**ORDINANCE NO.: 11-26**

**AN ORDINANCE APPROVING AND AUTHORIZING THE INTERGOVERNMENTAL COOPERATIVE AGREEMENT, A CONTRACT AND BY-LAWS ("AGREEMENT"), BETWEEN THE PUBLIC RISK MANAGEMENT OF FLORIDA HEALTH TRUST ("THE TRUST") AND THE TOWN OF ORANGE PARK, FLORIDA ("TOWN"), FOR THE PROVISION OF TOWN EMPLOYEE HEALTH INSURANCE AND BENEFITS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.**

BE IT ORDAINED by the Town Council of Orange Park:

**Section 1.** **Intergovernmental Cooperative Agreement and By-Laws, a Contract and By-laws, between the Public Risk Management of Florida Health Trust and the Town of Orange Park, Florida (the "Town") is approved and authorized**. The Intergovernmental Cooperative Agreement, a Contract and By-Laws, between the Public Risk Management of Florida Health Trust and the Town of Orange Park, Florida (the "Town") for the provision of Town employee health insurance and benefits, attached hereto as **Exhibit A** and incorporated herein by reference, is hereby approved and authorized.

**Section 2.** **Conflict**. If any portion of this ordinance is in conflict with any portion of any other ordinance, then the provisions of this ordinance shall govern.

**Section 3.** **Severability**. If any section, sentence, clause or phrase of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this ordinance.

**Section 4.** **Effective Date**. This ordinance shall become effective September 3, 2026.

Passed on first reading this 4th day of August, 2026.

Passed on second reading this 3rd day of September, 2026.

_____
MAYOR

ATTEST:

_____
TOWN CLERK

FORM APPROVED:

_____
TOWN ATTORNEY

**Exhibit A**

**Intergovernmental Cooperative Agreement and By-Laws**

# THE INTERGOVERNMENTAL COOPERATIVE AGREEMENT

## A CONTRACT AND BY-LAWS

## FOR

## PUBLIC RISK MANAGEMENT OF FLORIDA HEALTH TRUST

## (PRM-HT)

## AS AMENDED AND RESTATED THROUGH JUNE 16, 2023

THE INTERGOVERNMENTAL COOPERATIVE AGREEMENT
(A CONTRACT AND BY-LAWS FOR
PUBLIC RISK MANAGEMENT OF FLORIDA HEALTH TRUST)
(PRM-HT)

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ARTICLES OF ASSOCIATION

AND BY-LAWS

OF

PUBLIC RISK MANAGEMENT OF FLORIDA HEALTH TRUST

(PRM-HT)

BE IT KNOWN THAT:

The below named local government unit or units of the State of Florida for the purpose of forming a risk management and self-insurance association pursuant to the terms of section 112.08, Florida Statutes, do bind themselves contractually to and adopt these Articles of Association and By-Laws.

Article 1 - Name

1.1 Name. The name of this association shall be Public Risk Management of Florida Health Trust, referred to hereinafter as "the Trust".

Article 2 - Definitions and Purpose

2.1. Definitions: As used in this agreement, the following terms shall have the meaning hereinafter set out:

"Aggregate Excess Insurance": Stop Loss Insurance purchased by the Trust from insurance companies or other similar entities, approved by the Board of Directors, or any committee appointed by the Board for such purpose, to protect the Trust from an accumulation of losses in any policy year.

"Fiscal Year": The Fiscal Year of the Trust shall begin on October 1st and end on September 30th.

"Health Trust": A fund of public monies established by the Trust to jointly self-insure and self-fund health coverages and any other appropriate coverage lines approved by the Board of Directors.

"Members": The local governmental units, as defined by section 112.08, Florida Statutes, which initially or later enter into the intergovernmental association established by this Intergovernmental Agreement.

"Premium Payments": The amount each Member must pay to fully fund the fixed costs of the full operation of the Trust including reinsurance, administrative and claims costs.

"Self-Funded": A program in which Members agree to fully fund the operations of the Health Trust.

"Specific Excess Insurance": Insurance purchased by the Trust from insurance companies approved by the Board of Directors, or any committee appointed by the Board for such purpose, that provides catastrophe coverage up to the limit(s) chosen by the Trust.

2.2. Purpose: The Trust is a cooperative consortium voluntarily established by Members as set forth in section 112.08, Florida Statutes, for the purpose of providing health coverage to its Members and their employees and to carry out and effect the agreed upon functions and purposes of this Intergovernmental Agreement as stated herein.

It is the intent of the Members of this Trust to create an entity, which will administer a Health Trust and utilize such funds to provide the benefits described herein, in accordance with this Intergovernmental Agreement. This Agreement shall constitute the substance of a contract among the Members.

