

Wrongful Act done or alleged to have been done by the Insured while acting in the capacity aforementioned; or

- (b) the Member or the Insured shall become aware of any occurrence which may subsequently give rise to a claim being made against the Insured in respect of any such alleged Wrongful Act;

then Member or the Insured shall, as soon as practicable, give written notice to LIMRiCC of the receipt of such written or oral notice under Clause 4(a) or of such occurrence under Clause 4(b). Upon LIMRiCC's receipt of such notice, any claim which may subsequently be made against the Insured arising out of such alleged Wrongful Act shall, for the purposes of this Agreement, be treated as a claim made during the Term of the Agreement in which such notice was given, or if given during the extended discovery period as a claim made during such discovery period.

The Member or the Insured shall, as further condition precedent to the Insured's right to be indemnified under this Agreement, give LIMRiCC any information and all such cooperation as LIMRiCC may reasonably require and as shall be in the Insured's power.

5. Defense, Settlement and Selection of Counsel.

In the event of a claim, the Insured shall take reasonable measure to protect their interests and shall promptly advise LIMRiCC in the event of a claim. If defense of a suit shall be required, LIMRiCC shall consult with the Insured regarding the appointment of counsel. If there is no agreement on the selection, then LIMRiCC shall appoint counsel.

In the event a claim shall be made that is insured under this Agreement and the claim is combined with another claim arising out of the same occurrence that is excluded under Article II-E, then the insured may select independent counsel for the insured's defense for the excluded claim and LIMRiCC will reimburse the insured for the reasonable expenses of independent counsel.

Subject to the foregoing, no cost of expenses shall be incurred on behalf of LIMRiCC under any circumstances without its consent. In the event the Insured and LIMRiCC cannot agree on the allocation or apportionment of counsel's fees and expenses, then under such circumstances the Insured's right of indemnity for such expenses and fees shall not mature until the claim giving rise thereto has been finally and completely adjudicated and-or settled.

LIMRiCC shall not commit the Member to any settlement without the Member's consent. However, if the Insured shall refuse to consent to any settlement recommended by LIMRiCC and shall elect to contest the claim or continue any legal proceedings in connection with such claim, then subject to the provisions of connection with such claim, then subject to the provisions of Article II, G.3, LIMRiCC's liability for the claim shall not exceed the amount for which the claim could have been settled including costs, charges and expenses incurred with its consent up to date of such refusal.

6. Action Against LIMRiCC.

No action shall lie against LIMRiCC unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Agreement, and until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and LIMRiCC.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Agreement to the extent of the insurance afforded by this Agreement. No person or organization shall have any right under this Agreement to join LIMRiCC as a party to any action against the Insured, to determine the Insured's liability, nor shall the Pool be impleaded by the Insured or the legal representative of the Insured.

The bankruptcy or insolvency of the Insured or the Insured's estate shall not relieve LIMRiCC of any of its obligations hereunder.

The liability of LIMRiCC shall be limited to the proceeds of payments and assessments of the Members made pursuant to this Article II – Self Insurance pursuant to prior self-insurance Agreement.

7. Subrogation.

In the event of any payment under the Agreement, LIMRiCC shall be subrogated to all the Insured's rights of recovery therefore against any person or organization, and the Insured shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after Loss to prejudice such rights.

8. Changes.

The terms of this Agreement shall not be waived or changed except by written endorsement issued to for a part of this Agreement.

9. Assignment.

There shall be no assignment of interest under this Agreement.

10. Authorization Clause and Notices.

By acceptance of this Agreement, all Insured agree that the Member shall act on behalf of all Insured, officers and employees of the Member with respect to the giving and receiving of notice of claim or cancellation or non-renewal, the payment of premiums and the receiving of any return premiums that may become due under this Agreement. Notice to that individual named in the Application at the address of the member shall also constitute notice to all Insured.

All notices of claims or any other notice required to be given to LIMRiCC under this Agreement shall be in writing and shall be addressed to:

LIMRiCC
668 River Road
Naperville, Illinois 60563

11. Acceptance.

By acceptance of this Agreement, the Member and the Insured agree that this Agreement embodies all agreements existing between themselves and LIMRiCC.

12. Other Insurance.

If the Member or any Insured has other valid and collectible insurance insuring against a Loss covered by this Agreement, the insurance provided by this Agreement shall be secondary to and shall apply in excess of such other insurance.

H. Cancellation.

This Agreement may be canceled by the Member for itself and its Insured by delivering to LIMRiCC written notice stating when thereafter the cancellation shall be affected.

