

**TEXAS ASSOCIATION OF SCHOOL BOARDS
RISK MANAGEMENT FUND
Interlocal Participation Agreement
Employee Benefits — Supplemental Programs**

This Interlocal Participation Agreement ("Agreement") is entered into by and between the Texas Association of School Boards Risk Management Fund ("Fund"), an administrative agency of cooperating local governments, ("Fund Members"), acting on its own behalf and the behalf of all Fund Members, and the undersigned local government of the State of Texas ("Program Participant"). The purpose of this Agreement is to facilitate effective risk management of the employee benefits obligations of the Program Participants.

WITNESSETH:

WHEREAS, the Program Participants are authorized by the Texas Political Subdivision Employees Uniform Group Benefits Act ("the Act") [Chapter 172, Texas Local Government Code], Texas Revised Civil Statutes Annotated Article 715c (Vernon's 1993), Section 22.005 of the Texas Education Code, and the Texas Interlocal Cooperation Act (Chapter 791, Title 7, Texas Government Code) to provide a plan of employee benefits; and

WHEREAS, the provision of employee benefits to their eligible employees is an obligation and/or an essential and important public, administrative, and governmental function of each Program Participant; and

WHEREAS, the Fund is an administrative agency of local governments cooperating in the discharge of their governmental functions; and

WHEREAS, the Program Participant desires to utilize the services of the Fund in the administration of the Program Participant's own employee benefits program; and

WHEREAS, the Program Participant desires to have available to it choices in risk financing, employee benefits programs, and the administrative services and management offered by the Fund.

NOW BE IT RESOLVED, that the undersigned Program Participant, in consideration of the agreement of the Fund and the Fund Members to provide services as detailed in this Agreement, does hereby agree to the following terms, conditions, and general provisions.

In return for the payment of service fees and subject to all terms of this Agreement, the parties agree as follows:

TERMS AND CONDITIONS

1. **Adopts Interlocal Agreement.** The Program Participant, acting by and through its duly authorized representative, by this Agreement hereby approves and adopts the Restatement of Interlocal Agreement in accordance with the terms and conditions set forth in that certain Interlocal Agreement promulgated on July 2, 1974, and Restated on May 20, 1997.
2. **Contribution and Coverage Summary.** The Program Participant agrees that the participation period, and services provided hereunder shall be as specified in the Contribution and Coverage Summary.
3. **Term.** The term of this Agreement is for one year, and it automatically renews for successive one-year terms thereafter, unless sooner terminated as provided herein. The initial one-year term shall commence at 12:01 a.m., on April 1, 2005, and shall automatically renew upon that anniversary date, unless sooner terminated in accordance with the provisions of this Agreement, or any subsequent renewal thereof. Each subsequent automatic renewal shall be subject to the provisions of this Agreement, and expressly subject to review, recalculation and adjustment of the Program Participant's contributions.



4. **Termination.**

- a. **By Either Party.** This Agreement may be terminated by either party on any successive renewal date by giving written notice to the other party no later than thirty (30) days prior to the next anniversary date.
 - b. **By Program Participant.** This Agreement may not be terminated by the Program Participant during any annual participation period. To terminate this Agreement, to be effective at the next anniversary date, prior written notice must be given to the Fund by the Program Participant no later than thirty (30) days prior to the next annual renewal date.
 - c. **By Program Participant Upon Adverse Governmental or Judicial Intervention.** This Agreement may be terminated by the Program Participant according to the terms of paragraph 10 of the General Provisions section of this Agreement
 - d. **By Fund.** The Fund may also terminate this Agreement by
 - (1) Giving ten (10) days notice by certified mail to the Program Participant if the Program Participant fails or refuses to make the required payments to the providers. The Program Participant shall have the right to remedy the default within the ten (10) days written notice period provided herein; or
 - (2) Giving ten (10) days notice by certified mail to the Program Participant if Program Participant fails to cooperate and comply with any reasonable requests for information and/or records made by the Fund, or fails to comply with any of its other responsibilities as set out in this Agreement;
5. **Service Fees.** The Program Participant has no obligation to pay any fees to the Fund under this Agreement. As consideration for the performance of its duties under this Agreement, the Fund shall receive administrative fees from the providers.
6. **Payment of Contributions and Administration of Claims.** The Program Participant understands and agrees that the Fund bears no financial risk or responsibility for the payment of claims under the provider contracts which are the subject of this Agreement. In addition, the Fund is not responsible for the administration of claims under the contracts which are the subject of this Agreement. Accordingly, any claims and/or other contractual disputes shall be the sole responsibility of the respective providers listed in the Contribution and Coverage Summary.
7. **No Guarantee.** The Fund is not a guarantor of a provider's performance, claim determinations, or solvency. The Fund bears no risk in the Program and is not liable for any actions or failure on the part of any carrier, reinsurer, stop loss carrier, broker, or agent.

GENERAL PROVISIONS

1. **Authorization to Participate.** Each Program Participant represents and warrants that its governing body has duly authorized its participation in the Fund.
2. **Bylaws.** The Program Participant agrees to abide by the Bylaws of the Fund, as they may be amended, and any and all reasonable policies and procedures established by the Fund.
3. **Compensation.** The parties agree that the contractual payments under this Agreement and all related exhibits and documents are amounts that fairly compensate the Fund for the services or functions performed under the Agreement.

