

BAY CITIES JOINT POWERS INSURANCE AUTHORITY

MASTER PROGRAM DOCUMENT
FOR THE
POOLED WORKERS' COMPENSATION PROGRAM

Amended June 6, 2019

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TABLE OF CONTENTS

ARTICLE I: DEFINITIONS	1
ARTICLE I: DEFINITIONS	1
ARTICLE II: GENERAL.....	2
A. AUTHORITY	2
B. PURPOSE	2
C. PARTICIPATION	2
D. GOVERNANCE	2
E. GOALS AND OBJECTIVES	3
ARTICLE III: PROGRAM ELEMENTS	4
A. PROGRAM YEARS	4
B. RETAINED LIMITS	4
C. DEPOSIT PREMIUMS	4
E. DIVIDEND AND ASSESSMENTS	5
F. EXCESS COVERAGE	7
G. PAY-AS-YOU-GO RESERVE FUND FOR PAYMENT OF CLAIMS	7
ARTICLE IV: ADMINISTRATION	8
A. BOARD	8
B. EXECUTIVE COMMITTEE	8
C. ADMINISTRATOR	9
D. WORKERS' COMPENSATION PROGRAM MANAGER'S DUTIES	9
ARTICLE V: CLAIMS ADMINISTRATION	11
A. CLAIMS PROCEDURES MANUAL	11
B. CLAIMS AUDIT	11
C. CLAIM SETTLEMENT AUTHORITY	11
D.DISPUTES BETWEEN PARTICIPANTS AND ADMINISTRATOR OR WORKERS'	
COMPENSATION PROGRAM MANAGER, OR COMMITTEE	12
ARTICLE VI: PARTICIPATION.....	12
A. ELIGIBILITY AND APPLICATION	12
B. PARTICIPANTS' DUTIES	13
C. TERMINATION	14
ARTICLE VII: TERMINATION AND DISSOLUTION OF THE PWCP	15
ARTICLE VIII: AMENDMENTS	15
Amended June 6, 2019.....	i

BAY CITIES JOINT POWERS INSURANCE AUTHORITY
MASTER PROGRAM DOCUMENT (MPD)
FOR THE
POOLED WORKERS' COMPENSATION PROGRAM (PWCP)

ARTICLE I: DEFINITIONS

The following definitions apply to this MPD:

1. **Administrator** shall mean the person responsible for the daily administration, management, and operation of the **Authority's** programs as defined in the Bylaws.
2. **Authority** shall mean the Bay Cities Joint Powers Insurance Authority.
3. **Board** shall mean the Board of Directors of the Bay Cities Joint Powers Insurance Authority.
4. **Deposit Premium** shall mean that amount to be paid by each **Participant** for each **program year** as determined by the **Board** in accordance with Article III, Section C of this MPD.
5. **Joint Powers Agreement** shall mean the agreement made by and among the public entities listed in Appendix A (**Member Entities**) of the **Joint Powers Agreement**, hereafter referred to as **Agreement**.
6. **Limit of Coverage** shall mean the amount of coverage stated in the Declarations or certificate of coverage, or sublimits as stated therein for each **Participant** or **covered party per occurrence**, subject to any lower sublimit stated in the MOC.
7. **Loss Experience** shall mean only such amounts as are actually paid by the **Participant** or the **Authority** in payment of benefits under the Workers' Compensation Act, in settlement of claims, or in satisfaction of awards or judgments for liabilities imposed by the Workers' Compensation Act for **bodily injury** or **occupational disease** to an **employee** as defined in the Workers' Compensation Act and PWCP Memorandum of Coverage (MOC).
8. **Member Entity** shall mean a signatory to the **Agreement** establishing the Bay Cities Joint Powers Insurance Authority.
9. **Participant** shall mean a **Member Entity** who has elected to participate in the PWCP.
10. **Program Year** shall mean that period of time commencing at 12:01 a.m. on July 1 and ending at 12:00 am on the following July 1.
11. **Retained Limits** shall mean the amount stated on the applicable Declarations or certificate of coverage, which will be paid by the **Participant** or **covered party** before the **Authority** is obligated to make any payment from the pooled funds.