Subject to the terms herein, LIMRiCC may cancel this Agreement and shall thereupon mail to the Member notice stating when not less than sixty (60) days thereafter such cancellation shall be effective. Prior to the effective date of such cancellation, the member shall be given an opportunity to be heard by LIMRiCC. After the hearing, LIMRiCC shall determine whether to affirm or rescind the cancellation. Notwithstanding the foregoing, this Agreement may also be canceled by LIMRiCC upon not less than ten (10) days notice when the cancellation is being effected by reason of the Member's non-payment of premium.

The mailing of notice as aforesaid shall be sufficient proof of notice.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Agreement period.

Cancellation shall be subject to the liability of the Member for assessments pursuant to this Agreement, where the assessment results from a claim made prior to the effective date of cancellation. Cancellation by LIMRiCC shall be subject to LIMRiCC's liability, if any, for claims made prior to the effective date of cancellation.

I. Non-Renewal.

If LIMRiCC refuses to renew the Agreement for any additional one-year period, it shall so notify the Member at least sixty (60) days prior to the termination date of the current Agreement. In the absence of such notice, the Member may renew the Agreement each year for an additional one-year period by paying the annual premium prior to the termination date of the current Agreement.

J. Participation In Unexpended Funds.

1. Cancellation.

In the event LIMRiCC cancels the Agreement with a Member, the Member shall receive a pro-rata refund of the amount it has paid for coverage for the period of time that it does not receive coverage. The Member shall also participate in the first five-year distribution after its cancellation of coverage under the Agreement, to the extent of ten percent (10%) of a five-year Member's distribution for each full year of coverage.

2. Membership for Five or More Years.

Members who have participated for five (5) years shall receive a distribution of unexpended funds within four (4) months after the end of the fifth (5th) year as follows:

<u>Member's Payment to the Fund</u>	X	Unexpended	X	40%
Total Payments to the fund (Less Refunds)		Balance		

After each additional five years of membership, Members who have participated for additional five years of Membership shall receive a distribution of unexpended funds within four (4) months after the end of each fifth year period as follows:

<u>Member's payment to the Fund</u>	X	Unexpended Balance in	X	40%
Total payments to the fund (Less Refunds)		excess of \$2,000,000		

The Member shall be credited for the time of its participation in the Prior Self-Insurance Agreement.

3. On Termination of the Program.

On termination of the Program, all Members participating at that time shall receive a distribution of unexpended funds based on the following formula:

<u>Payments to the Fund (Less Refunds)</u>	X	Unexpended
Payments to all participating Members (at that time) (less refunds)		Funds

Provided, however, distribution will be deferred until all contingent liabilities have been resolved by LIMRiCC.

LIMRiCC reserves the right to establish reserves necessary in its judgment for specific outstanding claims. These reserves shall be deducted from unexpended funds prior to any distribution thereof pursuant to this Paragraph J.

K. Disputes.

Any dispute not resolved by the efforts of the parties shall be adjudicated by filing of a declaratory judgment action in the Circuit Court of Cook County, Illinois. All parties hereto agree that, should such a need arise, every effort will be made to proceed as expeditiously as possible and, further, all parties hereto will submit to jurisdiction and venue in said forum.

ARTICLE III EMPLOYEE BENEFIT INSURANCE PROGRAM.

A. Purpose.

It is the purpose of this agreement to create a program of LIMRiCC, namely, the Employee Benefit Insurance Program ("Program"). The Program shall consist of two (2) components: (1) the Purchase of Health Insurance Plan ("PHIP") and (2) the Self-Insured Health Insurance Plan ("SHIP"). For Administrative purposes, the Plans shall be collectively referred to as Health Insurance Plans ("HIP").

The creation of the various funds and accounts established as part of this Program are not intended by the Members or LIMRiCC to constitute the transaction of an insurance business within the State of Illinois. The intent of the parties is to separately establish a benefits program and to utilize LIMRiCC to achieve reduced costs of administration and insurance purchases by providing similar services to all Members and to require the Members to pay for and share the costs of such benefits.

1. Purchase of Health Insurance Plan ("PHIP").

Through PHIP, LIMRiCC shall provide for the purchase, on behalf of its Members, of certain insurance coverage for employees, spouses and dependents ("Insured Participants") of Members, under the terms and conditions set forth herein and in the By-Laws of LIMRiCC as in effect from time to time. Through PHIP, LIMRiCC will arrange for the purchase on behalf of Members of various insurance products, including, but not limited to, the following:

Life Insurance Benefits;
Accidental Death and Dismemberment Benefits;
Employee Assistance Program;
Dental Insurance; and
Vision Insurance.