All funds contained within the Health Trust are funds directly derived from its Members who are local governmental units of the State of Florida. It is the intent of the Members in entering into this Intergovernmental Agreement that, to the fullest extent possible, the scope of Risk Management undertaken by them through a joint self-insurance or self-funded program using governmental funds shall not waive, on behalf of any Member or such Member's employees as defined in Florida Statutes Section 768.28, any defenses or immunities therein provided, or provided by the laws of the State of Florida. The Trust and the Members of this Trust intend to effect no waiver of sovereign immunities through their use of public funds retained within the Health Trust. Such funds being utilized to protect against risks in accordance with Florida Statutes Section 768.28 are not intended to constitute the existence, issuance or purchase of a policy for insurance. This Intergovernmental Agreement is not to be considered such as would cause this Trust to be treated as an "insurer" within the meaning of any legislation giving risk to liability or applicability to "insurer", for damages, costs, fees or expenses, etc., under Florida Statutes Sections 624.155, 626.9541, 626.9561, 627.426, 627.428, or other statutes applicable to Public Entity Self Insurance in the State of Florida.

2.3 Non-Assessable: Public Risk Management of Florida Health Trust is a non-assessable Trust.

Article 3 - Power and Duties

3.1. Powers: The powers of the Trust to perform and accomplish the functions and purposes set forth herein, within the budgetary limits and procedures set forth in this Intergovernmental Agreement, shall be as follows:

3.1.1. To establish By-Laws and Amendments to By-Laws, and operational procedures governing the operations of the Trust which are consistent with this Intergovernmental Agreement and in accordance with section 112.08, Florida Statutes, and to not waive any sovereign immunity not waived statutorily under Florida Law, and to expressly negate any past, present, or future waiver of sovereign immunity under Florida Statutes, and to continue to negate any waiver of sovereign immunity for discretionary and planning functions of government.

3.1.2. To employ agents and independent contractors and approve the rate of compensation, benefits and/or contracts that apply to Trust employees, Trust officers and service providers, and to ensure all benefits of applicable Florida Statutes.

3.1.3. To lease real property and to purchase or lease equipment, machinery or personal property necessary to carry out the purpose of the Trust.

3.1.4. To carry out educational and other programs relating to health benefits in managing the Members' Participants' health coverage.

3.1.5. To cause the creation of this Trust and see to the collection of funds for the continued administration of the Health Trust.

3.1.6. To purchase Aggregate Excess Insurance and Specific Excess Insurance to supplement the Health Trust without such being a waiver of sovereign immunity under Florida Law.

3.1.7. To provide utilization review and other services to insure the delivery of appropriate health coverage.

3.1.8. To negate, pursuant to Florida Statutes, any implication of a waiver of sovereign immunity, and to negate any waiver of sovereign immunity other than to the extent required under Florida Statutes Section 768.28.

3.1.9. To act solely within the budgetary limits established by the Members to carry out such other activities as are necessarily implied or required to carry out the purposes of the Trust.

3.1.10. To sue or be sued as a separate legal entity.

3.1.11. To expel or terminate Members in accordance with the requirements of these By-Laws for non-payment.

Article 4 - Participation and Term

4.1. Term: The initial term of the Trust was from 12:01 a.m. on October 1, 1989, to 12:01 a.m. September 30, 1991. After the initial two (2) year term of the Trust, the term was and shall automatically be renewed for additional terms of one (1) year each. Provided, however, the Members may, through the manner provided in Section 6.9.4., terminate the Trust as of the end of the initial or any additional term during which such action is taken.

4.2. Notice of Intent to Withdraw: So long as the Trust shall continue in existence, any current or new Member joining the Trust shall remain a Member for an initial two years from the date coverage began. The amounts charged in establishing the rates for all of the Member's covered employees and dependents will be guaranteed for up to twelve (12) months of the new Member's initial term.

Any Member's withdrawal from the Trust must occur at the end of the Fiscal Year upon serving on the Trust at least forty-five (45) calendar days prior written notice of Intent to Withdraw. Such notice shall be in the form of an adopted resolution of the governing body of the Member accompanied by a letter to the Executive Director of the Trust, with intent to withdraw from the Trust.

4.3. Actual Withdrawal / Required Withdrawal. Any Member who has served the Executive Director with prior written notice of its intent to withdraw at least forty-five (45) calendar days prior to the beginning of the Fiscal Year for which the notice to withdraw is applicable, shall serve in writing to the Executive Director, on or before ten (10) calendar days prior to the beginning of such Fiscal Year, a verification as to whether the Member intends to actually withdraw from the Trust at the end of the current Fiscal Year. Failure to serve such verification on or before ten (10) calendar days prior to the beginning of the Fiscal Year for which notice of intent to withdraw is applied, shall be deemed a revocation of the prior notice of intent to withdraw; thus, binding the Member to the Trust for the ensuing Fiscal Year. An action to expel a Member shall be taken by the Board of Directors prior to August 1 of the current Fiscal Year in the manner described in Article 16 hereafter. Upon a Member's withdrawal, the Trust shall be responsible for the payment of claims for covered services rendered to the Member's employees and dependents incurred during the time period prior to the withdrawal; however, the withdrawn Member shall be responsible for payment of reasonable administrative charges, as determined by the Board, through the period during which claims may be paid.