12. **Self-Insured Retention (SIR)** shall mean the **Authority's limit of coverage** above **Participant's retained limits** and up to the attachment point for excess coverage.
13. **Third Party Administrator (TPA)** shall mean the claims administrator for the **Authority** for the PWCP.

ARTICLE II: GENERAL

A. AUTHORITY

1. The Workers' Compensation Program (PWCP) Master Program Document (MPD) is one of the **Authority's** governing documents. However, any conflict between the PWCP MPD, the **Authority's Agreement**, the Bylaws, or the PWCP Memorandum of Coverage (MOC) shall be determined in favor of the **Agreement**, the Bylaws, or the MOC, in that order.
2. The PWCP MPD is intended to be the primary source of information, contain the rules and regulations, and serve as the operational guide for the conduct of the PWCP.
3. The PWCP has been organized under authority granted by, and shall be conducted in accordance with, the laws of the State of California; regulations prescribed by the Department of Industrial Relations (DIR) and the State of California Audit Unit; and the accreditation standards set forth by the California Association of Joint Powers Authorities (CAJPA).

B. PURPOSE

The **Authority**, as a part of its overall objectives, has designed the PWCP to provide for the needs of the PWCP **Participants** in the area of workers' compensation liability.

C. PARTICIPATION

All **Member Entities** may become **Participants** in the PWCP, and are encouraged to do so. However, the terms and conditions which may be imposed on **Member Entities** which desires to join the PWCP may be different, depending upon payroll, number of employees, the size of the **Member Entity**, its loss record, and other pertinent information.

D. GOVERNANCE

Each **Participant's** appointed primary representative and one alternate representative shall be the representative for the PWCP. The **Participant** will be entitled to one vote on all issues or decisions that involve the PWCP. It is expected, but not mandatory, that the primary

representative from each **Participant** will be the individual designated as the **Participant's** appointee to the **Board** and that the alternate representative will be the individual designated as the **Participant's** alternate representative on the **Board**.

E. GOALS AND OBJECTIVES

1. The **Authority** offers **Member Entities** this PWCP designed to provide coverage for the liabilities imposed by the workers' compensation laws of California as well as those imposed by common law upon employers.
2. The PWCP shall provide workers' compensation coverage for the **Participants** utilizing an optimum mix of risk retention and risk transfer. The PWCP shall provide various levels of retentions for the **Participants**, provide a risk sharing pool for losses above individual retention levels up to the **Authority's Self-Insured Retention (SIR)**, and obtain excess coverage for the amount of the loss which exceeds the **Authority's SIR**. Additionally, the PWCP shall provide for the sharing of operating costs and payment of the excess coverage by charging all **Participants** their share of such costs.
3. Although the PWCP is provided to the **Participants** under those terms and conditions which prevail at the time of the **Participant's** joining the PWCP, the **Board** shall have the right to alter, from time to time, the terms and conditions of the excess coverage and the pooled underlying coverage in response to the needs and abilities of the PWCP and the **Participants**, as well as in response to availability of coverage from outside sources.
4. The **Authority** offers participation in a risk sharing pool, covering losses of **Participants** in accordance with the MOC adopted by the **Member Entities**. The assets of the pooled program shall be maintained at all times as the assets of the **Participants** collectively. The assets may be disbursed only pursuant to the provisions of this MPD, and no **Participant** shall have an individual right to exercise control over said assets.
5. The PWCP will provide coverage for injuries and illnesses to the **Participants'** employees under the terms and conditions set forth in the MOC. In addition to the coverage provided by the MOC, the **Authority** may purchase excess insurance or reinsurance. The amount of coverage to be pooled and/or purchased is at the discretion of the **Board**.

ARTICLE III: PROGRAM ELEMENTS

A. PROGRAM YEARS

1. Each **program year** shall be accounted for separately. The income and expenses of each **program year** shall be accounted for separately from any other **program year's** income or expenses.
2. A **program year** shall not be closed until at least ten years of age if, at such time the **Board** authorizes closure, being convinced that all known claims for the year are closed and the probability of further claims being discovered is minimal. Any closed years, however, may be reopened if deemed necessary and approved by the **Board**.

