



**TEXAS POLITICAL SUBDIVISIONS
PROPERTY/CASUALTY JOINT SELF-INSURANCE FUND
INTERLOCAL AGREEMENT
CONTRACT NUMBER F0745**

(Guaranteed Cost Plan For Pooled Political Subdivisions)

This Interlocal Agreement entered into by and between the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund (hereinafter referred to as "Fund") and the undersigned political subdivision of the State of Texas (hereinafter referred to as "Fund Member") is for the purpose of providing liability, property, automobile physical damage, and crime and/or self-insurance funding; insurance; reinsurance; claims administration; loss control services; and other risk management services as needed for the "Fund Members" and their employees.

WITNESSETH:

The undersigned Fund Member, in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981), and in consideration of other political subdivisions executing similar Interlocal Agreements, does hereby agree to become a Member of the Fund. The conditions of membership agreed upon by and between the parties are as follows:

1. Definitions of terms used in this Interlocal Agreement:

- a. **Allocated Loss Expense** -- the costs incurred in processing claims, including but not limited to court costs, expenses for investigation and adjustment of claims, legal expenses, cost containment services (such as PPO discounts, rehabilitation services, medical management services), costs in protection and pursuit of subrogation/recovery rights, and similar expenses chargeable to a particular claim (excluding ordinary overhead expenses of the Fund and/or its designee such as salaries and other fixed expenses which shall be deemed unallocated expenses).
- b. **Board** -- the Board of Trustees of the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund.
- c. **Loss** -- the sums actually paid or payable by the Fund in the settlement or satisfaction of any claim or suit for which a Fund member is liable either by adjudication or settlement made with the written consent of the Fund.
- d. **TPS Joint Self-Insurance Fund Automobile Liability and Physical Damage Coverage** -- the automobile liability and physical damage coverage document of the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund that sets forth in exact detail, the coverages, limits of self-insurance, deductibles, exclusions and conditions.
- e. **TPS Joint Self-Insurance Fund General Liability Coverage** -- the general liability coverage document of the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund that sets forth in exact detail, the coverages, limits of selfinsurance, deductibles, exclusions and conditions.

- f. **TPS Joint Self-Insurance Fund Property Coverage** -- the property coverage document of the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund that sets forth, in exact detail, the coverages, limits of self-insurance, deductibles, exclusions and conditions.
 - g. **TPS Joint Self-Insurance Fund Crime Coverage** -- the crime coverage document of the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund that sets forth, in exact detail, the coverages, limits of self-insurance, deductibles, exclusions and conditions.
2. At the Fund's discretion, each Fund Member may adopt any or all of (1) the TPS Joint Self-Insurance Fund Automobile Liability and Physical Damage Coverage, (2) the TPS Joint Self-Insurance Fund General Liability Coverage, (3) the TPS Joint Self-Insurance Fund Property Coverage, or (4) the TPS Joint Self-Insurance Fund Crime Coverage selfinsurance plans. Whichever Self-Insurance Plan(s) the Fund Member accepts, the Fund Member agrees to adopt and accept the coverages, provisions, terms, conditions, exclusions and limitations of the applicable Self-Insurance Plan(s) Coverage Document(s). The limits of self-insurance, optional coverages and deductibles selected by the Fund Member will be shown on the Declarations of each coverage document.

The Fund Member should examine the deductible provisions of the coverage document(s) selected to determine the Fund Member's obligations to reimburse the Fund if the Fund pays part or all of any deductible in handling a loss, claim or suit. The Fund Member should also examine the deductible provisions to determine the expenditures that the Fund may make that apply to and may exhaust any deductible selected.