4.4. Admission of New Members: The Executive Director and Board of Directors shall establish and periodically review standards and the approval process for the admission of new Members. Upon approval of these standards and of the approval process for admission by the Board of Directors, the Trust's Executive Director may grant or deny admission to proposed new Members.

## Article 5 - Commencement of the Trust

5.1. Commencement Date: The Trust commenced operations on October 1, 1989.

## Article 6 - Board of Directors of the Trust

6.1. The Board: There is hereby established a Board of Directors (sometimes hereinafter referred to as the "Board") of the Trust. Each Member shall appoint one (1) person to represent that body (the "Representative") on the Board of Directors along with another person to serve as an alternate representative (the "Alternate") when the Representative is unable to carry out that Representative's duties. The Representative and Alternate shall be appointed in writing by the governing body of the Member and a copy of the written appointment shall be provided to the Executive Director of the Trust. Once such appointments are made known to the Trust, the persons appointed shall remain in office until the Trust receives evidence in writing of the appointment of other persons by the Member's governing body. The Representative and Alternate selected must be an employee, an appointed official or elected official of the entity.

6.2. The Chair and Vice Chair: The Board of Directors shall, commencing the 2003 Fiscal Year, select a Chair for a three-year term. The Board of Directors shall, for all subsequent years, bi-annually select a Chair to serve a two-year term. The term of office for the Chair shall

begin on the 1st day of a Fiscal Year and expire on the last day of a Fiscal Year. The Chair shall preside at all meetings of the Board. The Chair shall vote on all matters that come before the Board. The Chair shall have such other powers as may be given from time to time by action of the Board.

The Board of Directors shall, bi-annually select a Vice Chair during the final quarter of each two-year term to serve during the subsequent two-year term. The term of office for the Vice Chair shall begin on the first day of a Fiscal Year and expire on the last day of a Fiscal Year. The Vice Chair shall carry out all duties of the Chair of the Board during the absence or inability of the Chair to perform such duties and shall carry out such other functions as are assigned from time to time by the Chair or the Board of Directors. The Board of Directors may from time to time appoint other officers of the Board.

6.3. Board Responsibilities. The Board of Directors shall have the responsibility for: (1) hiring of Trust officers, agents, and independent contractors; (2) setting of compensation for all persons, firms and corporations employed by the Trust; (3) approval of amendments to the Intergovernmental Agreement; (4) approval of the acceptance of new Members and expulsion of Members, except that the approval may be delegated to the Executive Director under Article 4.4. above, or by such procedures as are contained in the motion making delegation; (5) approval and amendment of the annual budget of the Trust; (6) approval of the operational procedures developed by the Executive Director; (7) monitoring the financial condition of the Trust; and (8) termination of the Trust in accordance with this Intergovernmental Agreement.

6.4. Voting: Each Member shall be entitled to one (1) vote on the Board of Directors. Such vote may be cast only by the Representative of the Member or in the Representative's absence by the Alternate. No proxy votes or absentee votes shall be permitted. Voting shall be conducted by show of hands or any method established by the Board that is consistent with Florida law. A simple majority vote of those Representatives present shall be required to pass on any motion. On such matters, the Chair and the Executive Director of the Trust shall cause each Member's Representative and Alternate to receive the proposed ballot which will include at a minimum the text of the motion to be voted upon and the purpose of such motion. Only the Representative or the Alternate may vote on such ballots (not both). If both the Alternate and Representative submit ballots, only the Representative's ballot will be counted. Favorable votes by a majority of the Members' Representatives (or Alternates in their absence) entitled to vote shall pass any action unless an action is taken which is subject to 6.9 below, in which case passage will be based on the required number of votes as if each Member's Representative or Alternate was present at a regular or special meeting called to decide such question.

6.5 Representatives: The Representative selected by the Member shall serve until a successor has been selected or the Member has withdrawn from the Trust. The Representative chosen by the Member may be removed at any time by the vote of the Member's governing body. In the event that a vacancy occurs in the position of Representative or Alternate selected by the governing body of a Member, that body shall appoint a successor in writing within sixty (60) calendar days of such vacancy occurring. The failure of a Member to select a Representative or the failure of that person to participate shall not affect the responsibilities or duties of a Member under this Intergovernmental Agreement.