B. RETAINED LIMITS

1. The PWCP shall annually establish the **limit of coverage** for the pool. The underlying coverage of the PWCP shall provide **Participants retained limits** of \$150,000, \$250,000, \$350,000, and \$500,000 per occurrence, or other limits as modified by resolution. The **Participants** may annually select their **retained limits**. The amount of each loss, including expenses, which is less than the **retained limit** chosen by the applicable **Participant**, shall be paid by the **Participant**.
2. A **Participant** may alter its **retained limit** only at the inception of a **program year** upon thirty (30) days' advance written notice. The **Board**, with a two-thirds vote, and by providing 60 days advance written notice to the **Participant**, may require a **Participant** at the inception of the **program year** to take a **retained limit** different than the **Participant's retained limit** in the expiring **program year**.
3. The amount of each loss, including expenses, which is less than the **retained limit** chosen by the **Participant** shall be paid by the **Participant**. Those amounts of each loss that are less than the **retained limit** chosen by the **Participant** may be paid on behalf of the **Participant** from the pay-as-you-go reserve fund. If a **Participant** directly pays any claim within its **retained limit**, such **Participant** shall report all such payments to the BCJPIA to ensure better claims control and actuarial analysis.

C. DEPOSIT PREMIUMS

1. Annually, each **Participant** shall pay a **deposit premium** to the **Authority** for each **program year**. Such **deposit premiums** shall consist of the amount needed to cover excess insurance or reinsurance premiums (if any), administrative expenses and actuarially-determined losses, plus a margin for added confidence as determined by the **Board**.

2. The **deposit premium** shall be initially calculated for each **Participant** by taking the **Participant's** expected annual payroll, as determined by the State DE-6 form provided by each **Participant**, multiplied by the **Board**-adopted rate per \$100 of payroll. After the end of the **program year**, adjustments from expected to actual payroll shall be made. Debit adjustments shall be billed to the **Participant**, and credit adjustments will apply to next year's billings. An annual audit of a **Participant's** payroll may be conducted by the **Authority**.
3. The **deposit premium** shall also include:
 - (a). All volunteers declared or otherwise required to be covered. The value of the volunteers' service shall be based upon a flat rate per volunteer; and
 - (b). All other persons engaged in work that could make the **Authority** liable under Part I (workers' compensation insurance) of the MOC. If the **Participant** does not have payroll records for these persons, the contract price remuneration for their services and materials may be used as the premium basis. This paragraph will not apply if the **Participant** gives the **Authority** proof that the employers of these persons lawfully secured their workers' compensation obligations.
4. The administrative expenses charged to each **Participant** shall be calculated as follows: Sixty percent of the amount calculated is allocated by each **Participant's** relative percentage of payroll; forty percent of the amount calculated is allocated equally to each **Participant**.

D. EXPERIENCE MODIFICATION

1. Each **Participant** shall be evaluated each year for an experience modification adjustment that shall be applied to the **deposit premium**.
2. The calculation of the adjustment shall include the actual **loss experience** of the individual **Participant** as it relates to the average **loss experience** of the group as a whole. Such **loss experience** shall not consider loss years that are more than three years old. The criteria that shall be used is the relationship of actual average **loss experience** over the period being rated as it relates to the average payroll for the same period.

E. DIVIDEND AND ASSESSMENTS

1. DIVIDENDS

- (a). At the end of each **fiscal year**, a dividend calculation shall be performed for all open **program years**. Each year thereafter there shall be an additional dividend calculation made until such time as the **program year** is closed.

Any dividends available to be declared and returned to the **Participants** will be at the discretion of the **Board** provided that the total dividend to be distributed from all qualifying **program years** shall not reduce the total equity for all **program years** below a discounted 90% confidence level.

(b). Calculation

- i. Dividends may not be declared from a **program year** until five years after the end of that **program year**.
- ii. Dividends may be declared only at such time as the PWCP has equity, with liabilities actuarially stated, discounted at a 90% confidence level. The calculated amount shall represent the maximum dividend available to be declared.
- iii. The dividend shall be reduced if any of the five succeeding years (after the five years eligible for dividend calculation) have negative equity, with liabilities actuarially stated at a discounted 90% confidence level.
- iv. Dividends may only be declared if the equity at the 90% confidence level is five times the Self Insured Retention.

