

## Ohio School Plan

### Joint Self-Insurance Agreement

This Agreement, made and executed by and between the Political Subdivisions who are now or may hereafter become members of the Ohio School Plan created herein:

WHEREAS, Section 2744.081 of the Ohio Revised Code authorizes political subdivisions to join with other political subdivisions in establishing and maintaining a joint self-insurance pool to provide for the payment of judgments, settlement of claims, expenses, losses and damages that arise or are claimed to have arisen, from an act or omission of the political subdivision or any of its employees in connection with a governmental or proprietary function; and

WHEREAS, the parties to this Agreement have concluded that it is financially and administratively beneficial to join together to establish and maintain joint self-insurance.

NOW, THEREFORE, in consideration of the recitals, mutual terms, covenants and conditions herein contained, the parties do hereby agree as follows:

1. The Ohio School Plan (the "Plan") is hereby created in accordance with the purposes, powers and duties hereinafter declared.
2. By executing the Agreement or subsequent Acknowledgment of Membership, each political subdivision shall become a Member of the Plan and shall abide by the Articles of Organization as declared herein. Members are not bound to participate in the Plan and are free to withdraw at any time; provided, however, that each Member of the Plan shall give sixty (60) days written notice to the Plan of its intent to withdraw and/or change any portion of the coverage provided by the Plan.
3. This Agreement may not be terminated without a three-fourths (3/4) vote of all the Members of the Plan, and only after proper notice and discussion of same at one of the Plan's meetings.
4. The Articles of Organization for the Plan are as follows:

#### Article I – Name

The name of the entity created herein shall be the Ohio School Plan.

#### Article II – Statutory Authority

This Agreement is made pursuant to the authority of Section 2744.081 of the Ohio Revised Code.

### Article III – Definitions

- A. Plan. Unless the context dictates otherwise, Plan shall mean the Ohio School Plan.
- B. Board. Board shall mean the Board of Directors of the Plan.
- C. General Fund. General Fund shall mean those monies contributed by the Members to pay the administrative costs of the Plan, to pay the insurance and reinsurance expenses of the Plan, to pay those obligations of Members required by this Agreement, and to provide for those reserves necessary for compliance with Ohio Revised Code Section 2744.081 (A)(1).
- D. Administrator/Manager. Administrator/Manager shall mean a person(s) or corporation(s) employed by the Board to provide various administrative and management services, including underwriting, program development, claims administration, Member document issuance and service, general Member service, distribution of funds to reinsurers, coordination of Plan loss control services, assisting in the marketing of the Plan, and coordinating all Plan Board meetings, and such other powers and duties as may be set forth in any written agreement between the Plan and the Administrator/Manager.
- E. General Agent/Marketing Director. General Agent/Marketing Director shall mean a person(s) or corporation(s) employed by the Board to provide various general and active management of the advertising, sales and marketing of the business of the Plan, including, but not limited to, new Member solicitation, Member contribution collection, Plan advertising, official liaison of the Plan with media, coordination of regional and statewide membership meetings and convention activities, and liaison between the Plan and other groups and associations, and all other powers and duties as may be set forth in any written agreement between the Plan and the General Agent/Marketing Director.
- F. Member. Member shall mean any Ohio political subdivision or entity whose purpose is related to public education and which is eligible under applicable statute, ruling or law for membership in the Plan, and which has executed this Agreement or a subsequent Acknowledgment of Membership.
- G. Representative. Representative shall mean the Members' representatives in the Plan.
- H. Act. Act shall mean Section 2744.081, Ohio Revised Code.

### Article IV – Purpose

The Plan is created and organized pursuant to this Agreement and as authorized by Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated non-profit association of its Members and an instrumentality for each Member for the sole purpose of enabling Members of the Plan to provide for a formalized, jointly administered self-insurance program to maintain adequate self-insurance protection, risk management programs and other administrative services. Pursuant to R.C. § 2744.081, the Plan is deemed a separate legal entity for the public purpose of enabling its Members to obtain self-insurance through a jointly administered self-insurance fund. Membership in the Plan shall consist of Ohio political subdivisions or entities whose purpose is related to public education and which are eligible under applicable statute, ruling or law for membership herein, and which are

signatories to the Agreement or a subsequent Acknowledgment of Membership. As provided in Section 2744.081(E)(2), Ohio Revised Code, the Plan is not an insurance company, its operation does not constitute doing an insurance business, and it is not subject to the insurance laws of the State of Ohio.

#### Article V – Powers and Duties

The Plan is authorized, in its own name or through its agents, to do all acts necessary to perform and accomplish the purposes set forth above within the limits and procedures set forth in this Agreement, including but not limited to, the following:

- A. Make and enter into contracts.
- B. Incur debts, liabilities and obligations, but no debt, liability or obligation of the Plan is the debt, liability or obligation of any Member of the Plan.
- C. Acquire, hold or dispose of real and personal property.
- D. Employ agents and employees.
- E. Sue or be sued in its own name.
- F. Administer directly or through its agents a risk management fund, collect contributions thereto, and pay authorized expenses and losses on behalf of its Members.
- G. Recommend loss control procedures and advise and educate Members on loss control and risk reduction.
- H. Provide risk management services, including defense and settlement of claims, and engage an Administrator/Manager as defined herein.
- I. Contract with a General Agent/Marketing Director for sales, marketing and advertising activities for the Plan.
- J. Purchase insurance, excess insurance and reinsurance as necessary to protect the interests of the Members and the Plan.
- K. Invest in those securities and investments permitted in this State under the Ohio Revised Code and regulations that may be adopted by the Superintendent of Insurance.
- L. Award contracts, without the necessity of competitive bidding, to any person for the purpose of administration and risk management of the Plan, as authorized by and consistent with Section 2744.081 (A)(2) of the Revised Code.