3. If the Fund Member adopts the TPS Joint Self-Insurance Fund Automobile Liability and Physical Damage Coverage, or the TPS Joint Self-Insurance Fund General Liability Coverage self-insurance plan(s) which cover liability exposures, it is understood that by participating in this Self-Insurance pool, the Fund Member does not intend to waive any of the immunities that its officers or employees now possess. The Fund Member recognizes the Texas Tort Claims Act and its limitations to certain governmental functions as well as its monetary limitations, and that by executing this Agreement does not agree to expand those limitations.
4. The Fund Member agrees to pay contributions to the Fund based on a rating system approved by the Board. Contributions are payable to the Fund on an annual basis in advance of the Fund Members' effective date, and subsequently, in advance of the anniversary of the Fund Member's effective date.
5. In the event the Fund Member fails or refuses to make payments of contributions on a timely basis as herein provided, the Fund reserves the right to terminate such Fund Member by giving ten (10) days written notice and to collect any and all contributions that are earned pro rata for the period(s) preceding contract termination. Any Fund Member that is terminated hereunder shall forfeit any of the refunds that have not been paid prior to the date of termination.
6. Prior to each anniversary of the effective date of this Agreement, the Fund shall obtain from the Fund Member data as requested by the Fund in the form of a self-audit that may be used to determine the final contribution for the previously ended coverage period unless otherwise waived by the Fund. Based on the data submitted, a final contribution by the Fund Member or return of contribution to the Fund Member will be calculated. The Fund reserves the right to audit the relevant records of any Fund Member.
7. The Fund Member agrees to execute the necessary authorization form(s) permitting the Fund and/or its designee to obtain from other providers experience rating information for the Fund Member.

8. Commensurate with the execution of this Agreement and annually thereafter, the Fund Member shall complete the appropriate exposure summary. Intentional or reckless misstatements on the exposure summary shall be grounds for cancellation.
9. Loss control services will be supplied by the Fund and/or its designee to Fund Members to assist them in following a plan of loss control that may result in reduced losses. The undersigned Fund Member agrees that it will cooperate in instituting any and all reasonable loss control recommendations for the purpose of eliminating or minimizing hazards that would contribute to losses. The Fund Member's failure to cooperate with reasonable loss control recommendations shall constitute a material breach of this Agreement. In the event that the recommendations submitted on behalf of the Fund seem unreasonable, the Fund Member shall have the right to appeal to the Board, and the decision of the Board shall be final.
10. Pursuant to the terms and conditions of the applicable Self-Insurance Plan(s) Coverage Documents, the Fund and/or its designee agrees to administer any and all claims after notice of claim has been given and to provide a defense where appropriate. The Fund Member hereby appoints the Fund and/or its designee as its agent to act in all matters pertaining to processing and handling of all claims and shall cooperate fully in supplying any information needed or helpful in the administration of those claims. The Fund and/or its designee shall carry on all negotiations with any third parties or their attorneys and negotiate within authority granted by the Fund. The Fund and/or its designee shall retain and supervise legal counsel on behalf of and at the expense of the Fund as necessary for the prosecution and defense of any litigation.
11. At the option of the Fund and/or its designee, a Fund Member may be allowed to choose the legal counsel it deems most appropriate for the handling of any individual claim. However, all decisions on individual claims shall be made by the Fund and/or its designee, which includes the decision to appeal or not to appeal a final adjudication at the trial court level. However, any Fund Member shall have the right to consult with the Fund and/or its designee on any claim and have the right to appeal any decision made by the Fund and/or its designee to the Board. Any suit brought or defended by the Fund shall be brought or defended only in the name of the Fund Member and/or its officers or employees.
12. Periodically each Fund Member will be provided a computer printout containing a statement of claims cumulative for said Fund Member by Effective Date of that Fund Member
13. If this Agreement is terminated as provided for in paragraph 5, those claims handling services provided by the Fund and/or its designee as described in paragraph 10 will continue on those claims occurring within the dates of this Interlocal Agreement until they are ultimately and finally disposed of and closed. All other obligations under this Interlocal Agreement will end on the date of termination or expiration.
14. The Fund shall maintain case reserves and supplemental reserves computed in accordance with the standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due.
15. Unencumbered monies of the Fund shall be available for excess contribution refunds as determined by the Board. The Fund shall invest such monies in accordance with the Board approved guidelines. All monies that are on deposit with the Fund, and the investment earnings from these particular monies, shall be used for the benefit of the Fund Members until such time as the Board deems that it is financially prudent to declare excess contribution refunds. Such determinations will be made annually.