2. ASSESSMENTS

- (a). Assessments may be levied on the **Participants** for the risk sharing layer of any **program year(s)**, as approved by the **Board** at such time that an actuary finds that the assets of the PWCP, as a whole, do not meet the expected discounted losses of the PWCP. Each **Participant's** share of the assessment shall be allocated based upon the **deposit premiums** collected for the risk sharing layer of each respective **program year** being assessed. If such assessment is not sufficient to relieve the pool of its actuarially determined deficit in the year of the assessment, such assessment shall be levied each subsequent year until the actuarially determined deficit is relieved. The timing of payment shall be determined by the **Board** at the time of assessment.
- (b). Equity from the risk sharing layer may be exchanged between eligible **program years** if sufficient funds are available. The transfer of equity will be performed so that the individual **Participant's** share of equity is separately applied so as to maintain the integrity of each **Participant's** balance.

F. EXCESS COVERAGE

1. The **Board** shall ensure that each **program year** is provided with excess workers' compensation coverage for the **Participants**. It is the intent and purpose of the **Authority** to continue to provide such coverage to the **Participants**, provided that such coverage can be obtained, and the coverage is not unreasonably priced. This coverage may be obtained from an insurance company, by participating in another pool established under the Government Code as a joint powers authority, or offered through another PWCP pooling procedure. If the coverage is purchased from an insurance company, such insurance company shall have an A.M. Best Rating Classification of A- or better and an A.M. Best Financial Rating of VII or better or their equivalents.
2. The **Authority**, through the PWCP, shall provide, where economically practical, at least \$10,000,000 of total combined limits. Total combined limits is the maximum this PWCP will pay for each injury or illness, regardless of whether the liability arises from Workers' Compensation Laws under Part I or Part II of the PWCP MOC.
3. Premiums for such coverages shall be paid by the PWCP from the proceeds received as **deposit premiums** from the **Participants**.
4. The **Board** may, from time to time, alter excess coverage based on insurance market conditions, available alternatives, costs, and other factors. The **Board** shall place excess coverage with the two competing objectives of security and minimizing costs to the PWCP as a whole.

G. PAY-AS-YOU-GO RESERVE FUND FOR PAYMENT OF CLAIMS

1. ESTABLISHMENT OF FUND

- (a). At the beginning of the **program year**, each **Participant** shall be charged a deposit which shall be equal to the expected cost of each Participant's claims within the individual **Participant's retained limit** for a period of three months. Should the deposit calculation be less than \$5,000, the Participant's deposit will automatically be increased to that amount as a required minimum contribution. Contributions will also be rounded to the nearest \$5,000.
- (b). The monies collected from the above deposits shall establish a fund for payment of claims within the individual **Participant's retained limit**. This fund shall be referenced as the pay-as-you-go reserve fund.

2. ACCOUNTING AND REPLENISHMENT OF FUND

- (a). There shall be a separate accounting of the deposits for each **Participant**. These monies, although invested with the rest of the **Authority's** funds, shall

not be allocated investment earnings and shall remain in the control of the **Authority**. Every four years, through the budget process, the amount to be held by the **Authority** on behalf of each **Participant** may be adjusted.

- (b). Payments from the fund shall be initiated by sending a check requisition form to the **Third Party Administrator**. Upon receipt, the **Third Party Administrator** shall execute payment and charge the payment to the requesting **Participant's** account.
- (c). Each month, a register of payments made on behalf of each **Participant** shall be sent to that **Participant**. Accompanying the register will be an invoice for the amounts needed to replenish the fund to its original amount. The **Participants** shall have forty-five (45) days from the date of said invoice to make repayments to the fund.

ARTICLE IV: ADMINISTRATION

A. BOARD

- 1. Discussion of developments and performance of the PWCP may occur as part of any scheduled **Board** meeting.
- 2. The **Board** shall have the responsibility and authority to carry out and perform all functions, and make all decisions, affecting the PWCP, consistent with the powers of the **Authority** and not in conflict with the **Agreement**, the Bylaws, or the MOC.

