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Dunwoody, Georgia 30338
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To: Mayor and City Council

From: Nicole Stojka, Human Resources Director

Date: December 14, 2020

Subject: Resolution to Approve Membership in the Georgia Municipal Association Workers' Compensation Self-Insurance Fund

BACKGROUND

Georgia Municipal Association requires a resolution for the City to become a member in the Georgia Municipal Association Workers' Compensation Self-Insurance Fund.

RECOMMENDED ACTION

It is respectfully requested that Council approve the resolution for the City to become a member in the Georgia Municipal Association Workers' Compensation Self-Insurance Fund.

Lynn Deutsch Mayor
Eric Linton, ICMA-CM City Manager
Sharon Lowery, CMC City Clerk

Pam Tallmadge City Council Post 1
Jim Riticher City Council Post 2
Tom Lambert City Council Post 3

Stacey Harris City Council Post 4
Joe Seonder City Council Post 5
John Heneghan City Council Post 6

Packet page:...

**STATE OF GEORGIA
CITY OF DUNWOODY**

RESOLUTION 2020-XX-XX

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DUNWOODY TO AUTHORIZE MEMBERSHIP IN THE GEORGIA MUNICIPAL ASSOCIATION WORKERS' COMPENSATION SELF-INSURANCE FUND; TO AUTHORIZE THE MAYOR OF THE CITY OF DUNWOODY TO EXECUTE THE NECESSARY DOCUMENTS TO ENROLL THE CITY IN SAID FUND; TO SUBSCRIBE TO THE INTRASTATE AGREEMENT AND BYLAWS OF SAID FUND AND FOR OTHER PURPOSES.

WHEREAS, the Mayor and City Council are the governing authority of Dunwoody and are charged with the protection of the health, safety and welfare of the citizens of Dunwoody, and

NOW, THEREFORE, BE IT RESOLVED the Mayor and Council of the City of Dunwoody, Georgia, do hereby and it is resolved by the authority of said City Council as follows:

- 1) Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotate, the City of Dunwoody, hereby agrees to become and member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund established pursuant to said code chapter.
- 2) The City of Dunwoody hereby agrees to subscribe to and abide by the intrastate agreement, bylaws, rules, and regulations of the Fund and rules and regulations of the Insurance Commissioner of the State of Georgia related to such Fund.
- 3) The Mayor and the City of Dunwoody is hereby authorized to execute the application and any other documents necessary to enroll the City of Dunwoody as a member in said Fund.

SO RESOLVED AND EFFECTIVE, this 14th day of December, 2020.

CITY OF DUNWOODY

Lynn Deutsch, Mayor

Attest:

Sharon Lowery, City Clerk
(SEAL)

Accepted on behalf of the GMA Workers' Compensation Self-Insurance Fund this _____
day of _____, _____.

CHAIRMAN

ATTEST:

SECRETARY-Board of Trustees

AMENDED AND RESTATED INTRASTATE AGREEMENT

WHEREAS, in September of 1982, certain municipal corporations of the State of Georgia (the "Founding Members") applied to the Insurance Commissioner of the State of Georgia ("Insurance Commissioner") for authority to pool their liabilities pursuant to the Code of Georgia, Title 114, Chapter 6A and Official Code of Georgia Annotated, Title 34, Chapter 9, Article V; and

WHEREAS, the Founding Members organized and formed a Fund pursuant to said Law, which Fund was named the GEORGIA MUNICIPAL ASSOCIATION SELF-INSURANCE FUND (the "Fund"); and

WHEREAS the original intrastate agreement was made and entered into by and among the Founding Members; and

WHEREAS, upon acceptance of their applications for membership in the Fund, all members who were not Founding Members became a party to the original intrastate agreement and bound by its terms and conditions, with their applications becoming a counterpart to the original intrastate agreement; and

WHEREAS, this Amended and Restated Intrastate Agreement has been revised to reflect changes in law and in administration and shall supersede the original intrastate agreement upon its effective date; and

WHEREAS, this Amended and Restated Intrastate Agreement has been approved by the Board of Trustees and the Insurance Commissioner and, in accordance with regulations of the Georgia Insurance Commissioner, shall be effective on the date written notice of the amendment and restatement is provided to all members;

NOW THEREFORE, for and in consideration of the mutual covenants, promises and obligations herein contained, which are given to and accepted by each member hereof, all members jointly and severally covenant, stipulate and agree as follows:

1. The Members of this Fund do jointly and severally covenant and agree that they shall be jointly and severally liable for all legal obligations of the Fund, as set forth in O.C.G.A. Section 34-9-164(c).
2. The Members intend this agreement as a mutual covenant of assumption and not as a partnership.
3. That the Trustees of the Fund shall set up, operate and enforce its own administrative rules, regulations and bylaws as between the individual Members of the Fund.
4. The Members ratify and confirm appointment by the Trustees of Georgia Municipal Association, Inc. as Administrator for the Fund and its members, individually and collectively; provided however, that the Board of Trustees reserves the right to designate a new Administrator from time to time, nothing in this agreement withstanding. The Administrator, either directly or through one or more subcontractors, shall determine all sums due the Fund from the members, pay all approved items of expense as directed by the Trustees, and give a monthly account of all monies so handled. For handling the administrative and servicing functions of the Fund, the Administrator shall receive a fee which shall be negotiated from time to time by the Trustees.

