



City of Palo Alto

City Council Staff Report

(ID # 11026)

Report Type: Consent Calendar

Meeting Date: 6/22/2020

Summary Title: Resolution to Join CSAC Excess Insurance Authority

Title: Adoption of a Resolution and Approval of a Joint Powers Authority Agreement and Memorandum of Understanding to Join the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for Dental/Vision Benefit Plan Claims Administration, and Approval to pay up to \$130,000 Annually to PBIA for Claims Administration Services and to Transfer Funds to PBIA Not-to-Exceed \$710,000 for the 2020 Plan Year to pay Benefit Claims

From: City Manager

Lead Department: Human Resources

Recommendation

Staff recommends that Council take the following actions to become a member of the CSAC-EIA Joint Powers Authority, for the purpose of administering employee dental and vision plans for the plan year beginning January 1, 2020:

1. Adopt a Resolution (Attachment A) to Join and Become a Member of the California State Association of Counties Excess Insurance Authority (CSAC-EIA or the "Authority") and Delegate Authority to the City Manager to Act on Matters Related to the Authority;
2. Approve and Authorize the City Manager to Execute the Joint Powers Agreement Creating the CSAC Excess Insurance Authority as last amended on February 28, 2006 (Exhibit 1 to Attachment A);
3. Approve and Authorize the City Manager to Execute the Memorandum of Understanding for the Dental Program as last amended April 9, 2019 (Exhibit 2 to Attachment A);
4. Authorize payment of up to \$130,000 per year in administrative fees to Preferred Benefits Insurance Administration (PBIA) as the City's share to serve as a third-party claims administrator for the Authority and its member agencies, to process dental and vision claims; and
5. Authorize the transfer of funds to PBIA for the purpose of paying employee dental and vision insurance claims and administration costs, for a total not-to-exceed amount of \$710,000 for the remainder of the 2020 plan year.

Background

The City of Palo Alto is self-insured for dental and vision services for City employees. This means that the City directly enrolls with Delta Dental (Delta) and Vision Service Plan (VSP) for access to a dental and

vision network that offers employees reduced rates when using Delta and VSP service providers¹. When an employee or covered family member uses dental or vision services, the health care provider submits a claim to an administrator for processing, and the City is then billed according to the fee schedule. The City then transfers money to the administrator to pay the claim. The City also pays a monthly fee for the claim management provided by the administrator.

Discussion

Currently, the City pays an administrative fee to Delta and VSP to process dental and vision claim payments on behalf of the City. After a thorough evaluation of the market with the assistance of the City's benefits broker, City staff are recommending a change in the third-party administrator. Staff are recommending the City join CSAC-EIA, a Joint Powers Authority (JPA) that is a consortium of 55 counties and over 80 cities in California combining efforts that result in lower costs for administration of employee benefits.

The Joint Powers Authority (CSAC-EIA) selects a third-party administrator to process dental and vision claims for member agencies. The current third-party administrator is Preferred Benefits Insurance Administrator (PBIA) under a contract between CSAC-EIA and PBIA (Attachment B). Through the City's agreement with CSAC-EIA Joint Powers Authority, the City's claims will be processed and paid by PBIA. In addition to administering vision and dental claims, PBIA will also provide the City with numerous reports to track the usage of dental and vision services, with an objective to identify ways to improve claim management for the City and employees.

The City will continue to exercise due diligence by completing a Request for Proposals for dental and vision plans before the end of the current calendar year, as the current contracts with Delta and VSP will expire 12/31/2020. City staff will request a decrease in dental and vision plan rates explaining the impact to City's revenues due to COVID-19 pandemic, in attempt to negotiate the best pricing possible.

Resource Impact

Dental and vision claims and the cost to administer those claims are currently budgeted in the General Benefits Fund for FY20 and FY21. The change described in this memo to join CSAC-EIA is cost-neutral and does not result in additional costs; however due to shelter-in-place orders, claims costs are anticipated to be lower this calendar year. The purpose of this change is to improve customer service to employees and to provide City management with improved reports and data to better understand utilization of the City's dental and vision plans.

Upon approval to join CSAC-EIA Joint Powers Authority, the City's dental and vision claims will be administered by PBIA, which serves as CSAC-EIA's third-party administrator. The City will transfer funds for dental and vision claims on a monthly basis for PBIA to pay the claims on behalf of the City. Claims paid by PBIA on behalf of the City are expected to be approximately \$580,000 for the remainder of the 2020 plan year. Administrative fees charged by PBIA are expected to cost approximately \$130,000 per year, based upon the number of employees and number of claims processed. Staff researched several years of claims and administration fees and found the cost of claims are stable and administration costs do not vary widely.

¹ Employees may also utilize dental and vision services outside of Delta and VSP networks, but employees may experience higher costs for those non-network services.

Attachments:

- Attachment A: Resolution - Delegation of Authority
- Attachment B: Contract Between CSAC-EIA and PBIA

Resolution No. _____

Resolution of the Council of the City of Palo Alto
To Join CSAC Excess Insurance Authority

RECITALS

- A. Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and
- B. The City of Palo Alto desires to join together with the members of the CSAC Excess Insurance Authority (Authority) for the purpose of jointly funding and/or establishing excess and other insurance programs as determined; and
- C. The Authority has determined that it is necessary for each member of the Authority to delegate to a person(s) or position(s) authority to act on the member's behalf in matters relating to the member and the Authority;

The Council of the City of Palo Alto does hereby RESOLVE, as follows:

SECTION 1. The City Council of the City of Palo Alto that said City Council does hereby approve the City of Palo Alto becoming a member of the CSAC Excess Insurance Authority for the purpose of administering employee dental and vision plans for plan year beginning January 1, 2020, approves and authorizes execution of the CSAC Excess Insurance Authority Joint Powers Agreement as last amended February 28, 2006 (attached hereto as Exhibit 1), approves and authorizes execution of the Memorandum of Understanding for the Dental Program as last amended April 9, 2019 (attached hereto as Exhibit 2), and except as to actions that must be approved by the City Council, the City Manager is hereby appointed to act in all matters relating to the member and the Authority.

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Section 2. By the City Council that the City Manager is authorized to transfer to the Authority's third party claims administrator (currently Preferred Benefit Insurance Administrators, also known as "PBIA") funds sufficient to pay for claims administration services for dental and vision benefits for the City, subject to appropriations by Council.

PASSED AND ADOPTED by the City Council this ____ day of _____, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Human Relations



Adopted: October 5, 1979
 Amended: May 12, 1980
 Amended: January 23, 1987
 Amended: October 7, 1988
 Amended: March 1993
 Amended: November 18, 1996
 Amended: October 4, 2005
 Amended: February 28, 2006

**JOINT POWERS AGREEMENT
 CREATING THE CSAC EXCESS INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California which are parties signatory to this Agreement. The CSAC Excess Insurance Authority was formed under the sponsorship of CSAC. All such counties, hereinafter called member counties, and public entities, hereinafter called member public entities, [collectively "members"] shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

NOW THEREFORE, the parties agree as follows:

ARTICLE 1
DEFINITIONS

"CSAC" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"Authority" shall mean the CSAC Excess Insurance Authority created by this Agreement.

"Board of Directors" or **"Board"** shall mean the governing body of the Authority.

"Claim" shall mean a claim made against a member arising out of an occurrence which is covered by an excess or primary insurance program of the Authority in which the member is a participant.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

"Fiscal year" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of the Authority.

"Government Code" shall mean the California Government Code.

"Insurance program" or **"program"** shall mean a program of the Authority under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board. The Board of Directors or the Executive Committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"Joint powers law" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Loss" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of the Authority in which the member is a participant.

"Member county" shall mean any county which, through the membership of its supervisors in CSAC, has executed this Agreement and become a member of the Authority. "Member county" shall also include those entities or other bodies set forth in Article 3 (c).

"Member Public Entity" shall mean any California public entity which does not maintain a membership in CSAC, has executed this Agreement and become a member of the Authority, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"Occurrence" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"Participating county" shall mean any member county which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Participating public entity" shall mean any member public entity which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member which is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

"Reinsurance" shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss which exceeds the joint funding capacity of that program.

ARTICLE 2 PURPOSES

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

ARTICLE 3 PARTIES TO AGREEMENT

(a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.

(b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.

(c) A member for purposes of providing insurance coverage under any program of the Authority, may contract on behalf of, and shall be deemed to include:

Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of the Authority.

Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.

(d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.

(e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.