B. EXECUTIVE COMMITTEE

- 1. The Executive Committee shall have the responsibility and authority to carry out and perform all other functions and make all other decisions affecting the PWCP, provided that such functions and decisions are consistent with the powers of the **Authority** and are not in conflict with the **Agreement**, the Bylaws, or the MOC.
- 2. The Executive Committee shall meet at least twice a year to review the developments and performance of this PWCP. The Executive Committee shall review, study, advise, make recommendations to the **Board**, and/or take any action which the Committee believes to be in the best interests of the PWCP and its **Participants**, provided that such action is not prohibited by law or is not an action reserved unto the **Board**.

C. ADMINISTRATOR

The **Administrator** shall be responsible for:

1. The overall operation of the PWCP;
2. Monitoring the status of the PWCP and its operations, the development of losses, the program's administrative and operational costs, service companies' performance, and brokers' performance;
3. Assisting the **Board** in selecting brokers, actuaries, auditors, and other service companies;
4. Promoting the programs to prospective new participants;
5. Preparing, distributing, and maintaining all records of the PWCP, including its MPD and MOC as these may be amended from time to time; and
6. Preparing Certificates of Coverage and Waivers of Subrogation as may be required by the **Participants** in the PWCP.

D. WORKERS' COMPENSATION PROGRAM MANAGER'S DUTIES

The Workers' Compensation Program Manager (WCPM) shall:

1. Generally, oversee all workers' compensation claims administration and management and report to the **Administrator**;
2. Develop for **Board** approval performance standards for **Third Party Administrators**;
3. Maintain files on all claims reported to the **Authority**;
4. Recommend to the **Board** the setting of reserves for those cases that are likely to penetrate to pooled funds;
5. Upon the reporting of each claim that has an expectation of exceeding the minimum incurred loss threshold set by the **Board**, review said claim for the **Authority** and report said claims to the **Board** at the next scheduled meeting;
6. Review the progress of all reported claims for the **Authority** and, if directed by the **Board**, propose reserve changes, and/or take control and assume settlement authority for the claim;
7. Recommend claim settlements to the **Board** for approval;

8. Annually, prepare a detailed report on the PWCP, showing the activity by **program year** and the cumulative activity of all years, including number of claims, losses which have been incurred by each **Participant**, and the losses which have been shared through pooling;
9. Assist the **Participants** in training their personnel in the correct procedures for timely and accurately reporting claims;
10. As required, provide advice and assistance to **Participants**;
11. Work with the **Third Party Administrators**, including but not limited to the following:
 - (a) Periodically review third party **Third Party Administrators**' claims files. The review should include the new indemnity claims reported, claims currently open and reported twelve months prior, and those claims for which a **Participant** has requested a specific review;
 - (b) Provide guidance to the **Third Party Administrator** on the management of problem or complex claims;
 - (c) Advise, where needed, on the selection of legal representation in anticipation of litigation;
 - (d) Monitor and evaluate the effectiveness of the defense firms and the management of the litigation;
 - (e) Monitor and evaluate the effectiveness of medical treatment as respects claims costs, especially those involving complex medical issues;
 - (f) Evaluate, where needed, recommendations for settlement of claims;
 - (g) Mediate differences, if any, between the **Third Party Administrator** and a **Participant**; and
 - (h) Review the performance of the **Third Party Administrators**' personnel assigned to the **Authority's** account with special emphasis in the handling of "open claims."
12. Approve in writing, when deemed appropriate, waivers of subrogation and, if necessary, request approval from the excess carrier to waive subrogation.

ARTICLE V: CLAIMS ADMINISTRATION

A. CLAIMS PROCEDURES MANUAL

1. A Workers' Compensation Claims Procedures Manual (Manual) including reporting procedures, forms, and other vital information shall be adopted by the **Board** and provided to all **Participants**.
2. All **Participants** shall be held accountable for understanding and abiding by the procedures stated in the Manual, as well as any changes thereto.

B. CLAIMS AUDIT

1. At least once every two years, the adequacy of claims adjusting for both the **Authority** and the **Participants** shall be examined by an independent auditor who specializes in claims auditing.
2. The Executive Committee shall approve the claims auditor. The costs of such claims audit shall be paid by the **Authority**.
3. The claims audit report shall address the issues of both adequacy of claims procedures and accuracy of claims data. The report shall be filed with the **Authority** and sent to each **Participant**.