This fee shall be in consideration of all services and expenses contracted for, with the Fund, which services or expenses may include the collecting, disbursing and accounting for monies collected, counseling with the Members as to safety hazards, claims handling and investigations, and providing for excess insurance coverage. The Administrator's books and records are to be open to inspection by the Insurance Commissioner of the State of Georgia ("Insurance Commissioner") and by the Trustees or their agents at all reasonable times.

5. Georgia Municipal Association, the fiscal agent appointed by the Trustees, shall deposit to the account of the Fund, at any bank or banks designated by the fiscal agent, all premiums as and when collected, and said monies shall be disbursed only to meet the financial obligations of the Fund.
6. The Trustees shall provide for excess insurance coverage designed to protect said members and the Fund against excess losses, in accordance with regulations of the Insurance Commissioner of the State of Georgia.
7. Membership.
 - a. Admission. All members of the Fund hereby agree that members of this Fund must be "municipalities" as defined in O.C.G.A. Section 34-9-151, as amended from time to time, and other entities included in the same class as municipalities under O.C.G.A. Section 34-9-152, as amended from time to time. The Administrator shall be judge of whether or not an applicant shall be admitted to membership, and will approve or deny application for membership in accordance with the terms of underwriting requirements submitted to the Insurance Commissioner, as set forth in O.C.G.A. Section 34-9-155 (c), or in accordance with other provisions of O.C.G.A. Section 34-9-155, as amended from time to time.
 - b. Involuntary Termination. A member may be terminated involuntarily for failure to pay its premiums. O.C.G.A. Section 34-9-156, the statute that governs the administration of group self-insurance funds, allows for the termination of a member for non-payment of premium 15 days after notification by the Fund. This is not done until reasonable efforts are made to collect the outstanding premium from the member. The Administrator may, at its discretion, work with any member encountering financial difficulties to develop an acceptable payment plan to avoid cancellation of coverage. The statute also permits the Fund to terminate a member for underwriting reasons in accordance with guidelines submitted to the Insurance Commissioner. These guidelines generally require the Fund to provide 90 days' notice before involuntary termination for underwriting. For example, this might occur if the member's loss experience deteriorates continually and the Fund determines that the member is not committed to proper safety and loss control practices. When the member has engaged in egregious actions, membership may be terminated earlier if the Administrator determines that termination is needed to protect the Fund. Lastly, the Administrator may involuntarily remove the member for actions not contemplated by the underwriting guidelines, but which constitute a violation of the statute, the bylaws, or this intrastate agreement.
 - c. Voluntary Termination. A member may elect to withdraw voluntarily by providing 90 days' notice to the Administrator. The Administrator generally will not oppose the

withdrawal unless it determines that the decision to withdraw is based upon erroneous information or that the member will not fulfill its payment obligations. The Administrator will provide assistance where possible in order to ensure that the transition goes smoothly.

8. Each member of the Fund agrees to abide by the following rules and regulations:
 - a. The member agrees to maintain a safety program to give its employees safe and sanitary working conditions. The member further agrees to permit representatives of the Fund and the Administrator to inspect all work sites for the purpose of determining whether the member's safety program and practices meet the Fund's criteria for membership in the Fund. The member shall remain solely responsible for all decisions concerning its safety program and practices and may not rely upon evaluations and/or recommendations made by the Administrator or its representatives in making final decisions concerning its safety program and practices.
 - b. In the event of an accident or a reported claim, the member agrees to make immediate provision for remedial care for his employee, and to give immediate notification of said accident to the Administrator on the prescribed forms.
 - c. The members shall make prompt payment of all premiums and assessments as required by the Administrator and in accordance with the regulation of the Insurance Commissioner, said premiums to be determined by applying applicable experience modification to the standard rates for the exposure to risk, said standard rates to be compiled by any premium rating system approved by the Insurance Commissioner. Further, said premium may include loss and expense constant and minimum premium where applicable. Finally, said premium may be adjusted based upon the current rate filing on file with the Insurance Commissioner, which rate filing must be approved by the Insurance Commissioner if approval by the Insurance Commissioner is required by law. In the event of a loss fund deficit, the Trustees may adopt any plan they deem equitable for the elimination of such deficit, including, but not limited to the assessment of those members whose losses resulted in such deficit subject to the approval of the Insurance Commissioner, if approval by the Insurance Commissioner is required by law.
 - d. As early as practicable, but no later than the last day of the first month of the fiscal year, each member shall pay at least 25% of its estimated annual contribution to the Fund, and thereafter shall pay its contributions in accordance with an installment schedule approved by the Administrator that ensures that the members' estimated annual contribution to the Fund is paid in full by the end of the sixth month of the fiscal year. Members who join the Fund after the start of the fiscal year but before the end of the sixth month of the fiscal year shall pay 25% of their estimated annual contribution for the balance of the fiscal year as early as practicable, but no later than 30 days after the effective date of admission, and in accordance with an installment schedule approved by the Administrator that ensures that the members' estimated annual contribution to the Fund is paid in full by the end of the sixth month of the fiscal year. Members who join the Fund subsequent to the end of the sixth month of any fiscal year shall pay their estimated annual contributions in full as early as practicable, but no later than 30 days

after the effective date of admission. The Administrator, in its discretion, may change payment requirements if, in its discretion, it determines that such changes to the requirements are appropriate for the safe and proper operation of the Fund.