(f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).

(g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

ARTICLE 4

TERM

This Agreement shall continue in effect until terminated as provided herein.

ARTICLE 5

CREATION OF THE AUTHORITY

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the CSAC Excess Insurance Authority, with such powers as are hereinafter set forth.

ARTICLE 6

POWERS OF THE AUTHORITY

The Authority shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

(a) To make and enter into contracts.

- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7

BOARD OF DIRECTORS

The Authority shall be governed by the Board of Directors, which shall be composed as follows:

- a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board.
- b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board.
- c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board shall constitute a quorum for the transaction of business. Each member of the Board shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of the Authority's insurance programs, shall require the affirmative vote of a majority of those Board members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board members as a whole shall have a minimum of one vote. The public entity Board members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board votes authorized herein be less than the number of public entity Board members at a duly noticed meeting, the public entity Board members shall decide among themselves which Board member shall vote. Should they be unable to decide, the President of the Authority shall determine which director(s) shall vote.

ARTICLE 8

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

(a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.

(b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.

(c) The Board shall form an Executive Committee, as provided in Article 11. The Board may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board except adoption of the Authority's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.

(d) The Board may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of the Authority. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board may delegate its powers and duties only to a committee of the Board composed of a majority of Board members and/or alternate members. Any committee which is not composed of a majority of Board members and/or alternate members may function only in an advisory capacity.

(e) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Article 13.

(f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of the Authority, including all provisions for reinsurance and administrative services necessary to carry out such program.

(h) The Board, directly or through the Executive Committee, shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the Chief Executive Officer.

(j) The Board shall receive and act upon reports of the committees and the Chief Executive Officer.

(k) The Board shall act upon each claim involving liability of the Authority, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 15 and 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities which have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

ARTICLE 9

MEETINGS OF THE BOARD OF DIRECTORS

(a) The Board shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board, the Executive Committee and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

**ARTICLE 10
OFFICERS**

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

**ARTICLE 11
EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee of the Board which shall consist of eleven members: the President and Vice President of the Board, and nine members elected by the Board from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of the Authority.

The Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

**ARTICLE 12
COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two year terms, subject to reappointment by the Board. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board as directed by the Board.

ARTICLE 13**STAFF**

(a) **Principal Staff.** The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) **Chief Executive Officer.** The Chief Executive Officer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) **Treasurer.** The duties of the Treasurer are set forth in Article 16 of this Agreement. Pursuant to Government Code Section 6505.5, the Treasurer shall be the county treasurer of a member county of the Authority, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) **Auditor.** The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.5, the Auditor shall be the Auditor of the county from which the Treasurer is appointed by the Board under (2) above, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) **Charges for Treasurer and Auditor Services.** Pursuant to Government Code Section 6505, the charges to the Authority for the services of Treasurer and Auditor shall be determined by the board of supervisors of the member county from which such staff members are appointed.

(c) **Other Staff.** The Board, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

ARTICLE 14**DEVELOPMENT, FUNDING AND IMPLEMENTATION
OF INSURANCE PROGRAMS**

(a) **Program Coverage.** Insurance programs of the Authority may provide coverage, including excess insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
- (3) Comprehensive automobile liability;
- (4) Hospital malpractice liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

(b) **Program and Authority Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs by the Board, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board may, in its discretion, allocate a share of such Authority general expense to those members which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

(1) **Development Charge.** Development costs of an insurance program shall be funded by a development charge, as established by the Board of Directors. The development charge shall be paid by each participant in the program following the program's adoption by the Board. Development costs are those costs actually incurred by the Authority in developing a program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies, information and liaison work among participants, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include a share of Authority general expenses, as allocated to the program development function.

The development charge shall be billed by the Authority to all participants in the program upon establishment of the program and shall be payable in accordance with the Authority's invoice and payment policy.

Upon the conclusion of program development: any deficiency in development funds shall be billed to all participants which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; any surplus in such funds shall be transferred into the Authority's general expense funds.

(2) **Annual Premium.** Except as provided in (3) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board, program reinsurance costs, and program administrative costs for the year, plus that participant's share of Authority general expense allocated to the program by the Board.

(3) **Premium Surcharge**

(i) If the Authority experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses,

the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

(ii) If it is determined by the Board of Directors, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses which have been incurred but not reported, the Board of Directors may impose a surcharge on all participating members.

(iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, the Authority notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. The Authority shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

(iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.

(c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, the Authority shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, program development costs, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.

(d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.

As a condition of late entry, the member shall pay the development charge for the program, as adjusted at the conclusion of the development period, but not subject to further adjustment,

and also any costs incurred by the Authority in analyzing the member's loss data and determining its annual premium as of the time of entry.

(e) **Reentry Into A Program.** Any county or public entity that is a member of an insurance program of the Authority who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

ARTICLE 15 ACCOUNTS AND RECORDS

(a) **Annual Budget.** The Authority shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by the Authority.

(b) **Funds and Accounts.** The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) **Auditor's Report.** The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) **Annual Audit.** Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of the Authority is located and shall be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of the Authority.

ARTICLE 16 RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

ARTICLE 17 RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

(a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.

(b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(c) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of the Authority in which the member is a participant, and shall provide copies of such records to the Authority as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board or Executive Committee.

(e) Each member shall pay development charges, premiums, and premium surcharges due to the Authority as required under Article 14. Penalties for late payment of such charges, premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to the Authority any additional premiums due, as determined and assessed by the Board of

Directors under Articles 22 or 23. Any costs incurred by the Authority associated with the collection of such premiums or other charges, shall be recoverable by the Authority.

(f) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(g) Each member shall cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.

(h) Each member county shall maintain membership in CSAC.

(i) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 18 ADMINISTRATION OF CLAIMS

(a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.

(b) The Authority may develop standards for the administration of claims for each insurance program of the Authority so as to permit oversight of the administration of claims by the members.

(c) Each participating member shall give the Authority timely written notice of claims in accordance with the provisions of the Bylaws.

(d) A member shall not enter into any settlement involving liability of the Authority without the advance written consent of the Authority.

(e) The Authority, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding which, in the judgment of the Authority, may involve liability of the Authority.

ARTICLE 19 NEW MEMBERS

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

**ARTICLE 20
WITHDRAWAL**

(a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to the Authority if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.

(b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

**ARTICLE 21
CANCELLATION**

(a) Notwithstanding the provisions of Article 20, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a majority vote of the Board members. Such action shall have the effect of canceling the member's participation in all insurance programs of the Authority as of the date that all membership is canceled.

(2) Cancel any member's participation in an insurance program of the Authority, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting who represent participants in the program.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

(b) A member that does not enter one or more of the insurance programs developed and implemented by the Authority within the member's first year as a member of the Authority shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(c) A member which withdraws from all insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(d) A member county that terminates its membership in CSAC shall be considered to have thereby withdrawn as a party to this Agreement, and its membership in the Authority and participation in any insurance program of the Authority shall be automatically canceled as of that time, without the action of the Board of Directors.

ARTICLE 22
EFFECT OF WITHDRAWAL OR CANCELLATION

(a) If a member's participation in an insurance program of the Authority is canceled under Article 21, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any program of the Authority, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 23 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium which the Board determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the county's participation in any program.

ARTICLE 23
TERMINATION AND DISTRIBUTION OF ASSETS

(a) A three-fourths vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from the member public entities, is required to terminate this Agreement; provided, however, that this Agreement and the

Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member which was a participant in an insurance program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

ARTICLE 24
LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS
AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any 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 Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

**ARTICLE 25
BYLAWS**

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority.

**ARTICLE 26
NOTICES**

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the Chief Executive Officer of the Authority, at the office address of the Authority as set forth in the Bylaws.

**ARTICLE 27
AMENDMENT**

A two-thirds vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from member public entities, is required to amend this Agreement.

**ARTICLE 28
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

**ARTICLE 29
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

ARTICLE 30
EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the date specified by the Board and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board member's must take place no later than 30 days from the effective date specified by the Board.