By arranging for the purchase of these insurance products on behalf of all Members, LIMRiCC can achieve savings in premiums.

2. Self-Insured Health Insurance Plan ("SHIP").

Through SHIP, LIMRiCC shall provide a self-insured health insurance plan that provides health insurance coverage, including prescription drug coverage, and dental insurance for Insured Participants of Members, under the terms and conditions set forth herein and in the By-Laws of LIMRiCC as in effect from time to time.

By operating a self-insured health insurance plan on behalf of all Members, LIMRiCC can achieve savings in premiums.

B. Authority.

This agreement is authorized by the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois; by 5 ILCS 220/6 et seq.; and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.)

C. Member Contributions.

Members shall be responsible for paying three (3) separate fees to LIMRiCC: (a) the Administration Fee, (2) the PHIP Benefit Fee, and (3) the SHIP Benefit Fee ("Member Contributions"). LIMRiCC will invoice each Member for the amount of Member Contributions due on a monthly basis based on the coverage elected by the Member's Insured Participants. Each Member shall remit its payment of its Member Contributions to LIMRiCC by the due date shown on LIMRiCC's invoice.

D. Administration Fee.

As part of its Member Contribution, each Member shall pay LIMRiCC an administration fee ("Administration Fee"). The purpose of the Administration Fee is to cover all administrative costs of LIMRiCC. The Administration Fee shall not cover the HIP third-party administrator fees, broker fees, or other fees specific to any HIP, including, but not limited to actuarial fees, legal fees, audit fees, etc. Members shall pay the Administration Fee regardless of whether they have Insured Participants enrolled in PHIP, SHIP, or both.

1. Participant Administration Fee.

The Participant Administration Fee shall be announced at the Annual Fall Meeting for the new benefit year.

2. Changes to the Participant Administration Fee.

The Board of Directors has the authority to change any component of the Administrative Fee at any regular meeting of the Board of Directors, provided that all of the Members with Insured Participants of the Program have been provided with thirty (30) days notice of said meeting and of the proposed change to the Base Administration Fee and/or the Participant Administration Fee, which proposed change must be included on the meeting agenda.

E. HIP Benefit Fee.

The HIP benefit fee shall consist of the premium cost for each of the HIP insurance products plus any additional amounts necessary, as determined by the Board of Directors, for expenses and costs associated specifically with each respective insurance product ("HIP Benefit Fee"). A Member's total HIP Benefit Fee shall be calculated, for each available

HIP insurance product, by multiplying the number of Insured Participants enrolled in a particular insurance product by the HIP Benefit Fee for that particular insurance product.

To determine the HIP premium cost, the Board of Directors shall consult with the HIP third party administrator to obtain a suggested premium amount. To determine all other expenses and costs associated with HIP, the Board of Directors will determine the appropriate other expenses and costs. The Board of Directors may adjust the suggested premium amount and any other fees or costs, in its discretion, to determine the final HIP Benefit Fee. The Board of Directors may adjust the suggested premium amount from the HIP third party administrator based on prior, current, or anticipated changes to claims, cash flow, and LIMRiCC membership, and any other factor in its discretion. Similarly, the Board of Directors may adjust the suggested expenses and costs based on its discretion. Unless decided otherwise in the Board of Directors' discretion, when determining whether to adjust the suggested premium amount, or any other expenses or costs of HIP, the Board of Directors shall attempt to maintain a balance in the HIP Account that is sufficient to pay approximately six (6) months of regular and ordinary claims without receipt of further HIP Benefit Fees.

In the event that the Board of Directors should fail to approve the amount of the HIP Benefit Fee for any given plan year, the HIP Benefit Fee shall be equal to 115% of the total expected cost as provided by the third-party administrator for the HIP Benefit Fee.

Members with Insured Participants enrolled in HIP shall be responsible for paying, as part of its Member Contributions, the premium cost of HIP Coverage plus any additional amounts necessary for expenses and costs associated with operating HIP ("HIP Benefit Fee"). The Members shall only pay the HIP Benefit Fee associated with the insurance products for which its Insured Participants are enrolled.

F. Program Fund for all HIP Accounts

1. Withdrawal of Administration Fees.

All Administrative Fees shall be deposited to the Program Fund, and LIMRiCC shall withdraw the Administrative Fees thereafter to pay all appropriate costs and expenses.