- e. The Trustees of the Fund are authorized to and do hereby appoint the Administrator of this Fund as its agent and attorney-in-fact, to act in its behalf and to the extent authorized by the Trustees, to execute all contracts, reports, waivers, agreements, and excess insurance contracts; to make or arrange for payment of claims, medical expenses and all other things required or necessary, insofar as they affect its ability to offer and provide workers' compensation and/or employers' liability under the laws of the State of Georgia, and as covered by the terms of this Fund agreement and the rules and regulations as now provided or as thereafter promulgated by the Trustees.
- f. The member agrees that in the event of the payment of any loss by the Fund under this contract, the Fund shall be subrogated, to the extent of such payment, to all the rights of the member against any person or other entity legally responsible for damages for said loss, and in such event the member hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.
- g. The member agrees that attorneys appointed by the Administrator shall represent the member in investigation, settlement discussions and all levels of litigation or other legal proceedings arising out of any claim made against a member within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding damages or compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent, and, with approval of the Administrator or in accordance with policies established by the Administrator, may enter into settlements of such litigation or proceedings without the member's consent. If the Fund approves defense by the members, the Fund is to pay all costs in excess of the deductible that are taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.
- h. Liability of the Fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.
- i. The Trustees of the Fund, the Administrator and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times to inspect the work places, plant works machinery, and appliances of members covered by this agreement, and shall be permitted at all reasonable times and within two years after the final termination of the membership, to examine members' books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify the premium which is payable under the terms thereof.
- j. The coverage of the Fund does not apply to punitive or exemplary damages on account of such injuries to any employee or employer in violation of law.

- k. Coverage by the Fund under the terms of this agreement shall expire and be cancelled automatically for nonpayment of premium upon fifteen (15) days' written notice to the member in accordance with O.C.G.A. Section 34-9-156.
- 9. The Trustees are authorized to allocate from the premiums collected a reasonable sum for the operating expenses (a), (c), (d), (e) as set forth below, including reimbursement of actual expenses in accordance with annual budget established by Trustees incurred by GEORGIA MUNICIPAL ASSOCIATION for its employees, office space, utilities, and other such expenses for services. The Trustees are authorized to allocate from the premiums collected a reasonable sum for claims as outlined in paragraph (b) below. The Trustees are also authorized to allocate a remaining portion of the premium for distribution as set forth in paragraph (f) below. All premiums received by the Fund during any one fiscal year of the Fund shall be set aside and shall be used only for the following purposes:
 - a. Payment of a fee to the Administrator.
 - b. Payments of medical, surgical, hospital and nursing expenses, and payments of compensation to employees covered by this contract, including settlements, awards, judgments, legal fees and costs in all contested cases.
 - c. Payment of lawful assessments as required by the State of Georgia.
 - d. Payment of the cost of all bonds and auditing expenses required of the Fund or its agents or employees.
 - e. Reimbursement legally required pursuant to the terms of any bond, excess insurance policy or similar agreement entered into by the Fund.
 - f. Distribution of a dividend or renewal credit to members in such a manner as the Trustees shall deem to be equitable. The amount of the dividend or renewal credit, the qualifications for receiving it, and the manner of distribution shall be determined by the Trustees in their sole discretion and in accordance with the bylaws, applicable law and Insurance Commissioner regulations.
- 10. The Fund shall operate on a fiscal year from 12:01 a.m., January 1, to 12:01 a.m., January 1 of each succeeding year. Application for membership when approved in writing by the Trustees or their designee, shall constitute a continuing contract for each succeeding fiscal period unless cancelled by the Trustees, or unless the member shall have resigned or withdrawn from said Fund by written notice.
- 11. Trustees and officers shall use ordinary care and reasonable diligence in the exercise of their powers and the performance of their duties. They shall not be liable for mistakes of judgement or actions or failures to act when such mistakes, actions or failures are made in good faith and within the scope of their authority for the Fund. Nor shall they be liable for any action or failure to act of any agent, employee or independent contractor of the Fund, nor for loss incurred through investment of funds or failure to invest. No trustee or officer shall be liable for any action or failure to act of any other trustee or officer. No trustee or officer shall be required to give a bond or other security to guarantee the faithful performance of the duties hereunder except as may be required by the rules and regulations of the Insurance Commissioner. The Fund shall defend and hold harmless any trustee or officer, and the Board of Trustees, against any and all loss, cost, damage or exposure arising from their actions or failures to act when such

actions or failures were made in good faith and within the scope of their authority for the Fund. The Fund may purchase insurance providing such coverage for trustees and officers.