4. **Cooperation and Access.** The Program Participant agrees that it will cooperate and comply with any reasonable requests for information and/or records made by the Fund. The Fund reserves the right to audit the relevant records of any Program Participant. Program Participant will comply with and enforce all provisions of the programs coverage documents and the provider's contracts.
5. **Coordinator.** The Program Participant agrees to designate a program coordinator on the Contribution and Coverage Summary. The program coordinator shall have express authority to represent and bind the Program Participant, and the Fund will not be required to contact any other individual regarding program matters. Any notice to or any agreements with the coordinator shall be binding upon the Program Participant. The program coordinator is responsible for granting and terminating access to secured online program information for the program participant. All reports will be sent to the program coordinator unless otherwise specified in writing by the program coordinator. The Program Participant reserves the right to change the coordinator as needed by giving written notice to the Fund. Such notice is not effective until actually received by the Fund.
6. **Current Revenue.** The Program Participant hereby warrants that all payments, contributions, fees, and disbursements required of it hereunder shall be made from current revenues available to the Program Participant.
7. **Defense and Prosecution of Claims.** The Program Participant authorizes the Fund to regulate the commencement, defense, or other appearance of the Fund and/or any past or current Program Participant in any litigation, claim or dispute, and to engage counsel and appropriate experts, in the Fund's sole discretion, with respect to such litigation.
8. **Lawsuit.** The Program Participant does hereby agree that any suit brought pursuant to the provisions of the specific program may be defended in the name of the Program Participant by the counsel selected by the Fund, in its sole discretion, or its designee, on behalf of and at the expense of the Fund as necessary for the prosecution of any litigation. Full cooperation by the Program Participant shall be extended to supply any information needed or helpful in such defense.
9. **Governance.** The Fund shall be governed by a Board of Trustees ("Board") in accordance with the Bylaws.
10. **Intervening Legislative or Judicial Action.** All parties to this Agreement hereby agree to timely comply with all applicable laws, judicial decisions, and governmental and agency rules and regulations that in any manner affect this Agreement or the parties hereto. If after the execution of this Agreement, the State or Federal governments or the highest courts of either enact any statute, pass any rule or enter any decision that would substantially impact the rights or financial obligation of the Fund as it pertains to this Agreement, the Fund is given the right to recalculate the Program Participant's contributions and corresponding obligations to the Fund to compensate for the impact of the intervening governmental or judicial event. If the Fund exercises that option, it shall give 45 days advance written notice to the Program Participant of the intent to recalculate contribution and obligations and shall also detail the specifics occasioning such intervening governmental or judicial actions precipitating such event. The Program Participant shall then have the right during that 45 day period to give written notice to the Fund that the Program Participant is terminating the Agreement upon the expiration of such 45 day period. If the Program Participant fails to give the Fund timely notice of intent to terminate, then the Program Participant shall be deemed to have consented to the Fund's modifications and agrees to abide by and be bound by the Agreement as amended.
11. **Membership.** In the interest of providing effective school governance, the Program Participant must be a member of the Texas Association of School Boards unless specifically waived.
12. **Merger.** This Interlocal Participation Agreement, Terms and Conditions, and General Provisions, together with the Bylaws, Restated Interlocal Agreement, Contribution and Coverage Summaries, Contribution Worksheets, Service Fee Summaries, Schedules of Benefits, Master Plan Documents, Declaration Pages, Excess or Stop Loss Coverage Documents, Audit Worksheets, Exhibits, Applications, Disclosure



Statements, HIPAA Business Associate Agreement and Coverage Documents, represent the complete understanding of the Fund, and Program Participant electing specific coverages through the Fund.

13. **Notice.** Any written notice to the Fund, any provider, or the broker, shall be given to the specified notice address in the appropriate document.
14. **Severability.** If any portion of this Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions shall continue in full force and effect.
15. **Standards of Performance.** Time shall be of the essence in the reporting of claims to the Fund, payment of any contributions or monies due and delivery of any written notices under this Agreement.
16. **Subrogation and Assignment of Rights.** The Program Participant will comply with all subrogation requirements contained in the providers' contracts.
17. **Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and venue shall lie in Travis County, Texas, unless otherwise mandated by law.
18. **Warranty.** By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.
19. **Misrepresentation, Concealment, Fraud.** All coverage provided by the Fund may be jeopardized if any Program Participant has:
 - a. Failed to provide complete and accurate statements of material facts in any document required by the Fund, including but not limited to applications, worksheets, audit sheets, disclosure statements, loss forms, exhibits, renewal information forms, claim history (including pending or potential claims), and requests for proposals;
 - b. Intentionally concealed or misrepresented any material fact or circumstance;
 - c. Engaged in fraudulent conduct; or
 - d. Made false statements;

relating to any coverage being claimed under any applicable Coverage Document, Interlocal Participation Agreement, Master Plan Document, and/or any other documents as set forth in this Agreement.

Signature page on reverse side 



TO BE COMPLETED BY THE FUND:

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, sign this Agreement as of the term specified in Article 3.

TEXAS ASSOCIATION OF SCHOOL BOARDS RISK MANAGEMENT FUND

By: _____
Chair, Board of Trustees
Texas Association of School Boards Risk Management Fund,
acting on behalf of all other participating Fund Members

Date: _____

TO BE COMPLETED BY FUND MEMBER:

_____, Name of Program Participant

By: _____
Signature of authorized representative of Program Participant

Date: _____

Printed name of authorized representative



Texas Association of School Boards Risk Management Fund
Employee Benefits Program - Supplemental Programs

Effective September 1, 2003
Board Approved, April 29, 2003