G. HIP Supplemental Benefit Fee.

If (a) a HIP Account is in jeopardy of not being able to pay claims or (b) a HIP Account balance is not sufficient to pay approximately six (6) months of regular and ordinary claims without further HIP Benefit Fees, the Board of Directors may increase the HIP Benefit Fee during a HIP plan year, provided that all of the Members with Insured Participants enrolled in HIP have been provided with fourteen (14) days notice of the reason for the increase in the HIP benefit fee and of the meeting at which the Board of Directors will vote on such increase.

H. Employee Qualification.

Only Qualified Employees may become Insured Participants under the Program. To be a Qualified Employee for HIP, an individual must be a full-time employee of a Member or be a part-time employee of a Member who works a minimum of twenty (20) hours per week and has one year of service with the Member. For HIP, effective January 1, 2016, Qualified Employees shall include Full-Time employees of a Member. For purposes of HIP, "Full-Time" shall mean the following: (1) for any Member that is an applicable large employer (as that term is defined under Code Section 4980H), full-time status may be determined using any permissible method under Code Section 4980H; and (2) for any Member that is not an applicable large employer, "full-time" shall mean 30 hours or more per week, on average; provided, however, that employees who work less than thirty (30) hours per week may continue to be Qualified Employees if they have been continuously enrolled in health insurance coverage with LIMRiCC prior to the establishment of HIP. If such an employee terminates participation in HIP, the employee cannot re-enroll unless he/she becomes a full-time employee and works a minimum of thirty (30) or more hours per week on average at the time of re-enrollment.

Members may set stricter requirements for their employees to be eligible for the Program, except that Members are required to provide and pay for life insurance for all full-time employees unless a full-time employee specifically opts out of the life insurance benefit. Each Member is responsible for retaining and housing documentation of its requirements for eligibility either in the form of a written policy or resolution authorized by the Member's Board and documentation that substantiates that each of its Insured Participants is a bona fide Qualified Employee by January 15 of each year. In addition, each Member is required to provide LIMRiCC with a monthly listing of any new employees, newly eligible employees, terminated employees or any other change that would affect an employee's benefits by the first of the next billing month.

Members must certify to LIMRiCC that all of its Insured Participants are bona fide Qualified Employees. Each Member agrees to indemnify and defend LIMRiCC for any claims, damages, liabilities, losses, judgments, settlements, taxes, or fines resulting from an employee of the Member being enrolled in the Program without satisfying the requirements to be a Qualified Employee.

I. Claims.

Any claim for benefits under a HIP insurance policy shall be made to the insurance company; and if this claim is denied, any appeal therefrom shall follow the insurance company's claims review policy.

Any claims for benefits under HIP shall be administered by the third-party administrator and any appeal therefrom shall follow the third-party administrator's policy. All claims decisions made by the third party administrator shall be respected by LIMRiCC and final. Each Member agrees to indemnify and defend LIMRiCC for any claims, damages, liabilities, losses, judgments, settlements, taxes, or fines resulting from any claims dispute regarding HIP benefits or any claims made against LIMRiCC.

J. Mandatory Member Meetings.

LIMRiCC shall hold two (2) mandatory member meetings every year: (1) the Spring Renewal Meeting and (2) the Fall Renewal Meeting. LIMRiCC shall provide fourteen (14) days notice to Members of the agenda and of all matters to be addressed at each mandatory member meeting.

The Spring Renewal Meeting shall be held on or before May 31st of each year to evaluate the operation of the Program and (a) discuss the HIP insurance products that will be purchased by LIMRiCC on behalf of the Members for the next policy period and corresponding HIP Benefit Fees and (b) discuss the HIP benefits for the next policy period, plan changes, if any, and corresponding HIP Benefit Fees, as well as the status of the HIP Account and its ability to pay claims.

The Fall Renewal Meeting shall be held on or before October 15th of each year to finalize and vote on (a) the Membership Contributions and (b) the benefits provided by all HIPs for the following year. A final decision regarding Membership Contributions, HIP benefits, and fees shall be made by a majority vote of the Board of Directors at its September meeting.

Each Member must have at least one (1) representative (Library Director/Administrator, other administrators, or his/her designee) in attendance, either in person or via electronic attendance, at a minimum of one meeting per year. Effective with the 2024 plan year, failure to have (1) representative attend without good cause, will result in a fee of \$150.