12. The members jointly and severally covenant and agree that there will be no disbursement out of this Fund by way of dividends or renewal credits or distribution of accumulated reserve to members until after provision has been made for obligations under the Workers' Compensation Law against said Fund and except at the discretion of the Trustees and with the approval of the Insurance Commissioner, if such approval is required by law.
13. Any member who applies for membership in this Fund and is accepted by the Trustees or their designee shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof and said application shall constitute a counterpart to this Agreement.

**BYLAWS OF
THE BOARD OF TRUSTEES OF THE
GEORGIA MUNICIPAL ASSOCIATION
WORKERS' COMPENSATION SELF-INSURANCE FUND**

Revised and Adopted March 16, 2016

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**BYLAWS OF
THE BOARD OF TRUSTEES OF THE
GEORGIA MUNICIPAL ASSOCIATION
WORKERS' COMPENSATION SELF-INSURANCE FUND**

ARTICLE I

NAME AND LOCATION

- Section 1. The name of this organization is GEORGIA MUNICIPAL ASSOCIATION SELF-INSURANCE FUND, hereinafter referred to as the "Georgia Municipal Association Workers' Compensation Fund" or "Fund". In August, 1982, the Fund was established by an intrastate agreement among founding municipal corporations of Georgia to establish a workers' compensation group self-insurance fund in accordance with Title 114, Chapter 6A and Title 34, Chapter 9, Article V of the Official Code of Georgia (the "Intrastate Agreement.")
- Section 2. Its principal office is located at 201 Pryor Street, Atlanta, Georgia 30303.
- Section 3. Other offices for the transaction of business may be located at such places as the Board of Trustees (hereinafter referred to as the "Board") may from time to time determine.
- Section 4. These Bylaws are adopted pursuant to and in compliance with the Laws of the State of Georgia, and with the rules and regulations of the Commissioner of Insurance for the State of Georgia (hereinafter referred to as "Commissioner") applicable to workers' compensation group self-insurance funds.

ARTICLE II

ELIGIBILITY

- Section 1. In order to become a member of the Fund, an entity must be a "municipality" as defined in O.C.G.A. Section 34-9-151, as amended from time to time, or must be an entity included in the same class as municipalities, as set forth in O.C.G.A. Section 34-9-152, as amended from time to time, must take any actions required by applicable law to join the Fund, and must be approved by the

Fund through its Administrator. Approved entities are called "Members" in these Bylaws.

Section 2. Membership will continue automatically from year to year unless the Member voluntarily withdraws or the Membership is terminated involuntarily.

Section 3. Members may voluntarily withdraw by providing ninety (90) days advance written notice to the Administrator. The Fund generally will not oppose the withdrawal unless it determines that the decision to withdraw is based upon erroneous information or that the member will not fulfill its payment obligations.

Section 3. See Article X for Involuntary Termination of a Membership.

ARTICLE III

BOARD OF TRUSTEES

Section 1. General Powers. The affairs of the Fund shall be governed by the Board of Trustees, which shall have such general powers as are conferred by Article Five, Chapter Nine of Title 34 of the Official Code of Georgia Annotated. The Board shall have discretionary authority to adopt rules and regulations and to establish policies and procedures for the operation of the Fund and to make and enter into contracts for such services as it deems necessary or expedient to include contracts with GMA providing for payment of reasonable institutional value fees.

Section 2. Number and Qualifications. The business and property of the Fund shall be supervised by a Board of Trustees comprised of all individuals serving on the Board of Trustees of the Georgia Municipal Employees Benefit System ("System") established pursuant to Chapter 5 of Title 47 of the Official Code of Georgia Annotated whose application to the Commissioner to serve as Trustee for this Board has not been rejected. The System's board of trustees is comprised of ten (10) elected officers of a municipal corporation, and five (5) employees or appointed officers of a municipal corporation, all of whom have been elected by members of the System. In addition to meeting these requirements for serving on the board of trustees of the System, a Trustee must submit a completed application to the Commissioner to serve as Trustee of this Board. If the Commissioner objects to the appointment, the appointment will be invalidated on a prospective basis and that individual will not serve on this Board.