ARTICLE 31
DISPUTE RESOLUTION

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then of course the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

ARTICLE 32
FILING WITH SECRETARY OF STATE

The Chief Executive Officer of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

MEMBER: _____

(Print Name of Member)

BY: _____

(Authorized signature of Member)

Seal:

APPENDIX A
 JOINT POWERS AGREEMENT
 CSAC EXCESS INSURANCE AUTHORITY

(as of February 5, 2019)

ALAMEDA COUNTY	SUTTER COUNTY
ALPINE COUNTY	TEHAMA COUNTY
AMADOR COUNTY	TRINITY COUNTY
BUTTE COUNTY	TULARE COUNTY
CALAVERAS COUNTY	TUOLUMNE COUNTY
COLUSA COUNTY	VENTURA COUNTY
CONTRA COSTA COUNTY	YOLO COUNTY
DEL NORTE COUNTY	YUBA COUNTY
EL DORADO COUNTY	ACCEL
FRESNO COUNTY	ALAMEDA HEALTH SYSTEM
GLENN COUNTY	AMADOR TRANSIT
HUMBOLDT COUNTY	BAHARMA (BAY AREA HOUSING AUTHORITY RISK MANAGEMENT AUTHORITY)
IMPERIAL COUNTY	BAY AREA AIR QUALITY MGMT DISTRICT
INYO COUNTY	BERKELEY UNIFIED SCHOOL DISTRICT
KERN COUNTY	BICEP
KINGS COUNTY	CALIFORNIA FAIR SERVICES AUTHORITY
LAKE COUNTY	CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
LASSEN COUNTY	CALIFORNIA STATE LEGISLATURE
MADERA COUNTY	CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA)
MARIN COUNTY	CAMPBELL UNION SCHOOL DISTRICT
MARIPOSA COUNTY	CAPITOL AREA DEVELOPMENT AUTHORITY (CADA)
MENDOCINO COUNTY	CAPRI
MERCED COUNTY	CASITAS MUNICIPAL WATER DISTRICT
MODOC COUNTY	CATALINA ISLAND MEDICAL CENTER
MONO COUNTY	CENTRAL CONTRA COSTA SANITARY DISTRICT
MONTEREY COUNTY	CENTRAL COUNTY FIRE DEPARTMENT
NAPA COUNTY	CENTRAL SIERRA CHILD SUPPORT AGENCY
NEVADA COUNTY	CITY OF ALAMEDA
ORANGE COUNTY	CITY OF AMERICAN CANYON
PLACER COUNTY	CITY OF ANAHEIM
PLUMAS COUNTY	CITY OF ATASCADERO
RIVERSIDE COUNTY	CITY OF ATWATER
SACRAMENTO COUNTY	CITY OF BAKERSFIELD
SAN BENITO COUNTY	CITY OF BEAUMONT
SAN BERNARDINO COUNTY	CITY OF BELL
SAN DIEGO COUNTY	CITY OF BELMONT
SAN JOAQUIN COUNTY	CITY OF BERKELEY
SAN LUIS OBISPO COUNTY	CITY OF BUENA PARK
SANTA BARBARA COUNTY	CITY OF BURLINGAME
SANTA CLARA COUNTY	CITY OF CALABASAS
SANTA CRUZ COUNTY	CITY OF CALEXICO
SHASTA COUNTY	CITY OF CAPITOLA
SIERRA COUNTY	
SISKIYOU COUNTY	
SOLANO COUNTY	
SONOMA COUNTY	
STANISLAUS COUNTY	

CITY OF CARLSBAD	CITY OF MISSION VIEJO
CITY OF CARMEL BY THE SEA	CITY OF MONTEBELLO
CITY OF CARSON	CITY OF MORENO VALLEY
CITY OF CHICO	CITY OF MURRIETA
CITY OF CHULA VISTA	CITY OF NAPA
CITY OF CLOVIS	CITY OF NATIONAL CITY
CITY OF CONCORD	CITY OF NEEDLES
CITY OF CORONA	CITY OF NEWPORT BEACH
CITY OF CORONADO	CITY OF NOVATO
CITY OF COSTA MESA	CITY OF OAKLAND
CITY OF COVINA	CITY OF OCEANSIDE
CITY OF CUPERTINO	CITY OF OROVILLE
CITY OF CYPRESS	CITY OF PACIFICA
CITY OF DALY CITY	CITY OF PALMDALE
CITY OF DEL MAR	CITY OF PASO ROBLES
CITY OF DOWNEY	CITY OF PERRIS
CITY OF EL CAJON	CITY OF PICO RIVERA
CITY OF EL CENTRO	CITY OF PLEASANTON
CITY OF EL MONTE	CITY OF POMONA
CITY OF ELK GROVE	CITY OF PORT HUENEME
CITY OF ENCINITAS	CITY OF RANCHO CORDOVA
CITY OF ESCALON	CITY OF RANCHO MIRAGE
CITY OF ESCONDIDO	CITY OF RANCHO SANTA MARGARITA
CITY OF FAIRFIELD	CITY OF REDDING
CITY OF FOLSOM	CITY OF REDLANDS
CITY OF FONTANA	CITY OF REDONDO BEACH
CITY OF FOUNTAIN VALLEY	CITY OF REDWOOD CITY
CITY OF FREMONT	CITY OF RIALTO
CITY OF GALT	CITY OF RICHMOND
CITY OF GARDEN GROVE	CITY OF RIDGECREST
CITY OF GARDENA	CITY OF ROSEVILLE
CITY OF GOLETA	CITY OF SACRAMENTO
CITY OF HANFORD	CITY OF SAN BERNARDINO
CITY OF HAWTHORNE	CITY OF SAN BRUNO
CITY OF HAYWARD	CITY OF SAN CLEMENTE
CITY OF HEMET	CITY OF SAN DIEGO
CITY OF HUNTINGTON BEACH	CITY OF SAN JACINTO
CITY OF IMPERIAL BEACH	CITY OF SAN LEANDRO
CITY OF IONE	CITY OF SAN RAMON
CITY OF IRVINE	CITY OF SANTA CLARA
CITY OF LANCASTER	CITY OF SANTA ROSA
CITY OF LEMON GROVE	CITY OF SANTEE
CITY OF LIVE OAK	CITY OF SIMI VALLEY
CITY OF LIVERMORE	CITY OF SOLANA BEACH
CITY OF LOMPOC	CITY OF SOUTH PASADENA
CITY OF LOS ALAMITOS	CITY OF SOUTH SAN FRANCISCO
CITY OF LOS ALTOS	CITY OF STANTON
CITY OF MANHATTAN BEACH	CITY OF STOCKTON
CITY OF MAYWOOD	CITY OF SUNNYVALE
CITY OF MENLO PARK	CITY OF TORRANCE
CITY OF MERCED	CITY OF VACAVILLE
CITY OF MILL VALLEY	CITY OF VALLEJO
CITY OF MILLBRAE	CITY OF VISALIA

CITY OF VISTA
 CITY OF WALNUT CREEK
 CITY OF WATSONVILLE
 CITY OF WEST COVINA
 CITY OF WEST SACRAMENTO
 CITY OF WESTMINSTER
 CITY OF WHITTIER
 CITY OF YUBA CITY
 COAST COMMUNITY COLLEGE DISTRICT
 COMMUNITY DEVELOPMENT COMMISSION
 OF L.A. COUNTY
 CONTRA COSTA COUNTY IHSS PUBLIC
 AUTHORITY
 COUNCIL OF SAN BENITO COUNTY
 GOVERNMENTS
 CSAC EIA
 CSRMA
 CVAG
 DEL NORTE IHSS PUBLIC AUTHORITY
 DUBLIN SAN RAMON SERVICES DISTRICT
 EAST BAY REGIONAL PARK DISTRICT
 EAST SAN GABRIEL VALLEY ROP
 ERMAC
 EVERGREEN SCHOOL DISTRICT
 FAIRFIELD-SUISUN SEWER DISTRICT
 FIRST FIVE CONTRA COSTA CHILDREN &
 FAMILIES COMMISSION
 FIRST FIVE SACRAMENTO COMMISSION
 GOLD COAST TRANSIT DISTRICT
 GOLDEN EMPIRE TRANSIT DISTRICT
 GREAT BASIN UNIFIED AIR POLLUTION
 CONTROL DISTRICT
 GSRMA
 GSRMA JPA
 HOUSING AUTHORITY OF THE COUNTY OF
 MONTEREY
 HOUSING AUTHORITY OF RIVERSIDE
 COUNTY
 HUMBOLDT TRANSIT AUTHORITY
 HUNTINGTON BEACH UNION HIGH SCHOOL
 DISTRICT
 IMPERIAL COUNTY IHSS PUBLIC
 AUTHORITY
 INLAND EMPIRE HEALTH PLAN
 INLAND EMPIRE UTILITIES AGENCY
 IRVINE RANCH WATER DISTRICT
 KERN COUNTY HOSPITAL AUTHORITY
 KERN HEALTH SYSTEMS
 KERN IHSS PUBLIC AUTHORITY
 KINGS CO. AREA PUBLIC TRANSIT AGENCY
 KINGS WASTE & RECYCLING AUTHORITY
 LAKE ELSINORE UNIFIED SCHOOL DISTRICT
 LAWXC