K. Powers and Duties of LIMRiCC.

The powers of LIMRiCC to perform and accomplish the purposes set forth in this Agreement shall be the following and shall be exercised through the Board of Directors:

1. To purchase HIP insurance products on behalf of the Members;
2. To organize and operate HIP, including the hiring of a third party administrator;
3. To determine all necessary fees for the operation of HIP, including any increase or supplemental HIP fees;
4. To terminate any Member for failure to perform obligations and duties as required by this Agreement or as otherwise permitted;
5. To retain brokers, actuaries, consultants or other professionals, who shall provide faithful performance of their respective duties and responsibilities and shall provide acceptable insurance coverage for errors and omissions;
6. To purchase stop loss or other additional insurance plans to limit the potential liability of LIMRiCC and to include any fees or expenses associated with said additional insurance in the HIP Benefit fee;

7. To employ agents, employees and independent contractors, including legal counsel;
8. To collect the Membership Contributions from the Members;
9. To recommend to Members programs and educational materials relating to claim management and reduction and to carry out educational and other programs relating to claim management and reduction;
10. To enter into written contracts to procure necessary services, supplies, insurance and/or property necessary to accomplish the purposes of the Program;
11. LIMRiCC shall not be responsible for the validity of any insurance policy issued hereunder, nor for the failure of the insurance company to make the payments provided for under any insurance policy, or for the action of any person which may delay, or render null and void or unenforceable, in whole or in part, any insurance policy issued under this Program; and
12. To carry out such other activities as are necessarily implied or required to carry out the purposes of the Program.

L. Powers and Duties of Members.

It is the responsibility of the Member to select suitable insurance coverages for its employees and their respective spouses and dependents from the coverages available under the Program. The rights and conditions with respect to coverage and benefits under such insurance and the self-insured plan shall be determined by the respective insurance policies and plan, which policies and self-insured plan documents shall be incorporated herein by reference; and LIMRiCC shall have no liability for insurance benefits under HIP.

In the event of a conflict between the terms of this Program and (a) the terms of a HIP insurance policy which is then being used in conjunction with this Program or (b) the terms of the HIP plan document, the terms of said insurance policy and/or the HIP plan document shall control as to those Members whose employees, and their respective spouses and dependents are receiving insurance coverage and benefits. For this purpose, the insurance policy and HIP plan document shall control in defining:

1. The persons eligible for insurance coverage;
2. The dates of their eligibility;
3. The conditions which must be satisfied to become insured, if any;
4. The benefits to be provided; and
5. The circumstances under which such insurance terminates.

M. New Membership

In the years that LIMRiCC is open to accepting new members as permissible by the provider, an application will be required for libraries considering joining the Program. Upon approval, a new member will be required to:

1. Sign the IGA; and
2. Pay a non-reimbursable 2-month premium that will go into LIMRiCC's reserves. The premium will be based on the new member's enrollment and will apply to all HIP.

N. Late Payments.

If a Member is more than sixty (60) days late after the issued date of the invoice in paying any Membership Contribution, said Member will be responsible for paying a late fee equal to five percent (5%) of all outstanding invoices. All late fees shall be deposited into the HIP Account. If a Member fails to make Membership Contribution for a period of three (3) months, the Board may vote to terminate the Member in accordance with this Agreement. All late fees shall be deposited into the HIP Account

O. Refund Adjustment Policy for HIP

In the event that an adjustment is necessary to a member's HIP invoice, a member can obtain a refund of up to 90 days.

P. Term of the Program.

LIMRiCC has been operating a purchase of health insurance program since on or about March 1, 1994 for the purchase of health insurance and other insurance products. This revised Article III and Program amends LIMRiCC's purchase of health insurance program and shall become effective on the 1st day of December, 2015, provided that by such date there are no less than twenty (20) Members of LIMRiCC who have elected in writing to participate in the Program, and shall continue in effect thereafter until terminated.

1. Termination of Membership by Member.

Members shall have the right to cancel participation in the Program by providing 120 days written notice to the Board of Directors-

2. Termination of Membership by LIMRiCC.

If a Member has a Membership Contribution that is three (3) months past due, the Board may vote to terminate the Member from the Program, provided however that LIMRiCC has provided a thirty (30), sixty (60), and seventy-five (75) days notice to the Member stating (a) the amount due, (b) the due date, and (c) the termination date. A Member may also be terminated for failure to attend the mandatory meetings, as set forth

in Section J. In addition, the Board may terminate a Member for failure to perform any other required duty or obligation, after giving at least thirty (30) days notice and an opportunity to cure the alleged failure.

Regardless of the reason for termination, LIMRiCC shall be responsible for any claims incurred before the termination date, provided that the terminated Member does not have any past due Member Contributions. If the Member has past due Member Contributions, all unpaid claims of the Member's Insured Participants shall be the responsibility of the Member.