- Section 3. Election of Trustees, Term of Office. Trustees shall be elected by members of the System in accordance with the Bylaws of the System. As set forth in those Bylaws, a Trustee's term of office shall be six (6) years. Trustees shall be eligible to succeed themselves but shall not serve more than three (3) consecutive full terms.
- Section 4. Vacancies. Any vacancy occurring on the board of trustees of the System will be filled in accordance with the bylaws of the System. However, any Trustee appointed to fill the vacancy shall submit an application to the Commissioner to serve as Trustee of this Board. If the Commissioner objects to the appointment, the appointment will be invalidated on a prospective basis with respect to this Board and that individual will not serve on this Board.
- Section 5. Removal of Trustees. A trustee of the System may be removed from this Fund's Board only if the Commissioner has objected to his or her appointment as a Trustee within thirty (30) days of receiving his or her application to serve as Trustee of this Board. A trustee of the System may be removed from the Board of the System (and thus, from the Board of this Fund) by a majority vote of the remaining Trustees for missing three (3) consecutive regular meetings of the Board; being found guilty of misfeasance, nonfeasance, or otherwise failing to qualify as a Trustee under the the as a trustee under the Chapter 5 of Title 47 of the Official Code of Georgia Annotated, the Declaration of Trust, or the System's Bylaws; or for otherwise failing to adequately perform his or her duties as a trustee of the System. Removal of a trustee from the board of trustees of the System will remove the trustee from the Board of the Fund.
- Section 6. Compensation. Trustees shall not receive any salaries for their services, but the Board of Trustees may adopt a travel policy setting forth a per diem allowance or the actual expenses of attendance, if any, for attendance at regular or special meetings of the Board and attendance at Board training and educational events, including, but not limited to, those involving investment managers or other service providers.

ARTICLE IV

POWERS AND DUTIES

- Section 1. Fiscal Officer. Pursuant to a contract with the Board, the Georgia Municipal Association, Inc. shall serve as fiscal officer by providing

the services the Trustees deem necessary to safeguard the assets of the Fund, either directly or by contracting with an outside entity, which services shall include, but are not limited to:

- (a) Establishing and maintaining administrative and financial procedures for internal and external use consistent with the policies of the Board of Trustees of the Fund;
- (b) Establishing the method for rating the risks of individual Members;
- (c) Billing for contributions in accordance with the terms of the Intrastate Agreement, and in accordance with applicable law and the Board's funding policy;
- (d) Receiving, depositing, disbursing and accounting for all monies received and expended on behalf of the Fund, and ensuring that all premiums or contributions received are timely remitted to the depository bank or banks;
- (e) In conjunction with the investment consultant appointed by the Board and the custodian appointed by the Board, assuring that funds are invested and reinvested in accordance with Board policy and direction;
- (f) Preparing or causing to be prepared annual fiscal reports regarding the operation of the Fund and all other reports as directed in writing or through official action by the Board of Trustees of the Fund;
- (g) Disbursing funds from the various fiscal accounts established by the Fund in accordance with the policies and procedures prescribed by the Trustees of the Fund;
- (h) Maintaining a record of all investment transactions which shall be available at all times to the Board of Trustees of the Fund;
- (i) Preparing and submitting to the Board, prior to the beginning of each fiscal year, a proposed Fund budget for that fiscal year for review, revision and approval by the Board; and
- (j) Providing such other administrative assistance as may be requested in writing by or through official action of the Board of Trustees and approved by the Administrator.

Section 2.

Administrator. The Board shall contract with an Administrator, who is currently the Georgia Municipal Association, Inc., and who shall serve as attorney-in-fact and shall be responsible for performing directly or contracting with outside entities to perform other types of administration for the Fund, including claims administration, loss control and general administration, and whose services shall include, but are not limited to:

- (a) Negotiating and managing contracts with outside agencies and consultants providing services directly to the Fund;
- (b) Determining eligibility, processing claims, computing and distributing benefits payable to or on behalf of workers compensation claimants;
- (c) Receiving applications for membership from prospective new members to the Fund and approving or denying such applications for membership in accordance with the guidelines approved by the Board and submitted to the Commissioner in accordance with applicable law and regulations;
- (d) Keeping a register of the post office address, electronic mail address and/or facsimile number of the designated contact for each Member;
- (e) Terminating memberships in accordance with applicable law and underwriting guidelines;
- (f) Determining and billing for all appropriate excess insurance or reinsurance premium costs, all self-insurance bond cost, all industrial and/or state taxes and service fees;
- (g) Providing the Commissioner a copy of the contract with the Administrator and any amendments to the contract to the extent required by law;
- (h) Maintaining a fidelity bond and errors and omissions coverage or other appropriate liability insurance as required by applicable law and Commissioner regulations, and filing evidence of such coverage with the Commissioner if required;
- (i) Providing information and assistance to Members and their employees regarding the Fund;
- (j) Receiving, reviewing and processing all correspondence submitted to the Fund;
- (k) Assuring that all files and records of the Fund are maintained and available at all times to the Board;
- (l) Fulfilling any obligations set forth in contractual documents with the Members as obligations of the Administrator;
- (m) Supporting legal compliance of the Fund, and where appropriate, notifying the Board of actions taken or recommended in order to maintain compliance; and
- (n) Providing such other administrative assistance as may be requested in writing by or through official action of the Board and approved by the Administrator.

Section 3.

