



**INTERLOCAL AGREEMENT  
FOR A GROUP SELF-INSURANCE FUND  
FOR RISK SHARING OR GROUP PURCHASE OF COVERAGE**

This Agreement is made and entered into by and between all the parties who join together to become Members of the North Carolina Association of County Commissioners Risk Management Agency (hereinafter referred to as the "Risk Pool"). The Risk Pool acts by and through its Board of Trustees as provided herein and as provided within the Bylaws of the Risk Pool. The Risk Pool encompasses the North Carolina Association of County Commissioners Joint Risk Management Agency Workers' Compensation Fund (hereinafter referred to as the "Workers' Compensation Pool") and the North Carolina Association of County Commissioners North Carolina Counties Liability And Property Joint Risk Management Agency (hereinafter referred to as the "Liability and Property Pool"; both are referred to collectively as "Pools").

**ARTICLE I. PURPOSE**

1. To carry out the desire of certain counties and governmental entities of the State of North Carolina to create and become the Risk Pool, and to enable these counties to pool the retention of their risks, liabilities or payments, or for the group purchase of coverage, pursuant to the provisions of North Carolina General Statutes 153A-92(d), 153A-445(a)(1) and 160A-460 through 160A-466.
2. To be governed and directed through the efforts of the Risk Pool Board of Trustees, as described in the Bylaws of the Risk Pool, which are incorporated by reference into this Agreement.
3. To provide for the discharge, from the assets of the Risk Pool, from funds collected from Members, and through excess or other insurance purchased by the Risk Pool, in accordance with the terms and scope of the contracts of coverage and as determined by the participation of the individual Members of the Risk Pool, of any: a) insurance premiums; b) covered property losses incurred; c) lawful liability claims against any member of the Liability and Property Pool in which awards have been sustained by final judgment or by the rules of the Risk Pool if settlement is made; and d) lawful workers' compensation claims against members of the Workers' Compensation Pool, when awards have been sustained by final judgment or by the rules of the Risk Pool if settlement is made.
4. To provide for payment by Members of the Risk Pool of contributions based upon appropriate classifications, rates, experience modifications, or other methodologies, out of a portion of which the Risk Pool will establish and maintain a fund for the payment of covered claims, losses and the administrative costs of operating the Risk Pool.

## **ARTICLE II. EFFECTIVE DATE, DURATION AND MEMBERSHIP**

Any qualifying county or governmental unit that formally applies for membership in the Risk Pool will be admitted and become a Member. This Agreement is effective as of the date the Resolution adopting this Agreement is executed, and the membership application and fully executed Resolution are incorporated by reference into this Agreement. This Agreement replaces all prior Interlocal Agreements and Participation Agreements, is effective from year to year, and shall remain in force unless terminated in writing by the Risk Pool, the Member, or the Board of Trustees as specified herein.

Risk Pool Members may join the Workers' Compensation Pool, and Liability and Property Pool, or may elect to only join one or two of these offered Pools. Members shall designate the membership election on the Resolution and provide a new, fully executed Resolution if individual Pool membership changes.

Under the plans offered by the Risk Pool, a Member's coverage will be automatically renewed on the termination date of the coverage regardless of whether payment for the subsequent coverage period has been received by the Risk Pool. The continuation of coverage will be pursuant to the same terms and conditions as the expiring coverage and as set forth in this Agreement. Each renewal shall be subject to a recalculation of contributions by the Risk Pool.

## **ARTICLE III. TERMS AND CONDITIONS**

1. The coverage terms, deductibles, conditions, limits of liability, exclusions, exceptions, agreements, requirements for cooperation of Members, subrogation and other terms of membership shall be governed primarily by the Coverage Documents and secondarily by the Member Guide distributed to the Members.
2. A Member may be eligible for a multi-pool discount if the Member is a member of both Pools. Any Member that has outstanding contributions due to the Risk Pool from the most recent fully completed fiscal year will have their multi-pool discount adjusted by the amount of those outstanding contributions.
3. Changes in funding types, rates and plan specifications will occur only on the Member's renewal date and will remain in effect for the coverage period. However, the Risk Pool reserves the right to make adjustments to the Member's contribution and/or the plan specifications if a material, substantive amendment or modification to coverage must be made to comply with state or federal law. . It is the responsibility of the Risk Pool to provide notice to the Member sixty (60) days prior to any such contribution change, amendment or modification.
4. If a Member fails to remit the required contribution, the Risk Pool may suspend the payment of the Member's claims in accordance with the Payment Policy adopted by the Board of Trustees. In the event of termination of this Agreement, the Member remains responsible for any contributions payable up to and including the date of termination.
5. All claims for employees and authorized individuals are required to be timely reported to the Claims Administrator. Failure to do so may result in the claim not being reimbursed. .

