

R09-43

RESOLUTION OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN AND STATE OF NEW JERSEY TO JOIN SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND

WHEREAS, a number of local units in the State of New Jersey have joined together to form the **SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND** hereafter referred to as "FUND", as permitted 40A:10-36 et seq., and;

WHEREAS, the FUND was approved to become operational by the Departments of Insurance and Community Affairs on April 6, 1995 and has been operational since that date, and;

WHEREAS, the statutes and regulations governing the creation and operation of a joint insurance fund, contain certain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such a FUND;

WHEREAS, the governing body of the Borough of Merchantville, hereinafter referred to as "LOCAL UNIT" has determined that membership in the FUND is in the best interest of said LOCAL UNIT.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the LOCAL UNIT hereby agrees as follows:

- i. LOCAL UNIT shall become a member of the FUND for the period outlined in the LOCAL UNIT's Indemnity and Trust Agreement.
- ii. LOCAL UNIT will participate in the following type (s) of coverage (s):
 - a.) Health Insurance as defined pursuant to N.J.S.A. 17B:17-4, the FUND's Bylaws, and the FUND's Plan of Risk Management.
- iii. LOCAL UNIT accepts and approves the FUND's Bylaws and agrees to be bound by the terms thereof.
- iv. LOCAL UNIT shall execute an application for membership and any accompanying certifications.
- v. LOCAL UNIT agrees to commit to the four principles of the FUND which are:
 - a.) A long term philosophy on rates.
 - b.) A willingness to work with bargaining units to achieve plan design changes.
 - c.) Professional management with stability and commitment.
 - d.) Rating structure based on actuarial numbers.

BE IT FURTHER RESOLVED that the governing body of the LOCAL UNIT is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying membership in the FUND as required by the FUND's Bylaws, and to deliver these documents to the FUND's Executive Director with the express reservation that these documents shall become effective only upon:

- i. Approval of the LOCAL UNIT by the FUND.
- ii. Receipt from the LOCAL UNIT of a Resolution accepting assessment.
- iii. Approval by the New Jersey Department of Insurance and Department of Community Affairs.

ADOPTED: _____

BY: _____
MAYOR

ATTEST: _____
BOROUGH CLERK

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
INDEMNITY AND TRUST AGREEMENT**

THIS AGREEMENT made this 9th day of March, 2009, in the County of Camden, State of New Jersey, by and Between the **SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND** referred to as "FUND" and the governing body of the Borough of Merchantville a duly constituted LOCAL UNIT OF GOVERNMENT, hereinafter referred to as "LOCAL UNIT".

WITNESSETH:

WHEREAS, the governing bodies of various local units of government, as defined in N.J.A.C. 11:15-3.2, have collectively formed a Joint Insurance Fund as such an entity is authorized and described in N.J.S.A. 40A:10-36 et. seq. and the administrative regulations promulgated pursuant thereto; and

WHEREAS, the LOCAL UNIT has agreed to become a member of the FUND in accordance with and to the extent provided for in the Bylaws of the FUND and in consideration of such obligations and benefits to be shared by the membership of the FUND;

NOW THEREFORE, it is agreed as follows:

1. The LOCAL UNIT accepts the FUND's Bylaws as approved and adopted and agrees to be bound by and to comply with each and every provision of said Bylaws and the pertinent statutes and administrative regulations pertaining to same.
2. The LOCAL UNIT agrees to participate in the FUND with respect to health insurance, as defined in N.J.S.A. 17B:17-4, and as authorized in the LOCAL UNIT's resolution to join.
3. The LOCAL UNIT agrees to become a member of the FUND and to participate in the health insurance coverages offered for an initial period, (subject to early release or termination pursuant to the Bylaws), such membership to commence on May 1, 2009 and ending on April 30, 2010 at 12:01 AM provided, however, that the LOCAL UNIT may withdraw at any time upon prior written notice to the FUND as provided in the Bylaws.
4. The LOCAL UNIT certifies that it has never defaulted on payment of any claims if self-insured and has not been cancelled for non-payment of insurance premiums for a period of at least two (2) years prior to the date of this Agreement.
5. In consideration of membership in the FUND, the LOCAL UNIT agrees that it shall jointly and severally assume and discharge the liability of each and every member of the FUND, for the periods during which the member is receiving coverage, all of whom as a condition of membership in the FUND shall execute an Indemnity and Trust Agreement similar to this Agreement and by execution hereto, the full faith and credit of the LOCAL UNIT is pledged to the punctual payments of any sums which shall become due to the FUND in accordance with the Bylaws thereof, this Agreement or any applicable Statute. However, nothing herein shall be construed as an obligation of the LOCAL UNIT for claims and expenses that are not covered by the FUND, or for that portion of any claim or liability within the LOCAL UNIT retained limit or in an amount which exceeds the FUND's limit of coverage.
6. If the FUND in the enforcement of any part of this Agreement shall incur necessary expenses or become obligated to pay attorney's fees and/or court costs, the LOCAL UNIT agrees to reimburse the FUND for all such reasonable expenses, fees, and costs, inclusive of attorney fees, on demand.
7. The LOCAL UNIT and the FUND agree that the FUND shall hold all moneys in excess of the LOCAL UNIT's retained loss fund paid by the LOCAL UNIT to the FUND as fiduciaries for the benefit of FUND claimants all in accordance with N.J.A.C. 11:15-3 et. seq.
8. The FUND shall establish and maintain Claims Trust Accounts for the payment of health insurance claims in accordance with N.J.S.A. 40A:10-36 et. seq., N.J.S.A. 40A:5-1 and such other statutes and regulations as may be applicable. More specifically, the aforementioned Trust Accounts shall be utilized solely for the payment of claims, allocated claim expense and stop loss insurance or reinsurance premiums for each risk or liability as follows:
 - a) Employer contributions to group health insurance
 - b) Employee contributions to contributory group health insurance
 - c) Employer contributions to contingency account
 - d) Employee contributions to contingency account
 - e) Other trust accounts as required by the Commissioner of Insurance
9. Notwithstanding 8 above, to the contrary, the FUND shall not be required to establish separate trust accounts for employee contributions provided the FUND provides a plan in its Bylaws for the recording and accounting of employee contributions of each member.
10. Each LOCAL UNIT who shall become a member of the FUND shall be obligated to execute an Indemnity and Trust Agreement similar to this Agreement.

ADOPTED: _____

BY: _____
MAYOR

ATTEST:

By: _____
BOROUGH CLERK