Board of Trustees. In addition to its general powers set forth in

Article III, the Board of Trustees has the following specific powers and duties:

- (a) To provide general oversight of the operation of the Fund and its business activities in accordance with these Bylaws, applicable federal and/or state statutes, and applicable governmental regulations;
- (b) To incur debts, liabilities and obligations;
- (c) To acquire, hold, encumber or dispose of real and personal property;
- (d) To sue or be sued in the name of the Fund, and take all measures necessary or desirable in the prosecution or defense of claims;
- (e) To establish and arrange for the administration of such group self-insurance funds as the Board deems advisable;
- (f) To pay authorized losses from the Fund;
- (g) To employ legal counsel, accountants and such other professional services as it from time to time shall deem necessary;
- (h) To appoint an investment consultant, actuary, custodian and auditor for the Fund on an annual basis, and to appoint investment managers as needed;
- (i) To establish an excess loss funding program as the Board deems necessary to protect the interest of the Members and the Fund;
- (j) To contract for reinsurance with the advice of the Administrator;
- (k) To adopt rules and general policies necessary or appropriate for the efficient operation of the Fund, which shall be followed by all committees, officers, agents and independent contractors providing services for the Fund;
- (l) To enter into contracts for services provided directly to the Fund by entities other than the Administrator (and not as a subcontractor to the Administrator), such as contracts with accountants, investment advisors and managers, insurers, actuaries, accountants, attorneys and consultants; including but not limited to risk management consultants that establish loss control procedures and advise and educate Members in loss control and risk reduction;
- (m) To enter into contracts with Georgia Municipal Association, Inc. for serving as fiscal officer and Administrator, and for licensing and other services, which may include providing for payment of reasonable institutional value fees;

- (n) To adopt underwriting guidelines that describe the requirements for admission and continued participation of Members and submit them to the Commissioner;
- (o) To take all necessary precautions to safeguard the assets of the Fund, including but not limited to the following:
 - (1) Adopting an annual budget for each fiscal year of the Fund.
 - (2) Retaining control of all monies collected or disbursed for the Fund; all funds of any type shall remain in the custody of the Trustees or the authorized custodian
 - (3) Having the accounts and records of the Fund audited annually or at any time which may be required for any governmental agency to implement any uniform accounting system, and making copies of each year's audits available during that year to each Member and, to the extent required by law, to the Commissioner;.
 - (4) Abiding by all applicable federal and state statutes and administrative regulations.
- (p) To expend Fund assets for the purpose of purchasing fiduciary liability and general insurance deemed appropriate by the Trustees;
- (q) To approve dividends. That portion of premium contributions not needed for payment of claims, administrative expenses and/or appropriate reserves may be returned to the Members of the Fund from time to time, in such amounts and proportions as the Board, in its discretion, may determine is proper, in accordance with applicable law and Commissioner regulations. No surplus accumulations may be returned if such payment will impair the capital stability and/or security of the Fund. Any participant who withdraws and/or is not in good standing at the time of such distribution may be barred from receiving any portion of the distribution or may be subject to such restrictions as the Board, in its discretion, may impose.
- (r) To approve revisions to the Intrastate Agreement when appropriate or necessary and submit them to the Membership for approval at a regular or special meeting of the Membership; and
- (s) To perform any other function incident to their office and in keeping with applicable Georgia laws and the regulations of the Commissioner.

ARTICLE V

MEETINGS OF THE BOARD OF TRUSTEES

- Section 1. Regular Meetings. Regular meetings of the Board shall be held at least two (2) times per year.
- Section 2. Special Meetings. Special meetings of the Board may be called by the Chairperson, and in his or her absence, the Vice Chairperson, or upon the request of one-third of the members of the Board. The person or persons authorized to call special meetings of the Board may choose any place and date for the holding of the special meeting called. By unanimous consent of the Trustees, special meetings of the Board may be held without notice. All notices of special meetings of the Board shall state the purposes thereof.
- Section 3. Place of Meetings. All in-person meetings shall be held in the State of Georgia. All references to the “place” of a meeting include a virtual place accessed via telecommunications or electronically, and notice of the location of such a virtual place shall include instructions for accessing the meeting.
- Section 4. Notices. Notice of any regular or special meeting of the Board of Trustees shall be given at least ten (10) days prior to such meeting by written notice sent by mail, facsimile or electronic mail to each Trustee at the Trustee’s address as shown by the records of the Board. The notice shall state the time, date and place of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope properly addressed, with postage prepaid. Notice given by electronic means, either facsimile or electronic mail, shall be deemed to be delivered when sent. Any Trustee may waive notice of any meeting. The attendance of any Trustee at any meeting shall constitute a waiver of notice of such meeting, except when a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The notice of a special meeting of the Board of Trustees shall state the purpose of the meeting. Business to be transacted at a regular meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by statute or by these Bylaws.
- Section 5. Quorum. A majority of Trustees then in office and present shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the

meeting from time to time without further notice. Trustees may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Trustees participating may simultaneously hear each other during the meeting. All references to the “place” of a meeting include a virtual place accessed via telecommunications or electronically, and notice of the location of such a virtual place shall include instructions for accessing the meeting. Trustees may vote by proxy for the designating Trustee. Presence by proxy shall be counted for purposes of attendance, quorum and voting.