6.6. The Executive Board and other Committees: The Board of Directors shall establish an Executive Board. That Executive Board shall consist of the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Treasurer and four (4) Representatives elected by the Board of Directors. The Executive Board shall have the power to establish both standing and ad hoc committees to further the functions and purpose of this Trust. Unless the Board of Directors establishes some other procedure, the authority for selection of Representatives or Alternates serving on the Board of Directors who shall serve on such committees and chair them shall reside with the Chair of the Board of Directors. The Chair of the Board of Directors may appoint non-voting and non-paid persons who are not Members of the Board of Directors to serve on committees of the Trust. The Board of Directors shall bi-annually select the four (4) Representatives during the final quarter of each two-year term to serve during the subsequent two-year term. The term of office for the four (4) Representatives shall begin on the first day of a Fiscal Year and expire on the last day of a Fiscal Year. The Executive Board shall have the specific authority and power, as afforded herein by the Board of Directors, to grant binding approval for, and on behalf of, the Trust to bind any and all coverages for insurers, reinsurers, specific excess insurers, insurance underwriters, insurance wholesalers, insurance brokers and/or intermediaries, and with independent insurance contractors providing and/or affording both insurance and self-insurance coverages to the Trust Members. The Board of Directors shall grant to the Executive Board the authority to approve expenditures, authorize a settlement of claims and suits and take such other action as shall be specifically delegated to the Executive Board. The Executive Board may from time to time appoint interim replacements for any Executive Board member or Trust Officer who vacates their position on the Executive Board, who shall serve until the next scheduled election of such Executive Board member.

6.7. Operating Rules: The Board of Directors may establish rules governing its own conduct and procedure not inconsistent with this Intergovernmental Agreement.

6.8. Quorum: A quorum shall consist of a majority of the Representatives (or in their absence their Alternates) serving on the Board of Directors. Except as provided in Section 6.9 herein, or elsewhere in this Intergovernmental Agreement, a simple majority of a quorum shall be sufficient to pass upon all matters.

6.9. Super-Majority Voting: A greater vote than a majority of a quorum shall be required to approve the following matters:

6.9.1. Such matters as the Board of Directors shall establish within its rules as requiring for passage a vote greater than a majority of a quorum, provided, however, that such a rule can only be established by a greater than a majority vote at least equal to the greater than majority vote required by the proposed rule.

6.9.2. The expulsion of a Member shall require two-thirds (2/3) vote of all the Representatives serving on the Board of Directors.

6.9.3. Any amendment of this Intergovernmental Agreement, except as provided in Subsection 4 below, shall require two-thirds (2/3) vote of all the Representatives serving on the Board of Directors.

6.9.4. The amendment of this Intergovernmental Agreement to cause a reduction or elimination of the scope of loss protection as set out in Article 10 to be furnished by the self-insured Trust derived from payment from the members shall require that specific written notice of the proposed change be sent to the governing body of the Member and to the Representative and Alternate of the Member serving on the Board of Directors, no less than ten (10) calendar days prior to a meeting of the Executive Board at which this matter is proposed and the amendment as proposed or as amended must receive the approval of at least five (5) of the seven (7) of the then current Executive Board representing the Members of the Trust.

6.9.5 In the event of a reduction or elimination in the scope of loss protection as set forth in Article 10 of this Intergovernmental Agreement receives the approval of at least five (5) out of the seven (7) Representatives of the then-current Executive Board as set forth in section 6.9.4, any Member may request, within twenty (20) days of the Executive Board voting to approve such reduction or elimination in the scope of loss protections as set forth in Article 10 of this Intergovernmental Agreement, in writing to the Chair of the Board of Directors that the Executive Board, at a special meeting, take official action to affirm, modify or reverse a decision of the Executive Board affecting the reduction or elimination in the scope of loss protection as set forth in section 6.9.4. The Member shall be provided a full opportunity to explain their position to the Executive Board. The Executive Board, by majority vote, may affirm, modify, reverse or defer to the Board of Directors.

Any Member who disagrees with the Executive Board's final determination may request in writing, within twenty (20) days of the Executive Board's final determination, that the Board of Directors take action to affirm, modify or reverse the decision of the Executive Board. The Member shall be provided a full opportunity at a special, or regular, meeting to explain their position to the Board of Directors. The Board of Directors, by majority vote of the Members, may affirm, modify or reverse the final determination or decision of the Executive Board. Failure on the part of any Member to comply timely with the requirements for appealing the determination by the Executive Board to the Board of Directors within twenty (20) days thereof shall be deemed to be a waiver of any contractual, legal or other rights of appeal by, or on the part of, that Member.

6.10. Compensation of Board of Directors: No Representative or Alternate serving on the Board of Directors shall receive any salary from the Trust or from any person or entity providing services to the Trust.

6.11 Conflict of Interest: Representatives and Alternates shall abide by the guidelines established by the State Ethics Commission in the performance of their duties, particularly as it applies to conflicts of interest and financial disclosure.