LONG BEACH UNIFIED SCHOOL DISTRICT
 LOS ANGELES UNIFIED SCHOOL DIST RMA
 MARIN COUNTY TRANSIT DISTRICT
 MENDOCINO COAST DISTRICT HOSPITAL
 MILITARY DEPT. OF THE STATE OF CA
 MONTEREY BAY AREA SELF INSURANCE
 AUTHORITY (MBASIA)
 MONTEREY COUNTY WATER RESOURCE
 AGENCY
 MONTEREY SALINAS TRANSIT
 MORONGO BASIN TRANSIT AUTHORITY
 MOUNTAIN COMMUNITIES HEALTHCARE
 DISTRICT
 MT. DIABLO UNIFIED SCHOOL DISTRICT
 MUNICIPAL POOLING AUTHORITY (MPA)
 NAPA SANITATION DISTRICT
 NCCSIF
 NCSDIA
 NORTHERN CALIFORNIA POWER AGENCY
 OAKLAND UNIFIED SCHOOL DISTRICT
 OFFICE OF COMMUNITY AND INVESTMENT
 AND INFRASTRUCTURE (OCII)
 OMNITRANS
 ORANGE COUNTY FIRE AUTHORITY
 ORANGE COUNTY SANITATION DISTRICT
 ORANGE COUNTY TRANSPORTATION
 AUTHORITY
 OTAY WATER DISTRICT
 PALO VERDE VALLEY HEALTH CARE
 DISTRICT HOSPITAL
 PARSAC
 PASADENA UNIFIED SCHOOL DISTRICT
 PISIS – SAN DIEGO
 PERMA
 PLACER COUNTY WATER AGENCY
 PLEASANT HILL RECREATION & PARK DIST
 PORT OF OAKLAND
 REDONDO BEACH UNIFIED SCHOOL DIST
 RIVERSIDE IHSS PUBLIC AUTHORITY
 RIVERSIDE TRANSIT AGENCY
 SACRAMENTO – YOLO MOSQUITO AND
 VECTOR CONTROL DISTRICT
 SACRAMENTO AREA FLOOD CONTROL
 AGENCY
 SACRAMENTO COUNTY CONTRACTS
 SAN BENITO IHSS PUBLIC AUTHORITY
 SAN BERNARDINO DEPARTMENTS
 SAN BERNARDINO IHSS PUBLIC AUTHORITY
 SAN BERNADINO MUNICIPAL WATER
 DEPARTMENT
 SAN DIEGO COUNTY IHSS PUBLIC
 AUTHORITY
 SAN DIEGO COUNTY WATER AUTHORITY

SAN DIEGO HOUSING COMMISSION	SUPERIOR COURT OF CA, SAN LUIS
SAN DIEGO METROPOLITAN TRANSIT SYS	OBISPO COUNTY
SAN DIEGO UNIFIED SCHOOL DISTRICT	SUPERIOR COURT OF CA, SANTA BARBARA
SAN JOSE UNIFIED SCHOOL DISTRICT	COUNTY
SAN LUIS OBISPO RTA	SUPERIOR COURT OF CA, SANTA CRUZ
SAN MATEO CONSOLIDATED FIRE	COUNTY
DEPARTMENT	SUPERIOR COURT OF CA, SHASTA COUNTY
SAN MATEO COUNTY SCHOOLS	SUPERIOR COURT OF CA, SONOMA
INSURANCE GROUP	COUNTY
SANTA BARBARA METRO TRANSIT	SUPERIOR COURT OF CA, STANISLAUS
DISTRICT	COUNTY
SANTA CLARA CO. LIBRARY DISTRICT JPA	SUPERIOR COURT OF CA, TRINITY COUNTY
SANTA CLARA CO. OFFICE OF EDUCATION	SUPERIOR COURT OF CA, TUOLUMNE
SANTA CLARA CO VECTOR CONTROL DIST	COUNTY
SANTA CLARA HOUSING AUTHORITY	SUPERIOR COURT OF CA, YOLO COUNTY
SANTA CRUZ COUNTY FIRE AGENCIES	SUPERIOR COURT OF CA, YUBA COUNTY
INSURANCE GROUP	SUTTER IHSS PUBLIC AUTHORITY
SANTA CRUZ METRO TRANSIT DISTRICT	TAHOE TRANSPORTATION DISTRICT
SCHOOLS EXCESS LIABILITY FUND (SELF)	TORRANCE UNIFIED SCHOOL DISTRICT
SDRMA	TOWN OF COLMA
SHASTA IHSS PUBLIC AUTHORITY	TOWN OF YOUNTVILLE
SIRMA	TRANSPORTATION CORRIDOR AGENCIES
SOLANO TRANSPORTATION AUTHORITY	TRINDEL INSURANCE FUND
SONOMA COUNTY ERA	TURLOCK IRRIGATION DISTRICT
SONOMA MARIN AREA RAIL TRANSIT	UC HASTINGS COLLEGE OF LAW
SOUTH BAY AREA SCHOOLS INSURANCE	UPLAND UNIFIED SCHOOL DISTRICT
AUTHORITY	WEST SAN GABRIEL LIABILITY AND
SOUTH COAST AIR QUALITY MANAGEMENT	PROPERTY JPA
DISTRICT	WEST SAN GABRIEL WC JPA
SOUTH COUNTY AREA TRANSIT	WESTERN RIVERSIDE COUNCIL OF
SUPERIOR COURT OF CA, ALPINE COUNTY	GOVERNMENTS (WRCOG)
SUPERIOR COURT OF CA, AMADOR	YOLO PARMIA
COUNTY	
SUPERIOR COURT OF CA, BUTTE COUNTY	
SUPERIOR COURT OF CA, CALAVERAS	
COUNTY	
SUPERIOR COURT OF CA, COLUSA COUNTY	
SUPERIOR COURT OF CA, CONTRA COSTA	
COUNTY	
SUPERIOR COURT OF CA, DEL NORTE	
COUNTY	
SUPERIOR COURT OF CA, EL DORADO	
COUNTY	
SUPERIOR COURT OF CA, LAKE COUNTY	
SUPERIOR COURT OF CA, LASSEN COUNTY	
SUPERIOR COURT OF CA, MERCED	
COUNTY	
SUPERIOR COURT OF CA, ORANGE	
COUNTY	
SUPERIOR COURT OF CA, PLACER COUNTY	
SUPERIOR COURT OF CA, SAN BENITO	
COUNTY	



Adopted: October 26, 2009
Last Amended: April 9, 2019

MEMORANDUM OF UNDERSTANDING DENTAL PROGRAM

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between the CSAC Excess Insurance Authority (hereinafter “Authority”) and the participating members of the Dental Program (hereinafter “Members”) that are signatories to this Memorandum.

1. **CREATION OF THE PROGRAM.** There is hereby created by this Memorandum the Dental Program (hereinafter “Program”).
2. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter “Agreement”), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
3. **PROGRAM COVERAGE SEGMENTS.** The Program is formed for the purpose of establishing dental coverage under the following Program coverage segments:
 - a. Self-Insured Segment
 - b. Fixed-Rate Preferred Provider Organization (PPO) Pooled Segment
 - c. Fully-Insured Dental Health Maintenance Organization (DHMO) Segment
4. **PROGRAM COMMITTEE.** The Employee Benefits Committee (hereinafter “Committee”) shall consist of nine (9) members. Except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the Program and its Members, including but not limited to, approval of new Members, premium/rate setting, addition of new Program segments and/or services, claims review, and amending the Memorandum. A majority of members of the Committee must be Members of the Program.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative vote of a majority of the members of the Committee.

Except as otherwise provided herein, the Committee shall be authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions. The Committee may delegate any or all of this authority as deemed appropriate.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet at the call of the Chair of the Committee as provided in Article 12 of the

Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws"). Any meeting of the Committee shall be subject to the applicable provisions of Government Code §54950 et seq., commonly known as the "Brown Act."