Section 6. Manner of Acting. The act of a majority of Trustees present in person, electronically, via telecommunications or by proxy at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by statute, regulation, or the Bylaws.

Section 7. Proxies. At any meeting of the Board of Trustees at which a quorum is present, a Trustee entitled to vote may vote by proxy executed in writing (which writing may be electronic) by the Trustee or by his or her duly appointed attorney in fact. Presence by proxy shall be counted for purposes of attendance, quorum and voting.

ARTICLE VI

OFFICERS

Section 1. Officers. The officers of the Board of Trustees shall consist of a Chairperson, Vice Chairperson and Secretary-Treasurer.

Section 2. Election and Term of Office. At each regular meeting of the Board immediately following July 1, the Board of Trustees shall elect a Chairperson and Vice Chairperson. The Chairperson and Vice Chairperson of the Board may be the elected or appointed officials of a Fund Member elected to serve as the Chairperson and Vice Chairperson of the Board of Trustees of the Georgia Municipal Employees Benefit System. A new officer must submit a completed application to the Commissioner. If the Commissioner objects to the appointment, the appointment will be invalidated on a prospective basis and a replacement officer may be elected. The replacement officer also must submit a completed application to the Commissioner. An election of the Chairperson or Vice Chairperson shall require the affirmative vote of a majority of the members of the Board. A Trustee may not serve more than two (2) consecutive one-year terms as Chairperson or more than two (2) consecutive one-year terms as Vice Chairperson. The Secretary-Treasurer shall

be the Executive Director of Georgia Municipal Association.

- Section 3. Removal and Resignation. The Chairperson or Vice Chairperson, or both, may be removed by the Board of Trustees whenever in its judgment the best interests of the Board would be served thereby. Resignation of the Chairperson or Vice Chairperson shall be accomplished in writing and shall become effective upon its acceptance by the Chairperson or acting Chairperson at the next regular meeting of the Board.
- Section 4. Vacancies. A vacancy in the office of Chairperson or Vice Chairperson because of death, resignation, removal, disqualification, or otherwise, may be filled for the unexpired portion of the term of office by majority vote of the remaining members of the Board of Trustees.
- Section 5. Chairperson. The Chairperson shall be the principal executive officer of the Board and shall in general supervise and control all of the business and affairs of the Board. The Chairperson shall: preside at all meetings of the Membership and the Board of Trustees; call the annual meeting of the Fund Membership; call regular and special meetings of the Board of Trustees; appoint an executive committee and special committees of the Board; serve as an ex-officio member of special committees; and serve as chairperson of the executive committee; and perform such other duties as may be prescribed from time to time by the Board of Trustees or as are consistent with the duties of the office of Chairperson.
- Section 6. Vice Chairperson. The Vice Chairperson shall: assist and aid the Chairperson whenever required in carrying out the duties of the Chairperson; preside at all meetings of the Membership of the Fund and of the Board of Trustees in the absence of the Chairperson; be authorized to act on behalf of the Chairperson in the event of the Chairperson's incapacity or other failure to serve; and perform such other duties as may be assigned by the Chairperson or Board of Trustees from time to time.
- Section 7. Secretary-Treasurer. The offices of Secretary and Treasurer shall be combined. The Secretary-Treasurer is delegated the authority to perform, and is responsible to the Board for performing, the following duties either directly or through his or her designee:
- (a) Notifying Members of the time, date and place of annual Membership meetings and soliciting proxies for those unable to attend such meetings;
 - (b) Notifying Trustees of Board meetings and soliciting proxies for

those unable to attend meetings, and seeing that all other meeting notices required by these Bylaws or applicable law are duly provided;

- (c) Keeping a register of the post office address, electronic mail address and/or facsimile number of each Fund Member and of each Trustee, which shall be furnished to the Secretary-Treasurer by such Member and by such Trustee;
- (d) Performing all the duties consistent with the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him or her by the Chairperson or the Board of Trustees;
- (e) Executing contracts with service providers performing services directly to the Fund (except for contracts with Georgia Municipal Association, Inc.) after such service providers have been approved by the Board;
- (f) Signing all checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Fund, except as otherwise stated by resolution of the Board of Trustees.

ARTICLE VII

BOARD COMMITTEES

- Section 1. Executive Committee. The executive committee shall be comprised of five Trustees, which shall include the Chairperson, Vice-Chairperson, immediate past chairperson and two Trustees appointed by the Chairperson. The Chairperson shall act as the chairperson of the Executive Committee. The Executive Committee shall recommend policies, program operating budgets and act on behalf of the Board in between Board meetings.
- Section 2. Special Committee. The authority of a special committee is limited to the charge given the committee by the Chairperson when establishing such committee; however, the designation of such committee and the delegation of authority thereto shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon it or upon the Trustee by law. Each special committee appointed shall be deemed to have concluded its work upon reporting back to the Board.
- Section 3. Governance. The Notice, Quorum, Manner of Acting, and Proxies sections under Article V "Meetings of the Board of Trustees" shall apply to meetings of Board Committees, except that all references

to Trustees in those sections shall be replaced with “Committee Members” and all references to the Board of Trustees shall be replaced with “Board Committee.”

