

New Property Casualty Interlocal Agreement Effective 1/1/25

Highlights

The Property Casualty Interlocal Agreement has been updated to align with recent Coverage Document changes. The language is clearer and more straightforward. There are now two sections: the first is for Definitions, and the second is for Terms and Conditions.

Below is a summary of the highlights:

We made paragraph one more general by removing the individual lines of coverage and stating the purpose is to provide property, casualty, and/or liability coverage, and other risk management services as needed by the Fund Member and their employees.

We broadened paragraph two by removing an older Attorney General ruling and adding the following wording "...and the interpretations thereof, along with other authorizing statutes, including Chapter 2559, Subchapter B of the Texas Government Code pertaining to other risks or hazards..."

Section I. - Definitions were added to the document. The definitions are in alphabetical order. We have added a definition for **Coverage Document(s)** and removed the individual definitions for **TPS Joint Self-Insurance Fund Auto Liability and Physical Damage, General Liability Coverage, Property Coverage, and Crime Coverage**, since the coverages are more broadly identified in the definition of **Coverage Document(s)**.

Section II. – Terms and Conditions were added to the document and are easily identified by headers. Many original items have been reworded for clarification purposes, and some items have been added. The following are notable changes:

- Item 1. Non-Assessable. This item was added, specifically stating that TPS is a non-assessable self-insurance pool.
- Item 2. Risk Sharing Agreement. This item was added to reiterate that TPS is a self-insurance risk pool, not an insurance company.
- Item 3. Program Participation. Reworded to clarify and reflect the broader language regarding **Coverage Documents**, which has been added to the definitions.
- Item 4. Non-Waiver of Texas Tort Claims Act. Reworded to reflect the broader language regarding **Coverage Documents**, which has been added to the definitions.
- Item 9. Loss Control Services. Wording was added at the end of the paragraph, which states that the Fund makes no warranty on Fund loss prevention recommendations.
- Item 10. Administration of Claims. Reworded to be clearer and more concise about how claims will be administered.
- Items 11. and 12. were originally in one paragraph but have now been split into two. The wording remains the same.
- Item 13. Claims Data. Reworded to be clearer and more concise about what will be provided to the Fund Member.
- Item 16. Unencumbered Monies. Reworded to be clearer and more concise.

- Item 19. Rating Mechanism. The wording has been updated to reflect the use of various rating mechanisms as a guide to determine the required contribution.
- Item 21. Fund Member to Appoint Coordinator. The wording was updated to include, “The appointment of a Coordinator does not prohibit the Fund from contacting other employees of the Fund Member.”
- Item 26. Dissolution of the Fund. This paragraph was added to address what would happen upon dissolution of the Fund.
- Item 28. Severability; Interpretation. This paragraph was updated with the following wording, “Any questions of particular interpretation shall not be interpreted against the drafter of this Agreement, but rather in accordance with the fair meaning thereof.”
- Item 31. Dispute Resolution. This paragraph was added to be consistent with the Coverage Documents.
- Item 32. Waiver and Estoppel. This paragraph was added to ensure that no provision of this Interlocal Agreement will be deemed waived by either party unless expressly waived in writing by the waiving party.
- Item 33. Amendment by Notice. This paragraph was added to allow the Fund to amend the Interlocal Agreement upon renewal for any reason, including changes to the terms. The Fund shall provide the Fund Member with written notice of such amendment, which will apply prospectively.
- Item 34. Assignment. This paragraph was added to ensure the Interlocal Agreement or any duties or obligations imposed by this agreement shall not be assignable by the Fund Member without the prior written consent of the Fund.
- Item 35. Authorization. This paragraph was added to ensure the undersigned individuals warrant they are authorized by all requisite governance actions to enter and perform the terms and conditions of this Agreement.
- Item 36. Notice. This paragraph was added to clarify what constitutes proper notice required or provided under this Agreement by either party.

(Please note the changes described above are not intended to be a complete listing but rather a sampling of some important changes to the Property Casualty Interlocal Agreement.)