3. Termination of Program.

The Program shall be terminated if the Board of Directors determines, in its sole discretion, that the termination of the Program is necessary or in the best interests of the Members. In addition, the Program shall also terminate upon the enactment of any State or Federal law and/or a final determination by a court of competent jurisdiction, after all appeals have been exhausted or time for appeal has expired, that the Program is invalid or otherwise contrary to law.

In the event the Program is terminated, the Board of Directors shall:

1. Set an effective date for termination and provide notice of termination to Members at least ninety (90) days prior to the effective date;
2. Collect all Member Contributions;
3. Cause to be paid all claims incurred prior to the effective date of termination provided that such claims are submitted for payment within one year of the date on which they are incurred provided that all Member Contributions have been made by the Member. If assets are not sufficient to pay all such claims, claim payments may be reduced and paid pro rata until all assets are exhausted.
4. Pay all administrative expenses and other liabilities of LIMRiCC in connection with the Program.
5. If the assets of LIMRiCC are not sufficient to satisfy LIMRiCC's liabilities with respect to the Program, the Board of Directors may charge each current Member and each former participating Member who was a participating Member at any time during the twelve (12) month period prior to the effective date of termination a supplemental Member Contribution in an amount that is equal to the amount of such shortfall multiplied by a fraction, the numerator of which is the amount of Member Contributions required of the former participating Member or the Member during the twelve (12) months prior to the effective date of termination and the denominator of which is the amount of total Member Contributions from all former participating Members and Members during the twelve (12) months prior to the effective date of termination. The Board of Directors shall not be obligated to make claim payment unless and until the shortfall is paid as provided herein.
6. Prior to termination, the Board of Directors shall make adequate provision for the maintenance of the records of the Program, which shall be retained for ten

(10) years after the effective date of termination.

4. **Refund of SHIP Benefit Fee upon SHIP Termination.**

Upon the termination of SHIP for any reason, each Member with Insured Participants enrolled in SHIP at the time of SHIP's termination shall receive a refund of its SHIP Benefit Fees (the "SHIP Refund") from the fund balance, if any. The SHIP Refund shall be calculated for each Member as follows:

- A. LIMRiCC shall remove any Administration Fees from the SHIP Account;
- B. The remaining SHIP Account Balance shall be multiplied by the Member Fraction;
- C. The Member Fraction shall be a fraction where the numerator is equal to the SHIP Benefit Fees paid by the Member in the last twelve (12) months and the denominator is equal to the total SHIP Benefit Fees paid by all Members with Insured Participants enrolled in SHIP in the last twelve (12) months; and
- D. The resulting amount shall constitute the Member's SHIP Refund.

The SHIP Refund shall be paid within a reasonable time of the termination of SHIP, as determined in the discretion of the Board of Directors. Any amounts owed by a Member to LIMRiCC at the time of SHIP's termination shall be deducted from said Member's SHIP Refund and retained by LIMRiCC.

5. **Obligations of Terminated Members.**

The obligation of LIMRiCC to administer claims incurred under the Plan prior to the effective date of termination or voluntary withdrawal for a terminated Member shall continue for claims that are filed within a period of twelve (12) months after such effective date. Members who have either been terminated or have voluntarily withdrawn are required to make all Member Contributions and supplemental payments, and to pay their entire current invoice, for sixty (60) days after their termination date, known as the run-out period.

1. In the event of a member's voluntary termination from the Program, notification to the Board must be given in writing 120 days prior to the termination date and prior to the end of the benefit plan year.

The exception to the 120-day required notice would be in the event that the Board fails to provide a 15 day notice of the health care premiums for the new plan year at least 135 days prior to the new plan year. In this case, it is at the discretion of the Board. A penalty fee of 25% of the current invoice will be applied to the Member for a notice of termination with less than 120 days notification.

2. A 2-month run-out period for HIP will be charged based on the current invoice.

Q. **Rights and Obligations of Members.**

The rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the Members set forth herein.

2. No member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for the purchase of health insurance and other insurance products as stated herein within the scope herein set forth, and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.

The obligations of each Member of LIMRiCC shall include the following:

1. To make all payments of Membership Contributions and any other payments to LIMRiCC as established in its By-Laws and this Agreement, including but not limited to late fees and supplemental benefit fees.

2. To hold an open enrollment meeting annually to provide education to the Member's Qualified Employees regarding the Program's benefits.

3. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to benefits, claims, and the financial obligations of the Member to LIMRiCC.

4. To report to LIMRiCC as promptly as possible all claims made to it within its benefit program as administered by LIMRiCC.

5. To furnish full cooperation with LIMRiCC's attorneys, and any agent, employee, officer or independent contractor of LIMRiCC relating to the purposes and powers of LIMRiCC.