ARTICLE VIII

FISCAL YEAR

- Section 1. The Fund shall operate on a fiscal year from 12:01 a.m., January 1, to 12:01 a.m., January 1 of each succeeding year. Each fiscal year shall be maintained separately for accounting purposes.

ARTICLE IX

MEETINGS OF THE MEMBERSHIP

- Section 1. Annual Meetings. An annual, in-person meeting of the Fund Members shall be held at a time, date and place designated by the Board, for the purpose of delivering a statement of the financial condition of the Fund and for the transaction of such other business as may come before the meeting. An oral statement of the general financial condition of the Fund shall be given to Members at each annual meeting. At the same meeting a written copy of this statement shall be made available to Members by the Board Chairperson or his or her designee.
- Section 2. Special Meetings. Special, in person meetings of the Members may be called by the Chairperson of the Board of Trustees or by not less than one-fourth (1/4) of the entities comprising the Membership.
- Section 3. Place of Meeting. The Board of Trustees may designate any place within the State of Georgia as the place of meeting for any meeting called by the Board of Trustees.
- Section 4. Notice. Written notice stating the place, date and hour of any meeting of the Membership shall be delivered by mail, electronic mail or facsimile, to each Member entitled to vote at such meeting, not less than ten (10) and no more than ninety (90) days before the date of such meeting, by or at the direction of the Chairperson, or the Secretary-Treasurer, or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the

United States mail addressed to the member at its address as it appears on the records of the System, with postage thereon prepaid. If notice is given electronically, either by electronic mail or facsimile, such notice shall be deemed to be delivered when sent to the electronic address for the Member as shown by the records of the Board.

Section 5. Voting. Each Member shall be entitled to one (1) vote of each matter submitted to a vote of the Members. The vote of each Member shall be cast by its designated representative. There is no quorum requirement. Rather, a majority vote of those Members voting in person or by proxy at a meeting shall be required for action on any matter submitted to the membership. However, no formal action will be taken based upon any Membership vote without the consent of the Board. The Board of Trustees may in its discretion conduct a Membership vote by mail ballot. In such case the mail ballot shall be deemed to be delivered when it is mailed or sent via facsimile or electronic mail in the manner required for provision of meeting notices under Section 4 above. The Board of Trustees shall afford a reasonable period of time for return of mail ballots by Members. There is no quorum requirement. Rather, a majority vote of those Members voting shall be required for action on any matter submitted to the Membership by mail ballot.

Section 6. Proxies. At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing (which writing may be electronic) by the Member or by its duly authorized representative.

ARTICLE X

INVOLUNTARY TERMINATION OF A MEMBERSHIP

Section 1. Reasons. A Member may be involuntarily terminated as a Member of the Fund as follows:

- (a) For failure to pay premiums or fulfill financial obligations to the Fund (with fifteen (15) days advance notice of termination)
- (b) Pursuant to underwriting guidelines filed with the Commissioner by the Fund (generally with ninety (90) days advance notice of termination)
- (c) For failure to comply with the Code of Georgia, Title 114, the Intrastate Agreement or these Bylaws.

Section 2. Method. Termination by the Fund for failure to pay premiums when due or to fulfill financial obligations to the Fund shall be accomplished by written notice stating the time the termination will be effective, not less than fifteen (15) days from the date of notice,

to be delivered in person or by depositing such notice in the U.S. Mail by at least first class mail to the last address of record of the Member, and receiving the receipt provided by the United States Postal Service for such deposit. Such notice may or may not be accompanied by a tender of the unearned premium paid by the Member, calculated on a pro rata basis. If such tender is not made simultaneously with such notice, it shall be made within fifteen (15) days of notice of termination, unless an audit or rate investigation is required, in which case such tender shall be made as soon as practicable.

Section 3. Data. The Fund will provide any terminated Member the data reasonably necessary for transition to a replacement insurer.

Section 4. Reinstatement. Reinstatement shall be upon such terms as the Board may impose.

ARTICLE XI

WAIVER OF NOTICE

Section 1. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

AMENDMENTS

Section 1. The Board of Trustees shall have power to make, amend or repeal the Bylaws by an affirmative two-thirds majority vote of the Board of Trustees at any regular or special meeting of the Board, and such amendments shall be filed with the Commissioner in the Fund's annual report. If the Commissioner advises that an amendment is not approved, that amendment shall be void.

Section 2. Any amendment to the Intrastate Agreement must be approved by a majority of the Members voting at a meeting of the Membership.

ARTICLE XIII**PARLIAMENTARY AUTHORITY**

- Section 1. To govern processes and relationships within the organization in cases not provided for in statute or Bylaws, the current edition of Robert's Rules of Order shall be used. However, by resolution, the Board may determine to follow instead any set of Rules of Order determined by the Administrator's General Counsel or by the Board's separate legal counsel to be appropriate.