16. The Fund shall at all times maintain adequate insurance or reinsurance to protect the financial integrity of the Fund. This insurance or reinsurance is provided so that Fund Members will have no joint or several liability other than their required contribution and to insure that the Fund Member shall at no time be on an assessable basis beyond the amount set forth in this Interlocal Agreement. The Board, however, reserves the right to adjust this insurance or reinsurance coverage.
17. The Fund agrees that all Fund transactions will be audited annually by a certified public accounting firm.
18. In order to have an orderly, complete, and well-understood basis for contributions to the Fund, the various rating mechanisms of the Texas Department of Insurance have been utilized as a guide. Said rating mechanisms do not apply to plans of self-insurance and there is no intention to bestow rating authority over this plan of self-insurance upon the Texas Department of Insurance or any other regulatory authorities. Any word or phrase used in this Interlocal Agreement, which is ordinarily used in the insurance context, but not in the self-insurance context, shall be construed as consistent with the self-insurance concept except where the context clearly indicates no other possible construction.
19. As the administrators of the Fund, the Board shall primarily and constantly keep foremost in its deliberations and decisions in operating the Fund that each of the participating Fund Members is a "self-insured." At least annually, the Fund and/or its designee shall carefully review, study and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Fund Members in order to maintain as nearly as possible an equitable and reasonable administration of the Fund as applied to each Fund Member.
20. The Fund Member agrees that it will appoint a coordinator of department head rank or higher and that the Fund and/or its designee shall not be required to contact any other individual except this person. Any notice to or any agreements with the Coordinator shall be binding upon the Fund Member. The Fund Member may change the Coordinator by giving written notice to the Fund.
21. The Fund Member acknowledges that it has received a copy of the Bylaws of the Fund, and it agrees to abide by these Bylaws and any amendments thereto and any and all policies and procedures of the Fund.
22. The Fund Member agrees to timely provide all necessary information to the Fund and/or its designee and to timely execute all necessary documents as may be needed or required for the administration of the Fund.
23. The Fund Member shall have the right to appeal any decision or recommendation of the Fund and/or its designee to the Board whose determination will be final. Any appeal shall be made in writing to the Fund Secretary within 60 days of decision or recommendation of the Fund and/or its designee.
24. The Fund Member shall take no action to release, discharge or impair its right to seek recovery of any amounts paid under this Agreement from any person or entity legally responsible for the bodily injury, sickness or disease, or death for which such payment is made. Nor may the Fund Member assign such rights without the express, written approval of the Fund.
25. This Interlocal Agreement, together with all the Amendments, Supplements and other attachments hereto, constitutes the entire agreement between the parties and supersedes all previous Interlocal Agreements, promises, representations, understandings and negotiations, whether written or oral, between the parties with respect to subject matter hereof.

26. If any portion of this Interlocal Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions hereof shall continue in full force and effect.
27. It is the intent of the Parties that the Fund and/or its designee and the Fund Member each shall bear responsibility for any of its own negligence or its own error or omission, including, but not limited to claims alleging violations of the Texas Insurance Code, the Deceptive Trade Practices and Consumer Protection Act, and the common law duty of good faith.
28. The Fund and/or its designee shall not be held accountable for any increased cost or expense to the Fund Member involving payments of claims under any contention by the Fund Member that a claim service, risk management service, loss control service, or administrative service could have been handled differently.
29. **This Interlocal Agreement shall commence at 12:01 a.m. on the date shown as "effective date" on the signatory page of this Agreement, and shall remain in force and effect until terminated as hereinafter provided. This Agreement may be terminated by (a) mutual consent or by (b) either party by giving sixty (60) days prior written notice of termination to the other party or (c) as otherwise specified in this Interlocal Agreement or the Bylaws of the Fund.**

TO BE COMPLETED BY FUND MEMEBER

Collin County Community College District

Fund Member Name

Signature of Authorized Official

Date

Type Name

Title

THE PROPERTY CASUALTY COORDINATOR FOR THE FUND MEMBER IS:

Coordinator Name & Title:

Barbara Johnston

Mailing Address:

342 Spur 399

McKinney, TX 75069

Telephone Numner:

972-985-3732

Fax Number:

TO BE COMPLETED BY TPS FUND OFFICE

November 01, 2020

Effective Date of Agreement

F0745

Contract Number



Signature of Fund Secretary

11/4/2020

Date