5. **PREMIUM.** Participating Member rates/premiums shall be established by Delta Dental of California (hereinafter "Delta Dental") in consultation with the Program underwriters, actuaries, and the Committee. The participating Members, in accordance with the Program premium provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Program in which they participate. Premiums will vary based on Member segment participation, benefit plan coverage, Member employee/retiree participation, and claims experience.
6. **MEMBERSHIP.** Membership in the Program consists of participation in one or more of the following:
 - a. A "Self-Insured" Member is defined as a Member who participates in the group purchase Program for administrative services only and is fully responsible for their own dental Program; and/or
 - b. A "Fixed-Rate PPO" Member is defined as a Member who joins the Program and is part of the self-insured Fixed-Rate PPO pool; and/or
 - c. A "Fully-Insured DHMO" Member is defined as a Member who joins the Program and is part of the fully insured DHMO pool.
7. **PROGRAM PARTICIPATION.** Adoption of this Memorandum by a Member allows for participation in the Program. Participation in the Program may be in one or more of the following segments; the Self-Insured Pool, the Fixed-Rate PPO Pool, and/or the DHMO pool. A Member shall be entitled to participate in the Program until they have withdrawn in accordance with the provisions of paragraph 16 of this Memorandum.
8. **RENEWALS.** All Program renewal rate action will be approved by the Committee with assistance from Program underwriters, actuaries, and Delta Dental. Fixed-Rate PPO Pool Members that have Legacy Premium Stabilization Funds (see paragraph 10.a.) may use those funds to offset renewal rate increases.
9. **BILLINGS AND LATE PAYMENTS.** Billing dates, payment due dates, and any late fees and/or penalties will be set by the Committee. All Members will receive separate notification of any changes in due dates and/or penalty fees at least thirty (30) days prior to the effective date of any such change.

Notwithstanding any other provisions to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the

Committee, any Member that fails to pay an invoice when due and as billed may be given a ten (10) day written notice of cancellation.

10. **PREMIUM STABILIZATION FUNDS.** Premium Stabilization Funds as set forth apply only to Fixed-Rate PPO segment Members.
 - a. Legacy Premium Stabilization Fund. Delta Dental Members who are fully insured with Delta Dental are required to have their stabilization funds (if any) transferred to the EIA upon entry into the Fixed-Rate PPO Program segment. These funds will be accounted for individually for the Member's use. The Member may use their Legacy Premium Stabilization Funds to buy down their renewal or request a full disbursement from the Authority. If the Member leaves the Program with a fund balance remaining, those funds remain in the Program and the Member has no equity rights to those funds
 - b. Program Premium Stabilization Fund. The Program Stabilization Fund shall consist of accumulated excess reserves (in excess of the required Incurred But Not Reported (IBNR) and Claims Fluctuation Margin (CFM) requirements) generated by the Program with all years combined on a go forward basis. The Committee shall have authority to determine the use of these funds. These funds are not Member specific and they are separate from the Legacy Premium Stabilization Funds.
11. **STABILIZATION INTEREST.** Interest generated by both premium stabilization funds are available for the Committee to use for any purpose, including administrative fees, rate offsets, or claim payments.
12. **DIVIDENDS AND ASSESSMENTS (Applicable to Fixed-Rate PPO Members Only).** Should the Fixed-Rate PPO Program segment not be adequately funded for any reason, pro-rata assessments to the Members may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the approval of the Committee in accordance with the following:
 - a. Any dividends or assessments shall be based upon the preceding three (3) years' of percentage of contributions for losses for Fixed-Rate PPO Pooled Members only.
 - b. Self-Insured and DHMO segments are not eligible for dividends or assessments.
13. **APPROVAL OF NEW MEMBERS – APPLICATION TO THE PROGRAM.** Any public entity wishing to become a Member of the Program shall make application to and be approved by a majority vote of the Committee in a manner prescribed by them. The Committee has developed underwriting guidelines that outline

specific criteria for accepting new Members. Program underwriting guidelines are available by request to the Authority.

14. **COVERAGE DOCUMENTS.** Coverage documents shall be issued by Delta Dental to each individual Member. Coverage shall be governed in accordance with these documents. Any changes to the benefits, as determined by the Member, are subject to Delta Dental, Committee, actuarial, and/or other consultants' pricing requirements.
15. **CLAIMS ADMINISTRATION.** The Committee shall authorize the retention of the services of Delta Dental to provide claims services for the Program.
16. **WITHDRAWAL.** Withdrawal of a Member from the Program shall be as follows:
 - a. Fixed-Rate PPO and DHMO Pool Members. After becoming a participant in the Program, a Fixed-Rate PPO and/or DHMO Pool Member may withdraw from the Program at the end of a policy year only if they provide the Authority with sixty (60) days written notice prior to the end of the policy year.
 - b. Self-Insured Member. After becoming a participant in the Program, a Self-Insured Member may withdraw from the Program at the end of their specific policy year by giving the Authority sixty (60) days written notice prior to the end of their specific policy year.
17. **LIASION WITH THE AUTHORITY.** Each Member shall maintain staff to act as a liaison with the Authority and Delta Dental and between the Member and the Authority's and Delta Dental's designated representative.
18. **RESOLUTION OF DISPUTES.** The Committee shall first determine any question or dispute with respect to the rights and obligations of the parties to this Memorandum; however, all final determinations shall be in accordance with Article 31 of the "Agreement."
19. **ADMINISTRATION COSTS.** The Authority shall be entitled to assess annual administration costs associated with the Program. Administrative costs for the Program shall be determined through the Authority's budget process. The source of the funds for the Program will be administrative charges, interest earnings, or a combination of both.
20. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.

- 21. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
- 22. **AMENDMENT OF MEMORANDUM.** This Memorandum may be amended by a majority vote of the Committee upon ninety (90) days advance written notice of the proposed amendments to the Members and county counsels. Each Member shall approve of any amendment by signature on the Memorandum by a Member's designated representative, or alternate, who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the Member will be deemed to have withdrawn from the Program on the next annual renewal date.
- 23. **EFFECTIVE DATE OF AGREEMENT.** This Memorandum shall become effective on the first effective date of coverage for the Member, or upon approval by the Employee Benefits Committee of any amendment, whichever is later.
- 24. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed the Memorandum as of the date set forth below.

Dated: 4/9/19



CSAC Excess Insurance Authority
Michael D. Fleming, Chief Executive Officer

Dated: _____

Name (printed)

Signature

Member Entity

ADMINISTRATIVE SERVICES AGREEMENT
(CSAC-EIA – Preferred Benefit Insurance
Administrators (PBLA))

THIS ADMINISTRATIVE SERVICES AGREEMENT is made on January 1, 2010 by and between the CSAC-EIA , a public employer of the State of California (hereinafter "CSAC-EIA"), and Preferred Benefit Insurance Administrators (hereinafter "PBLA") (taxpayer id #943079635), a California corporation (hereinafter "Provider").

WITNESSETH:

WHEREAS, the Board of Directors of the CSAC-EIA has established a need for an Eligibility Administration System. The services included in the fees include dental and/or vision eligibility, billing, collection of premium, and other mutually agreed upon services.

- 1.1 Definitions: As used in this Agreement, the following capitalized terms shall have the meaning set forth below:
- a) "ACH" shall mean Automated Clearing House
 - b) "Additional Services" shall mean the services to be performed by PBLA pursuant to Exhibit C of this Agreement
 - c) "Administrative Account" shall mean each unique user and name and password that grants access to the online system.
 - d) "Administrative Services" shall mean the Basic Services and Additional Services, if any, to be performed by PBLA
 - e) "Availability Commitment" shall mean 98.5%
 - f) "Basic Services" shall mean, collectively, the services to be provided by PBLA
 - g) "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985 and its amendments.
 - h) "Dependent" shall mean any person who is both eligible for coverage and covered as a dependent spouse, qualified domestic partner or child under a Client group dental and/or vision plan on the day before a Qualifying Event.
 - i) "PBLA Online Service" or shall mean the suite of Internet-based online benefits enrollment and administration services provided by PBLA "PBLA Services" shall mean the Basic Services to be provided and performed by PBLA
 - j) "PBLA System" shall mean the Online system or the administration systems used by PBLA for billing, etc. to be provided and performed by PBLA "Employees" shall mean any person who is both eligible for coverage and covered as an employee under a Client's benefit Plan(s) on the day before the Qualifying Event.