Article 7 - Board of Directors Meetings

7.1. Meetings: The Executive Board will establish regular meetings, which shall be held at least three (3) times a year. Regular meetings of the Board of Directors shall be held up to

four (4) times a year. The tentative times, dates, and locations of regular meetings of the Board shall be established at the beginning of each Fiscal Year and the Executive Board will establish the tentative times, dates and locations of its regular meetings, and give timely and appropriate prior notices for said meetings to all members. Any item of business may be considered at a regular meeting, including the scheduling of future regular meetings. The Executive Director shall attend all Board meetings and Executive Board meetings to serve as an advisor and to report as the administrative officer of the Trust.

7.2. Special Meetings: Special meetings of the Board of Directors or the Executive Board may be called by its Chair, or by any three Representatives (or in their absence their Alternates). The Chair or in his/her absence, the Vice Chair, shall give ten (10) calendar days written notice of regular or special meetings to the Representative and Alternate of each Member and an agenda specifying the subject of any special meeting shall accompany such notice. Business conducted at special meetings shall be limited to those items specified in the agenda. The time, date and location of special meetings of the Board of Directors shall be determined by the Chair of the Board of Directors, or in his/her absence, by the Vice Chair. Emergency meetings may be held with less than ten (10) calendar days written notice, if determined necessary by the Chair or Vice Chair as applicable, and if notice is provided to all Members and their representatives as early as is reasonably possible. The Executive Board shall have the authority to call such special meetings when: (1) a threatened or actual disaster or other emergency exists which requires the scheduling of a special meeting; (2) it is substantially certain that a quorum of voting members will not be present for a scheduled, or upcoming, regular meeting of either the Board of Directors or Executive Board, such that consideration should be given to cancelling or rescheduling said meeting, and/or; (3) the Executive Board is requested to authorize the renegotiation of existing excess, reinsurance and any and all other coverages which occur or take place at that time.

7.3. Conduct of Meetings: To the extent not contrary to this Intergovernmental Agreement and except as modified by the Board of Directors, Robert's Rules of Order, latest edition, shall govern all meetings of the Board of Directors. Minutes of all regular and special meetings of the Board of Directors shall be sent to all Representatives (or in their absence their Alternates) serving on the Board of Directors.

Article 8 - Trust Officers

8.1. Officers: Officers of the Trust shall consist of an Executive Director, a Treasurer, a Secretary and such other officers as are established from time to time by the Board of Directors. All Trust officers, with the exception of the Board Secretary, who is hired by and reports directly to the Executive Director, shall be appointed by the Board of Directors.

8.2. Executive Director: The Executive Director shall be the chief administrative officer of the Trust and shall in general supervise and control the day to day operations of the Trust and shall carry out the policy and operational procedures of the Trust as established in this Intergovernmental Agreement and by the Board of Directors. Among the Executive Director's duties shall be the following:

8.2.1. The Executive Director may sign, with such other person authorized by the Board of Directors or by the Executive Board, any instruments which the Board of

Directors have authorized to be executed and, in general, shall perform all duties incident to the office of Executive Director and such other duties as may be prescribed by the Board of Directors.

8.2.2. The Executive Director shall prepare a proposed annual budget and shall submit such proposals to the Executive Board and the Board of Directors.

8.2.3. The Executive Director shall, where necessary, make recommendations regarding policy decisions, the creation of other Trust officers and the employment of agents and independent contractors. At each regular meeting of the Board of Directors and at such other times, as the Executive Director shall be required to do so, he/she shall present a full report of his/her activities and the fiscal condition of the Trust.

8.2.4. The Executive Director shall report quarterly to all Members aggregate information on all claims paid.

8.2.5. The Executive Director shall, within the constraints of the approved or amended budget, employ all secretarial, clerical and other similar help and expend funds for administrative expenses.

8.2.6. Audit: The Executive Director shall provide to the Members an annual audit of the financial affairs of the Trust to be made by a certified public accountant at the end of each Fiscal Year in accordance with generally accepted auditing principles. The annual report shall be delivered to the representative of each Member entity.

8.3. Treasurer: The Treasurer shall:

8.3.1. Provide general financial oversight of the Trust; shall have the authority and shall perform the duties prescribed by the Board of Directors or the Executive Board or by direction of any Officer authorized by this Interlocal Agreement or the Board of Directors or Executive Board and shall be selected by the Board of Directors

8.3.2. In general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to that individual by the Board of Directors.

8.4 Secretary: The Secretary shall issue notices of all Board meetings and shall attend and keep the minutes of same. The Secretary shall have charge of all corporate books, records and papers; shall be custodian of the corporate seal; and shall keep all written contracts of the Trust. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Executive Director or the Board of Directors.