6. To act promptly and within a reasonable period of time on all matters requiring approval or action by Members and to not withhold such approval unreasonably or arbitrarily.

7. To follow in the operations of the Member all procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.

8. In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under

this Agreement or its By-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.

9. To appropriate or budget annually its liabilities under the LIMRiCC Program or Programs in which the Member participates.

10. To review all notices sent by LIMRiCC.

11. To attend all mandatory member meetings as set forth in Section J hereof.

12. During its participation in HIP, a Member shall only exclusively provide to its employees, except independent contractors, or those in union-sponsored programs, the health benefits provided through HIP.

13. In the event LIMRiCC should in error pay any benefit claims, administrative fees, or other charges on behalf of a Member, which it was not obligated to pay, the Member shall, upon thirty (30) days' written notice, reimburse LIMRiCC for the amounts improperly paid.

14. In the event that a Member should sue LIMRiCC or any of its Directors, Officers, or employees, or agents regarding any issue related to this Article III and should not be the prevailing party in that suit, said Member shall, as part of its contractual obligation to LIMRiCC, pay the reasonable attorneys' fees and other costs and expenses expended by LIMRiCC in defending against that suit.

15. This Agreement and LIMRiCC's Bylaws are not intended to create or provide any rights in third-parties, including, but not limited to, any Qualifying Employees or Insured Participants.

R. Liability of LIMRiCC, Its Officers and Directors.

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self-insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer. Board members, officers and employees of LIMRiCC shall be indemnified and held harmless by LIMRiCC for claims by third parties arising out of the good faith discharge of duties related to the Program.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members. The funds of each insurance program, i.e. those established under Articles I, II and III are kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the

scope of his or her duties, LIMRiCC shall at the request of them:

1. Appear and defend against the claim or action; and
2. Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
3. Pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term "Director, officer or employee" shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts.

S. By-laws.

The Program is subject to the current By-Laws of LIMRiCC. A copy of the current By-Laws of LIMRiCC is posted on LIMRiCC's website.

T. Notices.

All notices of claims or any other notice required to be given pursuant to the Program, shall be sent by certified mail and/or electronic mail. To notify LIMRiCC, members shall use the following mailing address:

LIMRiCC
668 N. River Road
Naperville, IL 60563

Email address: mtannehill@limricc.org

Each Member shall designate an individual to receive notices from LIMRiCC regarding the Program and provide LIMRiCC with current contact information for said individual, including mailing address and email address. If such addresses change, any party hereto may designate in writing to the other parties pursuant to the provisions of this Section the new contact information and address.

ARTICLE IV. RIGHTS AND OBLIGATIONS OF MEMBERS.

A. Obligations of Members.

The obligations of each Member of LIMRiCC shall include the following:

1. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to claims and the financial obligations of the Member to LIMRiCC.

2. To fully cooperate with LIMRiCC's attorneys, and any agent, employee, officer, or independent contractor of LIMRiCC, including claims administrators, with any request relating to the purposes and powers of LIMRiCC.
3. To follow in the operations of the Member all loss reduction and prevention procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.
4. In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under this Agreement or its By-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.
5. To make other payments to LIMRiCC as established in the By-Laws.
6. To appropriate or budget annually its liabilities under the LIMRiCC Programs.

B. Rights of Members.

Rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the members set forth herein.
2. Except as provided herein, no Member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for joint risk management only within the scope herein set forth and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.
3. Where rights of Members to participate in benefits are dependent on the length of time of participation, the Member shall be credited for its participation in the predecessor programs of the Metropolitan Library System (formerly Suburban Library System).

ARTICLE V. LIABILITY OF LIMRiCC, ITS OFFICERS AND DIRECTORS.

The members of the Board of Directors and the officers will use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self-insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members and proceeds of any insurance provided by LIMRiCC. The funds of each insurance program, i.e. those established under Articles I, II, and III are to be kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of the Director, officer or employee:

- (a) appear and defend against the claim or action; and
- (b) Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
- (c) pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term Director, officer or employee shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal misconduct. In such case, the action to be taken by the Board of Directors will be determined after an investigation of the facts.

ARTICLE VI. BY-LAWS.

A certified copy of the By-Laws of LIMRiCC has been furnished to the Member.

ARTICLE VII. NOTICES.

All notices of claims or any other notice required to be given pursuant to this agreement, shall be sent by certified mail and shall be addressed to:

LIMRiCC
668 N. River Road
Naperville, IL 60563

ARTICLE VIII. AMENDMENTS.