- k) "Eligible Participant" shall mean an Employee of the Client who can participate in the Client's benefit Plan(s), for purposes of COBRA an Eligible Participant is an Employee who has experienced a Qualifying Event, and who has elected to continue dental and/or vision insurance coverage through COBRA, and who has made a timely premium payment pursuant to COBRA.
- l) "End User" shall mean any person who accesses and uses the PBIA Online and/or Administrative Services, or whose subscription or other benefits data is entered into and resides on the PBIA system.
- m) "HIPAA" shall mean Health Insurance Portability and Accountability Act of 1996 and its amendments.
- n) "Plan" shall mean a distinct benefit program from a single vendor with unique rates, eligibility requirements, benefits and contribution levels
- o) "Plan Participant" shall mean an Employee or a Dependent both eligible and covered under the Client's Plans included in the PBIA System(s).
- p) "Plan Providers" shall mean the insurance carrier, or other provider of a benefit plan
- q) "Qualified Beneficiary" shall mean a Plan Participant eligible for continuation of dental and/or vision insurance benefits due to the loss of such coverage due to certain events defined pursuant to COBRA.
- r) "Software" shall mean the Contractor's software system.

"Statement of Work" shall mean a document, which clearly defines the outcome of a requested change, modification or adjustment to any systems or procedures or processes.

WHEREAS, Provider agrees to provide such services in accord with the terms and conditions more particularly described hereinbelow.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the CSAC-EIA and Provider hereby agree as follows:

1. TERM

Unless terminated sooner pursuant to the terms and conditions of this Agreement, the Agreement shall continue in full force and effect for a period of 3 years from the effective date (Initial Term). Thereafter this Agreement shall be automatically renewed for one (1)-year periods ("Renewal Term") unless either party elects to terminate this Agreement by giving ninety (90) days written notice prior to the expiration of the Initial Term or any Renewal Term or as otherwise set forth herein.

2. TERMINATION

Notwithstanding the foregoing, CSAC-EIA reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Provider will be given ninety (90) days written notice in the event such an action is required by the CSAC-EIA.

Notwithstanding any other provision in this Agreement, either party may terminate this Agreement, with or without cause, at any time following ninety (90) days advance written notice to the other party.

3.

Post-Termination Obligation and Duty to Cooperate. Upon the expiration or earlier termination of this Agreement pursuant to Section 3.0, Contractor shall during the transition period, deliver to Client documents and data including those in paper and electronic format, in Contractor's possession directly relating to Contractor's services for Client. Client shall direct shipment method and pay shipping and printing charges. Upon the expiration or earlier termination of this Agreement, Client shall direct Contractor where to deliver remaining products or deliverables, completed or in process, in Contractor's possession in a reasonable period of time. Contractor shall issue a final invoice for all outstanding, completed agreed work, which shall be paid by Client prior to delivery of documents and data. In the event that this Agreement is terminated for any reason, both parties will cooperate to effect an orderly transition of any and all remaining products, deliverables, and any raw materials for such products to Client or its designee.

Transition Upon Any Termination

If the Agreement is terminated for any reason, Contractor, at Client's request may continue to provide full operational Services similar to those provided to Client before the termination, at the Contract rate. The Services shall also include, among other things access to Client or its designee of all Contractor's databases, reports, member related information, website, and all data necessary for Client or its designee to affect a smooth and seamless transition (collectively "Contractor Systems"). The full operational Services, if requested and access to Contractor Systems shall remain available not to exceed 90 days following the effective date of termination. During the ninety (90) day transition period, Contractor shall make proper arrangements to transfer all requested records and any other information related to services under the Agreement to Client or its designee in a timely manner.

In any event, Client and Contractor shall reasonably cooperate with each other to affect a complete, orderly and effective transition to Client or its designee, for up to a ninety (90) day period following the effective date of the Agreement's termination. In addition, Client will be billed at the rates outlined in Exhibit B and for all work completed during such period and any expenses incurred which are reimbursable pursuant to this Agreement. In the event of a termination and Client designates a successor to Contractor in the performance of this Agreement, Contractor also shall provide all necessary cooperation to effect an orderly transition in the performance of all services under this Agreement.

If at the request of Client, Contractor provides additional services, other than those contemplated in this Agreement following the effective date of termination, Contractor shall be reimbursed for those services and expenses in accordance with the applicable fee schedule then in effect at the time of termination. If the additional services are not covered in the fee schedule, the parties agree to negotiate in good faith to arrive at a fee for the additional services. Client shall not be obligated to pay any amounts unless such fees or expenses are authorized by this Agreement or agreed to prior to incurring such expenses.

4. SERVICES PROVIDED BY PROVIDER

4.1 Systems and services provided to CSAC-EIA members

- a) Online eligibility management system.
- b) electronic data interface (EDI) system
- c) benefits enrollment system(s).

Single Source Billing System

4.1.1 Benefits management system

- a) Maintains eligible employee data.
- b) Tracks dependent data with relationship links to primary employee record.
- c) Maintains benefit plan coverage and rate history.
- d) Provides filtering to designated divisions and/or employee classes.
- e) Benefit plan rate and coverage calculation engine.
- f) Standard reporting system including various census, discrepancy, enrollment, and audit reports (history of changes made to member records, etc.).

4.1.2 Electronic data interface (EDI) system

- a) Capable of exporting various eligibility file formats, including HIPAA 834
- b) Export encryption using PGP
- c) Export transfers available through file push via FTP or carrier pickup via FTP
- d) Exports can be manually run or scheduled to run automatically on certain days of the week.
- e) EDI system has email capabilities for client notification of export batch completion or failure.

4.1.3 Benefits enrollment system(s)

- a) Call center assisted enrollment
- b) Employer representative personal user name and password creation
- c) Terms of Use notice on system entry page
- d) Add or remove benefit coverage.
- e) Add or remove family members for coverage.

4.1.4 Single source billing service

- a) monthly billing cycles for CSAC-EIA members.
- b) Prepare billing(s) and provide to CSAC-EIA member.

- c) Collect funds from CSAC-EIA member through ACH transfer, Wire transfer or check.
- d) Pay individual carriers and providers.
- e) Reconcile funds and report to CSAC-EIA and CSAC-EIA members for each monthly cycle.

CSAC-EIA members will be responsible for the following activities:

- a) CSAC-EIA members are solely responsible for the data input and data maintenance of all information, including employee demographic and benefits plan data. CSAC-EIA members are solely responsible for the accuracy and integrity of its data.

4.1.5 Fiduciary Accounts

A named, non-interest bearing fiduciary account will be maintained for the purpose of premium deposits, disbursements, and accounting of billed/collected insurance funds. Sub-accounts for Member paid funds will be established, as necessary, to meet the needs of the individual Member Employer or JPA. Provider shall provide CSAC-EIA and the Member Employer or JPA for which the fiduciary account is maintained with a detailed account statement, including sub-account detail, of all deposits, disbursements, and account balances at the end of each billing cycle.

5. COMPENSATION

Exhibit C

6. OWNERSHIP OF DATA

All data delivered by the participating CSAC-EIA members to Provider, or which is created by either party for the CSAC-EIA member in connection with the performance of this Agreement shall be the exclusive property of the CSAC-EIA member. Provider shall be the custodian of such data and shall immediately make such data available to the CSAC-EIA member upon request during normal working hours. Provider shall return all personnel/payroll raw data collected or generated in connection with the performance of this Agreement within sixty (60) days of the termination of this Agreement and shall not access said data for any purpose other than in connection with the performance of this Agreement.

7. CONFIDENTIALITY

- 7.1 All data, programs and other materials provided to Provider by the CSAC-EIA, Eligible Employees and/or Participants in connection with this Agreement shall be deemed confidential as to the CSAC-EIA and/or such Eligible Employees and/or Participants. Neither Provider, its officers, agents nor employees shall disclose such data to any third party without the express prior written consent of the CSAC-EIA or participating member, the affected Eligible Employees and/or Participants.

Provider shall protect confidential information from inadvertent disclosure to any third party in the same manner that they protect their own confidential information, unless such disclosure is required in response to a validly issued subpoena or other process of law. Upon completion of this Agreement, the provisions of this section shall continue to survive.

The CSAC-EIA members agree to provide Provider (or its authorized agent), personnel/payroll information including, but not limited to, employee's names, addresses, phone numbers, salary, certain pay deductions and other personnel/payroll database information on all of its PLAN eligible employees for the sole and exclusive purpose of conducting automated enrollment for employer.

Provider agrees to keep in confidence all personnel/payroll information provided by CSAC-EIA and/or its members.