8.5. Third Party Delegations: The Board may select a financial institution or certified public accountant to carry out some or all of the functions which would otherwise be assigned to a Treasurer and may select a company, administrator or agent to serve as claims administrator or to carry out some or all of the functions which would otherwise be assigned to the Executive

Director. The Board may also employ persons or companies as independent contractors to carry out some or all of the functions of officers of the Trust.

8.6. Officer Vacancies: In the absence of the Executive Director, Treasurer or Secretary, or in the event of the inability or refusal of such officers to act, the Chair of the Board of Directors may perform the duties of the Executive Director, Treasurer or Secretary, and, when so acting, shall have all of the powers of and be subject to all of the restrictions upon the Executive Director, Treasurer or Secretary.

Article 9 - Finances and Health Trust

9.1. Budget: The Board of Directors shall approve a preliminary budget for the administration of the Trust. Copies of all preliminary and final budgets shall be provided to each Member of the Board of Directors. The Board of Directors shall adopt a final budget by August 1st.

9.2. Premium Payment Factors: In determining the amount of the Premium Payment due from each Member, some or all of the following factors may be considered:

9.2.1 Number of employees and the age, sex, and family or dependent coverage status of the employees who are expected to receive coverage through the Trust;

9.2.2 Past and prospective experience of the Member;

9.2.3 Geographic area of the Member, including the expected medical trend in that geographic area;

9.2.4. Administrative costs associated with providing coverage to the Member and its employees; and

9.2.5. Any other factor relevant in determining the expected costs of providing health coverages to the Member's employees;

9.2.6. Determination of Rates: New Members' rates will be determined on an experience rated basis using claims history, group demographics, and current plan designs and rates.

First year renewing Members will receive the average increase for the entire Trust.

9.2.7 Overall Trust Renewal: Rates will be calculated by determining the participating entities combined loss ratios, claims and fixed costs versus required premium.

Second year and subsequent renewing Members' rates will be determined by the Trust average, then each Member will be individually underwritten to develop the group's loss ratio. Should the group's individual loss ratio

be ten percent better than the total Trust average, a decrement will be applied to the final renewal calculation. Should the group's individual loss ratio be ten percent worse than the Trust average, an increment will be applied to the renewal. These increments and decrements may vary slightly year-to-year depending on the overall Trust's required premium.

9.3. Budget Amendments: Budgets may be amended at any time by majority vote of a quorum of the Board of Directors.

9.4. Retirement Fund Obligations: Members shall be both severally and jointly liable to the State of Florida Department of Administration, Division of Retirement for any Florida Retirement Systems' contributions, which are owed by the Trust for Trust employees. Each member shall be responsible for expenses incurred which are attributable to the years of membership as outlined in the Intergovernmental Agreement, Article 11.

9.5. Distribution of Surplus Upon Cessation of the Trust: If, in the event that the Trust ceases to exist or operate for any year during which the Trust was in existence, all claims known or unknown have either been paid or provision has been made for such payment, the Board of Directors as then constituted shall distribute surplus funds to the Members who constituted the membership of the Trust in that prior year, after first deducting therefrom reasonable administrative and other non-allocated costs incurred by the Trust in the processing of the claims in years other than the one in which the claim was made. The distribution among the Members shall be in the same proportion to the total as was their Premium Payment for that year to the Premium Payments of all Members for such year.

Article 10 - Excess Insurance

10.1. Specific Excess Insurance: The Trust may purchase Specific Excess Insurance from underwriters of insurance and/or insurance companies, approved by the Board of Directors or Executive Board, or any committee appointed by the Board for such purpose, in such amounts which shall be approved by the Board and/or the Executive Board. The purchase of Specific Excess Insurance does not, and is not, intended to waive sovereign immunity under Florida law.

10.2. Aggregate Excess Insurance: The Trust may purchase Aggregate Excess Insurance from underwriters of insurance and/or insurance companies approved by the Board of Directors, or Executive Board or any committee appointed by the Board of Directors or the Executive Board for such purpose, in such amounts which shall be approved by the Board of Directors and/or the Executive Board. The purchase of Aggregate Excess Insurance does not, and is not, intended to waive sovereign immunity under Florida law.

10.3. Losses: The Health Trust (Loss Fund), the Specific Excess Insurance and Aggregate Excess Insurance shall provide payment for covered losses in any one Fiscal Year for members up to the limits approved by the Board of Directors. Should losses in any one Fiscal Year extinguish all available funds provided by the Trust, then the individual Member shall be responsible for all valid claims of its employees. The Trust shall make payments in the order in which the claims have been submitted and determined to be valid. In addition, pursuant to section 112.08(2)(b)7., Florida Statutes, each Member is responsible for payment of valid claims of its employees that are not paid within sixty (60) calendar days by the Trust. If the Board or

the administrator acting on the Board's behalf has determined that appropriate funds are available, the Member shall be reimbursed for the payment of such valid claims. Membership in the Trust shall not preclude any Member from purchasing any insurance coverage above those amounts purchased by the Trust.