The Board of Directors may, in the following manner, amend the "By-Laws of the Library Insurance Management And Risk Control Combination (LIMRiCC)" at any time and from time to time to add a new provision or change or remove an existing provision:

- (a) The Board of Directors shall adopt a Resolution setting forth the proposed amendment and the date on which the amendment is to become effective, and directing that the proposed amendment be submitted to each LIMRiCC Member that will be affected by the proposed amendment.
- (b) LIMRiCC shall give to each LIMRiCC Member that will be affected by the proposed amendment written notice of the proposed amendment, including the text of the proposed amendment and the date on which the amendment is to become effective, together with a ballot for voting to approve or disapprove the proposed amendment. Such notice shall be given not less than 60 days and not more than 90 days before the proposed effective date of the amendment, either via electronic mail or U.S. mail. If mailed, such notice shall be deemed to have been delivered on the second day after the day on which it is deposited in the United States mail, addressed to the Member at its address on the records of LIMRiCC, with postage prepaid.
- (c) Each LIMRiCC Member must return its ballot to LIMRiCC on or before 5:00 PM on the proposed effective date of the amendment.
- (d) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the LIMRiCC Members entitled to vote on such amendment.
- (e) Any number of amendments may be submitted to the LIMRiCC Members and voted upon by them at one time.
- (f) A LIMRiCC Member that has timely voted against the adoption of a proposed amendment may, within 60 days after the effective date of the proposed amendment, elect to withdraw from the LIMRiCC Program(s) affected by the new amendment, but only if the amendment materially and adversely affects the Member.
- (g) Any LIMRiCC Member that is entitled to elect to withdraw from the LIMRiCC Program(s) in question is precluded from challenging the new amendment that creates the right of withdrawal, unless the adoption of the amendment is fraudulent with respect to the Member or with respect to LIMRiCC or constitutes a breach of a fiduciary duty owed to the Member.
- (h) A LIMRiCC Member that is entitled to elect to withdraw may do so only if the Member delivers its written election to LIMRiCC within the said 60-day period.
- (i) Notwithstanding anything to the contrary in this Article, the withdrawal of a

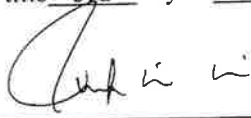
Member shall not affect any existing claim(s) in favor of LIMRiCC against the withdrawing Member, or in favor of the withdrawing Member and against LIMRiCC.

ARTICLE IX. POWERS OF BOARD OF DIRECTORS.

The Board of Directors may approve additional contracted services to be performed by LIMRiCC for other libraries, intergovernmental entities and governmental entities and the revenue from such services will be used to keep overall administrative costs lower for all LIMRiCC members.

Dated this 3rd day of October, 2024.

By: _____



President, LIMRiCC

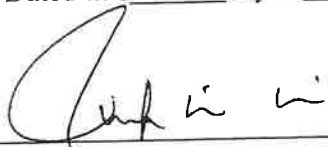
=====

(to be signed by the LIMRiCC Board President)

LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION
(LIMRiCC)

Dated this 3rd day of October, 2024.

By: _____



President

RESOLUTION PROVIDING FOR THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION ("LIMRICC")

BE IT RESOLVED by the Board of: _____ (hereinafter referred to as the "Library") as follows:

1. AUTHORITY: This Resolution is adopted pursuant to the Intergovernmental Cooperation clause of the Constitution of the State of Illinois, the Intergovernmental Cooperation Act, the Library Systems Act, and the Illinois Public Library District Act (or the Illinois Local Library Act where applicable).

2. FINDINGS:

A. The Library Insurance Management and Risk Control Combination (LIMRiCC) has heretofore been established by Intergovernmental Agreement among existing public libraries and library systems to provide the following programs:

- 1. The Unemployment Compensation Program (UCGA);
- 2. The Employee Benefits Insurance Program;

A copy of the Intergovernmental Agreement providing for these programs is attached hereto as Exhibit A.

B. It is in the best interests of the Library to participate in such of the above programs as are indicated by a checkmark in the appropriate box.

3. AUTHORIZATION: That the President and Secretary of this Library are, therefore, authorized and directed to execute an Intergovernmental Agreement providing for risk management and authorizing Membership in LIMRiCC for the programs hereinabove indicated, the Intergovernmental Agreement to conform substantially

to the Intergovernmental Agreement attached hereto as Exhibit A and effective on November 15, 2023.

Adopted this 14 day of January, 2025.

pursuant to a roll call vote as follows:

AYES:

NAYS:

ABSENT:

Library Name

President or Authorized Signer - Signature

President or Authorized Signer - Print

