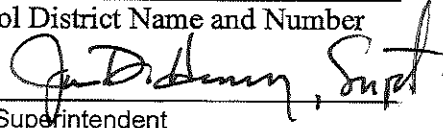
ILLINOIS ASSOCIATION OF SCHOOL BOARDS
WORKERS' COMPENSATION SELF-INSURANCE TRUST

By: 
Its Chairman of the Board of Trustees

Dated: 4/24/15

MEMBER

Sesser-Valier CUSD #196
School District Name and Number

By: 
Its Superintendent

4626 State Hwy 154
Street Address

Sesser 62884
City Zip

Dated: 7/8/2019

Membership of the applicant shall commence at 12:01 a.m. on