C. CLAIM SETTLEMENT AUTHORITY

1. Each **Participant** shall have settlement authority for all claims, including attorney fees and other costs, which do not exceed 100% of the **Participant's retained limit**. The WCPM will review these claims from time to time and may offer recommendations to the **Participant's Third Party Administrator** and the **Participant** regarding settlement. This provision does not apply to claims for Medicare eligible or beneficiary claimants; **Participants** shall immediately notify the WCPM once a claimant has been identified as Medicare eligible or a Medicare beneficiary.
2. The WCPM shall have settlement authority for all claims which exceed 100% of the **Participant's retained limit**, but only up to \$150,000. The Executive Committee shall have settlement authority from \$150,000 and up to \$500,000 above each **Participant's retained limit**. The **Board** shall have settlement authority above \$500,000, over the **Participant's** retained limit, up to the **Self-Insured Retention** of the **Authority**. The **Administrator** and the WCPM will ensure that the **Participant** is kept informed regarding these claims, and will take into consideration the **Participant's** desires in any settlement process; however, the **Administrator** and the WCPM shall keep the best interests of the **Participants** paramount in any decision.

Any claims settlement decision made by the **Administrator** or WCPM may be appealed to the **Board** within 30 days after notice of the decision to the **Participant**. The decision of the **Board** shall be final.

3. If the **Authority** determines that a conflict of interest may or does exist in the **Third Party Administrator's** handling of a claim or claims, the **Authority** has the right, in its sole discretion, to take any action, and give the **Third Party Administrator** any instruction, which the **Authority** deems necessary to minimize or eliminate the conflict of interest.
4. If the **Participant** waives its rights to subrogation on a claim covered under, or which may be covered under, the PWCP MOC, and if the amount of the claim exceeds the **Participant's retained limit** (and therefore comes within the **Authority's** layer), then the **Authority's** coverage shall not apply to the claim and the **Authority** shall not be liable for any indemnity, reimbursement, payment, or costs on the claim exceeding the member's **SIR**, unless the **Authority's** WCPM approves the waiver of subrogation in writing.
5. The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation made or approved by a **Participant** after the date of the injury or illness that resulted in the claim. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the **Participant** prior to the date of the injury or illness that resulted in the claim.

D. DISPUTES BETWEEN PARTICIPANTS AND ADMINISTRATOR OR WORKERS' COMPENSATION PROGRAM MANAGER, OR COMMITTEE

1. Any matter in dispute between a **Participant** and the **Administrator** or WCPM shall be heard by the Executive Committee whose decision may be appealed to the **Board** within thirty (30) days of the Committee's decision. The decision of the Executive Committee or, if appealed, the decision of the **Board** shall be final.

ARTICLE VI: PARTICIPATION

A. ELIGIBILITY AND APPLICATION

1. ELIGIBILITY

- (a). The applicant must commit to at least three full **program years** of participation in this PWCP.
- (b). Any **Member Entity** may apply to participate in the PWCP by providing an adopted resolution of its governing body and such other information/materials as may be required. The applicant's resolution shall commit the applicant to

three full years of participation in the PWCP, if accepted, and consent to be governed for workers' compensation matters in accordance with the MPD, the MOC and other documents and policies adopted by the **Board**. The resolution may also state the **retained limit** desired by the applicant.

- (c). The application for participation shall be submitted at least thirty (30) days prior to the date of the last **Board** meeting of the **program year** to ensure that the State Certificate of Consent to Self-Insure is received prior to the inception date, and that the **Board** has adequate time to review and evaluate the acceptability of the applicant. It is recommended that an applicant enter the PWCP only at the commencement of a new **program year**. If an applicant chooses to enter the PWCP at any other time, the **deposit premium** for the remainder of the **program year** will be pro rated. The new **Participant** will begin coverage on the date that is mutually acceptable to the **Participant** and the **Board**; however, the new **Participant** will be required to share losses with the other members of the PWCP for the entire **program year**.