6. The Member shall cooperate with the Risk Pool concerning settlement efforts, litigation or anticipated litigation of any claim. If a claim is made, a lawsuit is filed or court notices are received by a Member or its representative that may fall within the scope of Risk Pool coverage, the Member shall immediately forward to the Risk Pool every document received. Pursuant to the Risk Pool's request and payment by the Risk Pool of reasonable expenses, the Member shall attend hearings, trials and other proceedings if requested and will assist in effecting settlements, in securing and providing evidence, in attaining the attendance of witnesses and in fully cooperating with the Risk Pool and its designee with regard to the defense of the claim.
7. No Member shall make voluntary and direct payment of a claim or a claims-related expense without the prior approval of the Board of Trustees or its designee. Any Member making a voluntary payment or entering into an agreement to pay without approval will be responsible for the claim and any expenses paid or committed, including the cost of a legal defense.
8. The Risk Pool may use and disclose the Personal Health Information of individuals subject to this coverage only in compliance with the HIPAA Privacy Rule and other applicable provisions.
9. This Agreement and coverage with Pool(s) may be canceled by the Risk Pool on the renewal date after providing written notice by certified mail, return receipt requested, to the Member at least sixty (60) days prior to the renewal date. The Risk Pool may also cancel this Agreement and/or the coverage provided at any time pursuant to the following: (a) after giving ten (10) days written notice to the Member in accordance with the terms of the Payment Policy adopted by the Board of Trustees; (b) if the Member reorganizes or dissolves; or (c) if the Member fails to initiate and administer any reasonable loss prevention recommendation submitted by the Risk Pool to the Member.
10. The Member may cancel this Agreement or membership in an individual Pool without penalty on the renewal date of coverage if it provides written, advance notice to the Risk Pool at least sixty (30) days prior to the coverage renewal date. If notice of termination to the Risk Pool is provided less than sixty (30) days before the Member's renewal date, but prior to the renewal effective date, ten percent (10%) of the annual estimated renewal contribution must be paid by the Member. If notice to the Risk Pool is provided after the renewal date, the total annual estimated renewal contribution must be paid by the Member. The Member may file an Appeal with the Board of Trustees, pursuant to Paragraph 12 of this Article.,
11. The Member shall have the right to file an Appeal concerning any action taken or decision made by the Risk Pool in accordance with the Appeals Procedures adopted by the Risk Pool, by requesting review by the Risk Pool's Board of Trustees, whose decision will be final. Any Appeal shall be submitted in writing to the Director of Risk Management Services within thirty (30) days of the challenged decision or action.
12. In the interest of providing effective governance, the Member, a county with appointive authority for the Member's board, or at least one of the Member's budgetary contributors, must be a member of the North Carolina Association of County Commissioners (hereinafter "Association").

13. The Association is designated as the Administrator of the Risk Pool unless otherwise designated by the Board of Trustees. As detailed further in the Service Agreement between the Risk Pool and Association, the Administrator supervises all other service contractor(s), deposits all contributions as collected to the bank account(s) designated by the Board of Trustees, and disburses monies as provided by the policies, rules, regulations and Bylaws of the Board of Trustees, and in compliance with the Service Agreement(s) executed with the service contractor(s).
14. In its discretion, the Board of Trustees shall determine and may modify the timing of payments made by Members and the amount of Member contributions to maintain the soundness and financial security of the Risk Pool.
15. A certified public accounting firm shall audit the Risk Pool annually and report to the Board of Trustees as detailed in the Bylaws. The Risk Pool retains the right to audit and review a Member's financial and business records relevant to the subject matter of this Agreement or any dispute regarding this Agreement.
16. Notice: Any written notice to the Risk Pool shall be made by certified mail and delivered to the Director of Risk Management Services, North Carolina Association of County Commissioners, 215 N. Dawson Street, Raleigh, NC 27603.