Article 11 - Obligations of Members

11.1. Member Obligations: The obligations of Members of the Trust shall be as follows:

11.1.1. To budget for, where necessary, to levy for and to promptly pay all payments to the Health Trust at such times and in such amounts as shall be established by the Board of Directors within the scope of this Intergovernmental Agreement. Any delinquent payments shall be paid with a penalty, which shall be set by the Board, but such rate shall not exceed the highest interest rate allowed by statute to be paid by a Florida public agency.

11.1.2. To select, in writing, a Representative to serve on the Board of Directors and to select an Alternate Representative.

11.1.3. To allow the Trust reasonable access to all records including employee demographic information and financial records, which relate to the purpose or powers of the Trust.

11.1.4. To allow attorneys employed by the Trust to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any dispute or claim for medical services relating to the purpose or powers of the Trust.

11.1.5. To furnish full cooperation with the Trust attorneys, third party administrators, the Executive Director and any agent, employee, officer or independent contractor of the Trust relating to the purpose or powers of the Trust.

11.1.6. To follow in its operations all health education and procedures established by the Trust within its purpose or powers.

11.1.7. To be solely responsible for payment of all premium or contributions for group health benefits. Failure to remit contributions or premiums due in accordance with Article 9 or to provide required information shall be grounds for immediate termination of coverage and benefits by the Program or Providers.

11.1.8. To notify its employees of group health benefits being provided by the Program or Providers. Members shall be solely responsible for furnishing all data and information to Participants required by applicable state or federal law.

Failure of a Member to abide by these requirements shall also be grounds for expulsion from the Trust.

11.2. Cancellation/Suspension of Coverage: In the event that a Member has made a material misstatement, non-payment, or failed to comply with an underwriting requirement including misstatements regarding the number or family status of its employees, or the Member's health experience, the Executive Board has the authority to rescind, cancel or suspend coverage. The Member shall be notified of the reason in writing by the Executive Director and may be given a reasonable time to take corrective measure prior to the Executive Board's action.

Article 12 - Liability of Board of Directors or Officers of the Trust

12.1. Liability of Directors and Officers: The Representatives (or in their absence their Alternates) serving on the Board of Directors or officers of the Trust should use ordinary care and reasonable diligence in the exercise of their power 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 selected with reasonable care; nor for loss incurred through investment of Trust funds, or failure to invest. No Representative shall be liable for any action taken or omitted by any other Representative. Representatives shall have the immunities provided by law and in particular Florida Statutes Section 163.01. The Trust may purchase insurance providing liability coverage for such Representatives or officers.

Article 13 - Additional Insurance Coverage

13.1. Member's Option to Purchase Additional Insurance: The Trust may make available to Members, optional group health benefits through one or more group health benefit plans offered by or through insurance, including self-insurance, as may be from time to time approved and endorsed by the Trust.

Article 14 - Coverage & Indemnity Dispute Resolution

14.1. After having reviewed a claim forwarded to the Trust, the Executive Director, officer, employee or independent contractor/administrator shall, in writing, be permitted to decline to provide coverage or indemnification for such claim not believed to be within the scope of coverage provided by the Trust.

14.2. Any Member may request in writing to the Chair of the Board of Directors, that the Board of Directors, at a regular scheduled meeting, take official action to affirm, modify or reverse a decision that a particular matter is or is not within the scope of coverage provided by the Trust. The Member shall be provided a full opportunity to explain its position to the Board of Directors. The Board of Directors, by majority vote, may affirm, modify, reverse, or defer the matter, subject to any insurance or reinsurance contractual obligations. The decision of the Board will be final.

Article 15 - Contractual Obligation

15.1. Enforcement: This document shall constitute a binding contract among those public agencies which become Members of the Trust. The obligations and responsibilities of the Members set forth herein, including the obligation to take no action inconsistent with this Intergovernmental Agreement as originally written or validly amended, shall remain a continuing

obligation and responsibility of the Member. The terms of this Intergovernmental Agreement may be enforced in a court of law by the Trust.

The consideration for the duties herewith 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 Intergovernmental Agreement may be executed in duplicate originals and its passage by the Member's governing body shall be evidenced by a certified copy of a resolution passed by the members of the governing body in accordance with the rules and regulations of such public agency, provided, however, that except to the extent of the limited financial contributions to the Trust agreed to herein or such additional obligations as may come about through amendments to this Intergovernmental Agreement no Member agrees or contracts herein to be held responsible for any claims in tort or contract made against any other Member. The Members intend in the creation of the Trust to establish an organization to provide coverage 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 of or claims against any Member.