8. CSAC-EIA RESPONSIBILITIES

The CSAC-EIA and/or its members shall, with respect to the PLAN:

- 8.1 Be solely responsible for compliance with the Internal Revenue Code and other federal, State or local laws, including;
 - 8.1.1 The PLAN documents; and
 - 8.1.2 The payroll tax administration associated with the PLAN, including withholding any and all required federal, state or local income tax ;
- 8.2 Furnish Provider with a copy of the PLAN and all amendments thereto, which are on file, during the term hereof;
- 8.3 Determine employee eligibility and allow only Eligible Employees to participate in the PLAN; and
- 8.4 Remit to Provider, through Eligible Employee salary reduction agreements, all AHPPP and AHPPPI premiums.

9. **CONFLICT OF INTEREST.** Provider covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, no person having any such interest shall be employed by Provider.

9. INDEPENDENT CONTRACTOR

In the performance of the services under this Agreement, Provider shall be, and acknowledges that Provider is in fact and law, an independent contractor and not an agent or employee of CSAC-EIA. Provider has and retains the right to exercise full supervision and control over the manner and methods of providing services to CSAC-EIA under this Agreement. Provider retains

full supervision and control over the employment, direction, compensation and discharge of all persons assisting Provider in the provision of services under this Agreement. With respect to Provider's employees, if any, Provider shall be solely responsible for payment of wages, benefits and compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, State or local, and compliance with any and all laws regulating employment.

10. INDEMNIFICATION AND HOLD HARMLESS PROVISIONS

Provider agrees to indemnify, defend and hold harmless CSAC-EIA, board members, elected and appointed officials and officers, employees, and authorized representatives from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, including attorneys fees, of whatever kind or nature, which arise out of or are in any way connected with any act or omission of Provider or Provider's officers, agents, employees, independent contractors, sub-contractors of any tier, or authorized representatives. Without limiting the foregoing, the same shall include bodily and personal injury or death to any person or persons; damage to any property, regardless of where located, including the property of CSAC-EIA; and workers' compensation claim or suit arising from or connected with any services performed pursuant to this Agreement on behalf of Provider by any person or entity.

CSAC-EIA agrees to indemnify, defend, and hold harmless the Provider or Provider's officers, agents, employees, independent contractors, sub-contractors of any tier, or authorized representatives, from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, including attorneys fees, of whatever kind or nature, which arise out of or are in any way connected with any act or omission of CSAC EIA, board members, elected and appointed officials and officers, employees, and authorized representatives.. Without limiting the foregoing, the same shall include bodily and personal injury or death to any person or persons; damage to any property, regardless of where located, including the property of Provider; and workers' compensation claim or suit arising from or connected with any services performed pursuant to this Agreement on behalf of CSAC-EIA by any person or entity.

If any claim is asserted or action or proceeding brought against CSAC-EIA which alleges that all or any part of the services or products in the form supplied by Provider, infringes or misappropriates any United States or foreign patent or copyright, or any trade secret or other proprietary right, CSAC-EIA shall give Provider written notice thereof. Provider shall defend any such claim or action with reasonable attorney's fees and damages actually incurred by CSAC-EIA in connection therewith, including steps CSAC-EIA may take to avoid entry of any default judgment or other waiver of CSAC-EIA rights. CSAC-EIA shall cooperate fully with and may monitor Provider in the defense of any claim, action or proceeding and will make employees available as Provider may reasonably request with regard to such defense.

This indemnity does not extend to modifications or additions to the services or products made by CSAC-EIA or any third party without written consent of Provider, or to any unauthorized use of the services or products by CSAC-EIA.

If the services or products are, in Provider's opinion, likely to become or do become the subject of a claim of infringement or misappropriation of a United States or foreign patent, copyright, trade secret or other proprietary right, or if a temporary restraining order or other injunctive relief is entered against the use of part of all of the services or products, Provider shall within one hundred twenty (120) days:

- 10.1 Promptly replace the services or products with compatible, functionally equivalent and non-infringing services or products;
- 10.2 Promptly modify the services or products to make them non-infringing without materially impairing CSAC-EIA's ability to use the services or products as intended;
- 10.3 Promptly procure the right of CSAC-EIA to continue using the services or products.

11. INSURANCE

Provider, in order to protect CSAC-EIA and its board members, officials, agents, officers, and employees against all claims and liability for death, injury, loss and damage as a result of Provider's actions in connection with the performance of Provider's obligations, as required in this Agreement, shall secure and maintain insurance as described below. Provider shall not perform any work under this Agreement until Provider has obtained all insurance required under this section and the required certificates of insurance have been filed with and approved by the CSAC-EIA. Provider shall pay any deductibles and self-insured retentions under all required insurance policies.

- 11.1 Workers' Compensation and Employers Liability Insurance Requirement -- Provider shall submit written proof that Provider is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the Labor Code.

In signing this Agreement, Provider makes the following certification, required by section 1861 of the Labor Code:

"I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

Provider shall require any sub-contractors to provide workers' compensation for all of the sub-contractors' employees, unless the sub-contractors' employees are covered by the insurance afforded by Provider. If any class of employees engaged in work or services performed under this Agreement is not covered by Labor Code section 3700, Provider shall provide and/or require each sub-contractor to provide adequate insurance for the coverage of employees not otherwise covered.

- 11.2 Provider shall also maintain employer's liability insurance with limits of one million dollars (\$1,000,000) for bodily injury or disease.

11.2.1 Liability Insurance Requirements:

Provider shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:

- (a) Commercial General Liability Insurance, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement),

Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Provider's performance of work under this Agreement. Said insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.

(b)

Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with limits of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.

- 11.2.2 If any of the insurance coverages required under this Agreement is written on a claims-made basis, Provider, at Provider's option, shall either (i) maintain said coverage for at least two (2) years following the termination of this Agreement with coverage extending back to the effective date of this Agreement; or (ii) purchase an extended reporting period of not less than one (1) year following the termination of this Agreement.
- 11.2.3 Prior to Provider commencing any of its obligations under this Agreement, evidence of insurance in compliance with the requirements above shall be furnished to CSAC-EIA by Certificate of Insurance. Receipt of evidence of insurance that does not comply with above requirements shall not constitute a waiver of the insurance requirements set forth above.
- 11.3 Cancellation of Insurance -- The above stated insurance coverages required to be maintained by Provider shall be maintained until the completion of all of Provider's obligations under this Agreement, and shall not be reduced, modified, or canceled without thirty (30) days prior written notice to CSAC-EIA. Provider shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
- 11.4 All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum of a "B++;VII" rating. Any exception to these requirements must be approved by the CSAC-EIA Risk Manager.
- 11.5 If Provider is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Provider shall provide coverage equivalent to the insurance coverages and endorsements required above. The CSAC-EIA will not accept such coverage unless CSAC-EIA determines, in its sole discretion and by written acceptance, that the coverage proposed to be provided by Provider is equivalent to the above-required coverages.
- 11.6 All insurance afforded by Provider pursuant to this Agreement shall be primary to and not contributing to any other insurance maintained by CSAC-EIA.

- 11.7 Insurance coverage's in the minimum amounts set forth herein shall not be construed to relieve Provider for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude CSAC-EIA from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.
- 11.8 Failure by Provider to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Provider. CSAC-EIA, at its sole option, may terminate this Agreement and obtain damages from Provider resulting from said breach. Any failure by CSAC-EIA to take this alternative action shall not relieve Provider of its obligation to obtain and maintain the insurance coverages required by this Agreement.

12. NOTICES

Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, certified mail, return receipt requested, or express delivery service at the address specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

CSAC-EIA: CSAC Excess Insurance Authority
75 Iron Point Circle
Suite 200
Folsom, CA 95630

Provider: Preferred Benefit Insurance Administrators (PBIA)
P.O. Box 12137
Pleasanton, CA 94588

13. EXCUSABLE FAILURE OF PERFORMANCE

Strikes, lockouts, blockades, war, fire, earthquake, machine failure or repair, accidents or any other cause of a delay or failure to perform on the part of either party beyond the control of either party, shall be deemed an excusable delay or failure to perform and either party shall be granted a reasonable extension of time in which to perform after such cause for delay or failure to perform has subsided.

14. SOLE AGREEMENT

This document, including all attachments hereto, contains the entire agreement between the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

15. CHOICE OF LAW/VENUE

The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the State of California. This Agreement has been entered into and is to be performed in the County of San Mateo. Accordingly, the parties agree that the venue of any action relating to this Agreement shall be in the County of Sacramento.