## Article VI – Membership

- A. Initial Membership. Initial membership shall be evidenced by a resolution of the Member's legislative body and acknowledgment by the Administrator/Manager and execution by the Member or its Representative of this Agreement.
- B. Admission. Thereafter, new Members shall be admitted at the discretion of the Administrator/Manager after due investigation, upon the subsequent ratification of the Board of Directors, and by execution of an Acknowledgment of Membership as directed by resolution of the legislative body of the proposed Member.

## Article VII – Board of Directors

- A. Administration. Administration of the Plan shall be governed by a Board of Directors as specified in a Code of Regulations to be adopted by the Initial Members.
- B. Board Powers. The Board of Directors shall have the following powers:
  - 1. The Board shall determine the general policy of the Plan that shall be followed by all committees, officers, agents and independent contractors, including administrators hired by the Plan pursuant to Revised Code Section 2744.081 (A)(2).
  - 2. The Board shall establish and publish rules to be followed by the Administrator/Manager, General Agent/Marketing Director, agents, committees and the Board in the conduct of its affairs and in the recording of data required by law and sound management.
  - 3. The Board shall delegate to the Administrator/Manager complete authority to terminate the membership of any Member that fails to comply with the reasonable requirements for the Board concerning contractual obligations, installation of safety requirements, cooperation with the attorneys and agents or any other action that may be detrimental to the fiscal soundness or efficiency of the Plan.
  - 4. The Board shall have the power to appoint members of committees, officers of the Board and other agents, contractors and employees of the Plan.
  - 5. The Board shall have the power to enter into contracts on behalf of the Plan, including a contract with an administrator as authorized by Revised Code Section 2744.081 (A)(2), provided the disclosure requirements therein are satisfied.
  - 6. The Board shall have the power to take such actions as are necessary to carry out the Powers and Duties of the Plan as set forth in Article V herein.

#### **Article VIII – Liability of Board of Directors or Officers**

The members of the Board of Directors or officers shall use ordinary care and reasonable diligence in the exercise for their powers and in the performance of their duties hereunder. Wherever permitted by law, they shall not be liable for good faith actions or omissions, or the acts or omissions of other Directors. The Plan shall defend and hold harmless any Director or officer for actions taken within the scope of their authority from the Plan, wherever permitted by law. The Plan may purchase insurance or otherwise provide coverage for such director or officer.

#### **Article IX – Fiscal Year**

The Plan shall maintain a fiscal year commencing on the date of this Agreement and, thereafter, on January 1 of each subsequent year.

#### **Article X – Amendments**

This Agreement may be amended by the Board of Directors provided fifteen (15) days notice is given to the membership of the changes, date and location of the meeting at which the amendments are considered.

#### **Article XI – Scope of Risk Management**

The Plan shall provide protection for the Members solely for those risks specifically selected on the Plan declaration sheet and specifically described in the summary of coverages and/or coverage forms and endorsements issued to that member upon joining the Plan and as amended thereafter.

#### **Article XII – Obligations of Members**

The obligations of Members shall be as follows:

- A. To promptly pay all contribution payments to the Plan.
- B. To select a person to serve as a Representative.
- C. To allow the Plan or agents of the Plan reasonable access to all facilities of the Member and all records which relate to the purpose or the powers of the Plan.
- D. To do those acts required by law to allow the Administrator/Manager, agent or attorneys employed by the Plan, to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Member within the scope of risk management and protection furnished by the Plan.

- E. To furnish full cooperation with the attorneys, claims adjusters, Administrator/Manager, General Agent/Marketing Director and any agent, employee, officer or independent contractor of the Plan relating to the purpose and powers of the Plan.
- F. To follow in its operations all loss reduction and prevention procedures established by the Plan within its purpose and powers.
- G. To report to the Plan as promptly as possible all incidents which could result in the Plan being required to consider a claim for losses to Member's property or injuries to persons or property within the scope of risk management underwritten by the Plan, and to comply with the terms and conditions of the coverage documents issued to the Member by the Plan

#### **Article XIII – Contractual Obligation**

This document shall constitute a contract among those political subdivisions or entities, which become Members of the Plan. The obligations and responsibilities of the Members set forth herein and as contained in the coverage document, including the obligation to take no action inconsistent with this Agreement as originally written or validly amended, shall remain a continuing obligation and responsibility of the Member. The terms of this contract may be enforced in a court of law either by the Plan itself or by any of its Members. The consideration for the duties herein imposed upon the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein. This contract, or its counterpart, may be executed in duplicate originals and its adoption shall be evidenced by a resolution passed by a Member. The contracting parties intend in the creation of the Plan to establish an organization for joint self-insurance and risk management only within the scope herein set out and have not herein created as between Member and Member any relationship of surety, indemnification or responsibility for the debts or claims against any Member.

#### **Article XIV – Termination**

The Plan shall cease its activities upon a three-fourths (3/4) vote of the Members to such effect. The Plan shall be administered by the Board of Directors holding office on the effective date of the termination until all of the Plan's affairs are completed or by any agent or employee of the Board authorized to so act.

#### **Article XV – Agent and Office**

The agent and office of the Plan for service of notice shall be the location designated by the Board of Directors.

In Witness Whereof, this instrument has been duly signed and sealed as of the 29<sup>th</sup> day of January, 2002.

**OHIO SCHOOL PLAN**

*Wood County Educational Service Center*

By: *Cynthia L. Himes*

Date: *01-29-02*

*Franklin County Educational Service Center*

By: *Frederick C. Wolfe, Supt.*

Date: *Jan 29, 2002*