15.2. Attorneys' Fees: In any legal action between the parties arising out of this Agreement, any attempts to enforce this Agreement, or any breach of this Agreement, the prevailing party may recover its expenses of such legal action including, but not limited to, its costs of litigation (whether taxed by the court or not) and its reasonable attorneys' fees (including fees generated on appeals) from the other party.

## Article 16 - Expulsion or Termination of Members

16.1. Notice: No Member may be expelled except after notice from the Trust of the alleged failure along with a reasonable opportunity of not less than thirty (30) calendar days to cure the alleged failure. The Member may request a hearing before the Executive Board before any decision is made as to whether the expulsion shall take place. The Executive Board shall set the date for a hearing which shall not be less than fifteen (15) calendar days after the expiration of the time to cure has passed.

A decision by the Executive Board to expel a Member after notice and hearing and a failure to cure the alleged failure shall be final. The Executive Board may establish the date at which the expulsion of the Member shall be effective at any time not less than sixty (60) calendar days after the vote expelling the Member has been made by the Executive Board. If the motion to expel the Member made by the Executive Board or a subsequent motion does not state the time at which the expulsion shall take place, such expulsion shall take place sixty (60) calendar days after the date of the vote by the Executive Board expelling the Member.

16.2. Responsibilities of Terminated Member: A former Member shall only continue to be fully responsible only for its' portion of any obligations incurred but not satisfied during the period of time they were a Member of the Trust. Such obligations may include, but not be limited to, premiums, loss fund payments, final audit and administrative fees, etc., owed or unpaid by the former Member. The former Member shall no longer be entitled to participate or vote on the Board of Directors. The Trust shall not be responsible for payment of any Terminated Member's covered employees' or dependents' claims unless the Member has

satisfied all such obligations. Upon satisfaction of the obligations, the covered claims will be treated as if such Member has withdrawn pursuant to Article 4.3. and the Member shall be responsible for continued administrative payments as discussed in Article 4.3.

Article 17 - Termination of the Trust

17.1. Termination: If, at the conclusion of any term of the Trust, the Board of Directors votes to discontinue the existence of the Trust in accordance with Article 6.9.4., then the Trust shall cease its existence at the close of the then current Fiscal Year. Under those circumstances, the Board of Directors shall continue to meet on such a schedule as shall be necessary to carry out the termination of the affairs of the Trust. It is contemplated that the Board of Directors may be required to continue to hold meetings for some substantial period of time in order to accomplish this task, including the settlement of all covered claims incurred during the term of the Trust. The Trust shall continue to be fully responsible and obligated to pay covered claims and expenses owed by the Trust, which accrued before the Trust's termination. The money used to pay such covered claims and expenses shall remain with the Trust until such claims are settled and expenses are paid.

17.2. Distribution of Surplus upon Termination of Trust: Any excess funds remaining in the Trust after satisfaction of all obligations or assessments shall be distributed to the Members. Each Member current with the Trust at termination shall receive a proportionate share of the excess based upon that Member's premiums paid to the Trust during the five-year period immediately preceding the termination compared to the total amount of premium paid during that five-year period by all Members current with the Trust at termination. The Trust may make only partial distributions to the remaining Members in order to assure that all obligations of the Trust are satisfied. Once all such obligations have been satisfied, the remaining funds shall be distributed in accordance with the above.

17.3. Deficit: Should the Trust discontinue operations in a deficit position, the participating Members at termination, will be assessed an amount equal to the group's percentage of total enrollment.

17.4. Post-Termination Responsibilities of Member: After termination of the Trust, the Member shall continue to hold membership on the Board of Directors but only for the purpose of voting on matters affecting their limited continuing interest in the Trust for such years as they were Members of the Trust.

Article 18 – Constitutional Officers

18.1. Membership: Certain Constitutional Officers of the State of Florida may be located within the jurisdiction of a Member, and the Member may agree to include such Constitutional Officer's employees or retirees, their dependents, and others receiving continuation coverage, in the number of persons to be covered under the health coverage program discussed in these By-Laws and established by the PRM Health Trust. If such Constitutional Officer agrees to enroll in the coverage program, it must irrevocably agree in writing to be bound by all of PRM Health Trust's rules and regulations, as may be amended from time to time.

In witness whereof, this agreement has been executed by the Entity:_____.
The approval of the foregoing agreement was passed by the Entity: _____ on the _____ day of _____, 20___, and attached hereto, I do hereby execute and the _____ does hereby attest to my signature as evidence that the _____has approved and hereby becomes a bound signatory member of the "Intergovernmental Cooperative Agreement" for Public Risk Management of Florida Health Trust, a copy of which is attached hereto, and which is pursuant to Florida Statutes Section 112.08, which commenced its term on October 1, 1989.

_____
Chair of Board, or Council

Print Name: _____

ATTEST:

This _____ day of _____, 20___.

_____
Chair, Public Risk Management
of Florida Health Trust