16. AUTHORITY TO BIND CSAC-EIA

It is understood that Provider, in Provider's performance of any and all duties under this Agreement, has no authority to bind CSAC-EIA to any agreements or undertakings.

17. MODIFICATIONS OF AGREEMENT

This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

18. NON-WAIVER

No covenant or condition of this Agreement can be waived except by the written consent of CSAC-EIA. Forbearance or indulgence by CSAC-EIA in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Provider. CSAC-EIA shall be entitled to invoke any remedy available to CSAC-EIA under this Agreement or by law or in equity despite said forbearance or indulgence.

19. ENFORCEMENT OF REMEDIES

No right or remedy herein conferred on or reserved to CSAC-EIA is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

20. SIGNATURE AUTHORITY

Each party represents that they have full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

21. SEVERABILITY

Should any part, term portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

22. COMPLIANCE WITH LAW

Provider shall observe and comply with all applicable County, State and federal laws, ordinances,

rules and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference.

23. CAPTIONS AND INTERPRETATION

Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement.

No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

24. TIME OF ESSENCE

Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

25. COUNTERPARTS

This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

26. NONDISCRIMINATION

Neither Provider, nor any officer, agent, employee, servant or subcontractor of Provider shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex or other legally protected status either directly, indirectly or through contractual or other arrangements.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the year and date first above written.

CSAC-EIA:

By:



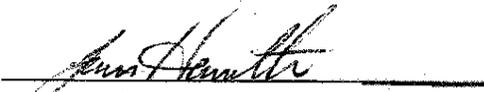
Title: Employee Benefits Manager

Date:

12/5/2013

Preferred Benefit Insurance Administrators:

By:



Title:

CEO

Date:

12/8/2013

EXHIBIT A

**CSAC EXCESS INSURANCE AUTHORITY
Pool Service Providers' Bill of Rights**

The CSAC Excess Insurance Authority (Authority) recognizes its place as one of the premier organizations in the public entity pooling industry. We are constantly striving to achieve the goals of excellence in governance and management by conducting our official business with social responsibility that will encourage public trust.

The Authority has established standards that our business partners – pool service providers (PSP's) – should expect in serving the Authority and its members. The basic rights that PSP's should expect while providing services to the Authority, include the following:

1. PSP's should expect to be treated consistently with dignity, respect, and professionalism.
2. PSP's should not be expected to provide gifts, perks or other benefits to members of the Board of Directors or Committees, or staff members (or any person or organization associated with them) as a condition of doing business with the pool.
3. PSP's should expect fair and equitable treatment in the procurement process. Every competitive bidding process should be open, well defined and transparent. The Authority recognizes that there is a direct cost to the PSP in preparing every service proposal.
4. PSP's should expect to have a written service agreement with the Authority specifying all terms and conditions of the contractual relationship.
5. PSP's should only be expected to provide services contained within the scope of the service agreement.
6. PSP's should be paid in a timely manner for services rendered in accordance with the provisions of the service agreement.

All other provisions of the actuarial services contract, including addendums, remain unchanged. To confirm the amendment to the original Agreement, the parties have executed this Addendum as of the date specified below. Each hereby represents and warrants that its respective signatory is duly authorized to execute this Addendum on its behalf.

EXHIBIT B

HIPAA PRIVACY RULE

For purposes of this section, the "Privacy Rule" shall mean the Standard for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E and all subsequent provisions and Federal guidance.

For purposes of this section, "Protected Health Information" ("PHI") shall mean individually identifiable health information maintained and/or transmitted in any form or medium, including, without limitation, all information (including demographic, medical, and financial information), data, documentation, and materials that are created or received by a health care provider, health plan, employer, or health care clearinghouse, and related to: (A) the past, present, or future physical or mental health or condition of an individual; (B) the provision of health care to an individual; or (C) the past, present, or future payment for the provision of health care of an individual, and that identifies or could reasonably be used to identify an individual.

For purposes of this section, "Designated Record Set" shall mean a group of records maintained by or for CSAC-EIA participating clients that is: (A) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (B) used, in whole and in part, by or for CSAC-EIA clients to make decisions about individuals. A record means any item, collection, or grouping of information that includes PHI and is maintained, collected, used or disseminated by or for CSAC-EIA Clients.

For purposes of this section, "Individual" shall have the same meaning as the term "individual" in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

- a) Provider agrees to not use or further disclose PHI other than as permitted or required by the Agreement or as required by law as defined in 45 CFR § 164.501.
- b) Provider agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.
- c) Provider agrees to mitigate, to the extent practicable, any harmful effect that is known to Provider of a use or disclosure of PHI by Provider in violation of the requirements of this Agreement.
- d) Provider agrees to report to CSAC-EIA and or its clients any use or disclosure of PHI not provided for under this Agreement.
- e) Provider agrees to ensure that any agent of Provider, including a subcontractor to whom Provider or CSAC-EIA client provides PHI, agrees to the same restrictions and conditions that apply through this Agreement to Provider with respect to such information.
- f) Provider agrees to provide access, at the request of CSAC-EIA clients, and in the time and manner, to PHI in a Designated Record Set to CSAC-EIA clients, or as directed by CSAC-EIA clients, to an Individual in order to meet the requirements of 45 CFR § 164.524.
- g) Provider agrees to make any amendment(s) to PHI in a Designated Record Set that CSAC-EIA client directs or agrees to pursuant to 45 CFR § 164.526 at the request of CSAC-EIA or an Individual, and in the time and manner.
- h) Provider agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Provider on behalf of CSAC-

EIA, available to CSAC-EIA client, or at the request of CSAC-EIA to the Secretary of the Department of Health and Human Services or his designee ("Secretary"), in a time and manner designated by CSAC-EIA or Secretary, for purposes of Secretary determining CSAC-EIA client's compliance with the Privacy Rule.

- i) Provider agrees to document such disclosures of PHI and information related to such disclosures as would be required for CSAC-EIA client's to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
- j) Provider agrees to provide CSAC-EIA client or an Individual, in the time and manner designated by CSAC-EIA client, information collected in accordance with the preceding paragraph (i) to permit CSAC-EIA client to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
- k) Provider agrees to create, receive, use, or disclose PHI only in a manner that is consistent with the Privacy Rule and only in connection with providing services to CSAC-EIA in accordance with this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by CSAC-EIA client. In providing services, Provider, for example, will be permitted to use and disclose PHI for "treatment, payment and health care operations" in accordance with the Privacy Rule.
- l) In the event of a breach of the Privacy Rule by Provider which is not cured within the agreed time specified by CSAC-EIA, CSAC-EIA may terminate the Agreement upon written notice to Provider.
- m) In the event of termination of the Agreement for any reason, Provider shall return or destroy all PHI received from CSAC-EIA clients, or created or received by Provider on behalf of CSAC-EIA client, including all PHI in the possession of agents, including subcontractors, of Provider. Neither Provider, nor any of its agents, shall retain any copies of PHI. If return or destruction of PHI is not feasible, Provider shall notify CSAC-EIA of the conditions that make return or destruction infeasible. If both parties then agree that return or destruction is not feasible, Provider shall extend the protections of this Agreement to such PHI and limit further uses and disclosures for as long as Provider maintains PHI.

HIPAA Electronic Security and Transaction Standards

Provider warrants to CSAC-EIA that all electronic systems used in the administration of CSAC-EIA programs conform to the Electronic Security standards under HIPAA. Provider agrees to ensure that electronic systems used by any agent of Provider, including a subcontractor in the administration of CSAC-EIA programs, conform to the Electronic Security standards under HIPAA.

Provider shall make timely system upgrades as necessary to make transactions compliant with the Transaction Standards under HIPAA.

EXHIBIT B

Compensation

Services provided by Provider, under Article 4 inclusive of all Sections through and including Section 4.5.8 shall be performed at the following costs:

Effective January 1, 2010, the monthly access fee shall be \$.45 per month per billable employee/retiree enrolled in the EIA Dental Program who is a "Pool Member."

Effective January 1, 2010, the monthly access fee shall be \$.35 per month per billable employee/retiree enrolled in the EIA Dental Program who is a "Self-Insured Member."

Effective January 1, 2010, the monthly access fee shall be \$.45 per month per billable employee/retiree enrolled in the EIA Vision Program who is a "Pool Member."

Effective January 1, 2010, the monthly access fee shall be \$.35 per month per billable employee/retiree enrolled in the EIA Vision Program who is a "Self-Insured Member."