2. APPROVAL OF APPLICATION

The **Board** shall, after reviewing the resolution and other underwriting criteria, determine the acceptability of the exposures presented by the applicant and shall advise the applicant in writing of its decision to accept or reject the request within 10 days after the decision has been made.

B. PARTICIPANTS' DUTIES

1. The **Participants** shall provide payroll, using the State DE-6 form, and all other requested information in conformance with the policies adopted by the **Board**.
2. The **Participants** shall disclose activities not usual and customary in their operation.
3. The **Participants** shall at all times cooperate with the **Authority's Administrator**, **WCPM**, **Third Party Administrator**, and loss control personnel, in regards to claims handling and underwriting activities of the **Authority**.
4. Each year the **Authority** shall bill **Participants** for a workers' compensation **deposit premium** for the next **program year**. The billings shall be due and payable in accordance with the Bylaws.
5. Billings may be made to **Participants** for a **program year** found to be actuarially unsound. All billings for payments to bring a **program year** into an actuarially sound condition are due and payable upon receipt.
6. Former **Participants** in the PWCP shall be required to pay all applicable billings for

the **program years** in which they participated. Delinquent billings, together with penalties and interest, shall be charged and collected from the **Participant** in accordance with the Bylaws.

7. Penalties and interest shall be charged against any amounts delinquent in accordance with the Bylaws.

C. TERMINATION

1. VOLUNTARY TERMINATION

- (a). A **Participant** which has not maintained its participation in the PWCP for three full **program years** shall not be permitted to withdraw from the PWCP prior to the end of its three-year commitment period and shall be obligated for payment of premiums for these three years.
- (b). A **Participant** which has maintained its participation in the PWCP for three full **program years** may terminate its participation if, at least six months before the next **program year**, a written request to terminate participation is received from the **Participant**.
- (c). Any **Participant** seeking to terminate its participation without proper and timely notice shall be responsible for the full cost of the next year's premium. The notice will be deemed effective for the year following the year in which the additional premium is paid.

2. INVOLUNTARY TERMINATION

- (a) The **Board** may initiate termination of a **Participant** from the PWCP for the following reasons:
 - (i) Termination as a **Member Entity** of the **Authority**;
 - (ii) Declination to cover the **Participant** by the entity providing excess coverage;
 - (iii) Nonpayment of **premiums**, assessments, or other charges;
 - (iv) Frequent late payment of **premiums**, assessments, and/or other charges, including interest and penalty charges;
 - (v) Failure to timely provide requested underwriting information;
 - (vi) Consistent poor loss history relative to the pool;

- (vii) Substantial change in exposures which are not acceptable in this PWCP;
- (viii) Financial impairment which is likely to jeopardize this PWCP's ability to collect amounts due in the future; and/or
- (ix) Revocation of Certificate to Self-Insure.

The **Board's** determination of the existence of any of these conditions shall be final.

- (b) The **Board** shall have the authority, upon a two-thirds approval, to authorize a termination notice be sent to a **Participant**. Such notice shall be sent at least 60 days prior to the effective date of termination.

3. CONTINUED LIABILITY UPON TERMINATION

Termination of participation, whether voluntary or involuntary, in future **program years** does not relieve the terminated **Participant** of any benefits or obligations of those **program years** in which it participated. These obligations include payment of assessments, retrospective adjustments, or any other amounts due and payable.

ARTICLE VII: TERMINATION AND DISSOLUTION OF THE PWCP

The PWCP may be terminated and dissolved at any time by a vote of two-thirds of the **Participants**. However, the PWCP shall continue to exist for the purpose of disposing of all claims, distributing assets, and all other functions necessary to conclude the affairs of the PWCP.

Upon termination of the PWCP, all assets of the PWCP shall be distributed only among the **Participants**, including any of those which previously withdrew pursuant to Article VI, in accordance with and proportionate to their **deposit premiums** and assessments paid during the term of participation. The **Board** shall determine such distribution within six months after the last pending claim or loss covered by the PWCP has been finally resolved and there is a reasonable expectation that no new claims will be filed.

ARTICLE VIII: AMENDMENTS

This MPD may be amended by a two-thirds (2/3rds) vote of the **Participants** present and voting at the meeting, provided prior written notice, as provided within the **Agreement**, has been given to the **Board**.