#### **ARTICLE IV. AMENDMENTS**

The Board of Trustees is authorized to make any changes or amendments to this Agreement that would not fundamentally alter the substance of the contemplated Agreement. This Agreement may be substantively amended after adoption of this Agreement by the Members by either 1) approval of the specific amendment by the Board of Trustees and approval in writing by a simple majority of the Members, or 2) approval of the Board of Trustees of a revised Agreement and subsequent presentation to Members for execution of a new Resolution during the renewal period.

#### **ARTICLE V. SEVERABILITY AND CHOICE OF LAW**

This Agreement shall be governed by the laws of the State of North Carolina. The Members and the Risk Pool agree that in the event there is a disagreement between them regarding this Agreement, or its terms, any legal action shall be filed in the General Court of Justice, Superior Court Division, Wake County, North Carolina. The Members and the Risk Pool agree that the terms of this Agreement are contractual and not a mere recital, and that its provisions are severable in nature such that if any particular provision is stricken by a Court of competent jurisdiction, no other provision will be affected.

IN WITNESS WHEREOF, the undersigned signify their acceptance of this Agreement by executing this Resolution by action of the Board of Commissioners or other Governing Board:

**RESOLUTION TO ADOPT THE INTERLOCAL AGREEMENT AND  
TO JOIN THE NCACC RISK MANAGEMENT POOL**

WHEREAS, (County or local government agency) Yadkin County  
desires to pool the retention of their risks, liabilities and/or payments, or for the group purchase of  
coverage, and has completed a Pre-Audit Certification in compliance with N.C.G.S. § 159-28; and

WHEREAS, the North Carolina Counties Risk Management Agency d.b.a. NCACC Risk  
Management Pools (hereafter called the "Risk Pool"), has been established pursuant to G.S. §153A-  
445 (a)(1) and G.S. §160-A-460 through §160A-464; and

WHEREAS, it is desirable for Yadkin County (County or local government agency)  
to join the Risk Pool to obtain the opportunity for risk sharing and/or group purchase of coverage;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners or Governing Board  
of Yadkin County (County or local government agency) hereby adopts the foregoing  
Interlocal Agreement and hereby joins and agrees to participate in the Risk Pool as indicated:

☒ North Carolina Counties Liability and Property Joint Risk Management Agency d.b.a.  
NCACC Liability and Property Pool

☒ North Carolina Workers' Compensation Joint Risk Management Agency d.b.a.  
NCACC Workers' Compensation Pool

BE IT FURTHER RESOLVED that Lisa Hughes (authorized county or  
entity official) is duly authorized to execute the application to join the Risk Pool and hereby executes  
the Agreement on behalf of Yadkin County (County or local government  
agency).

Witnessed wherefore, this the 17<sup>th</sup> day of October, 2016.

Attest: Janya Bentry

Lisa Hughes

NORTH CAROLINA  
Yadkin COUNTY

Personally appearing before me this 17 day of October, 2016,  
Lisa L. Hughes, who, being first duly sworn, acknowledged the execution of  
the foregoing Agreement for the purposes and considerations therein and herein expressed.

My Commission expires:  
8-7-2018

Wenona C. Thompson  
Notary Public

Wenona C. Thompson  
Notary Public  
State of North Carolina  
County of Yadkin

**Pre-Audit Certification Pursuant to N.C.G.S. § 159-28**

This foregoing Agreement has hereby been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Gary Grace  
Finance Officer or Deputy Finance Officer

NORTH CAROLINA  
Yadkin COUNTY

Personally appearing before me this 17 day of October, 2017, the Finance Officer or Deputy Finance Officer, Gary Grace, who, being first duly sworn, acknowledged the execution of the foregoing Agreement for the purposes and considerations therein and herein expressed.

My Commission expires:  
8-7-2018

Wenona C. Thompson  
Notary Public

