

**RESOLUTION**

**A RESOLUTION TO PARTICIPATE IN AND AUTHORIZE AN INTERGOVERNMENTAL AGREEMENT  
WITH THE SOUTH CAROLINA MUNICIPAL INSURANCE AND RISK FINANCING FUND**

**WHEREAS**, the Town of Bluffton, South Carolina (the “Town”) is an incorporated municipality located in Beaufort County, and as such possesses all powers granted to municipalities by the Constitution and general laws of the State of South Carolina; and

**WHEREAS**, certain municipalities of the State of South Carolina have agreed to create the South Carolina Municipal Insurance and Risk Financing Fund (hereafter referred to as the “Fund”) and have agreed to pool the risk of their exposure to certain potential liabilities in the manner herein provided, pursuant to the provisions of the Code of Laws of South Carolina, 1976 Section 15-78-140; and

**WHEREAS**, the Board of Trustees of the Fund have approved the Town of Bluffton to join the program at its May 21, 2025 meeting; and

**WHEREAS**, the Town desires to participate in the Fund effective June 30, 2025; and

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL AS FOLLOWS:**

1. The Town Council hereby authorizes the Town Manager to execute the documents attached as Exhibit A to participate in the South Carolina Municipal Insurance and Risk Financing Fund effective June 30, 2025.

**THIS RESOLUTION SHALL BECOME EFFECTIVE IMMEDIATELY UPON ADOPTION.**

**SIGNED, SEALED AND DELIVERED AS OF THIS 10<sup>th</sup> DAY OF JUNE, 2025.**

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Larry Toomer, Mayor  
Town of Bluffton, South Carolina

ATTEST:

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Marcia Hunter, Town Clerk  
Town of Bluffton, South Carolina

SEAL



## INTERGOVERNMENTAL AGREEMENT FOR AN INSURANCE AND RISK FINANCING FUND FOR RISK SHARING

This Agreement, made and entered \_\_\_\_\_ of \_\_\_\_\_, A.D., 2025, by and between all the parties who are now or may hereafter become members of the South Carolina Municipal Insurance and Risk Financing Fund (hereinafter referred to as the "Fund") and join in the Fund for certain risk sharing, which Fund is acting by and through its Board of Trustees as provided herein;

### WITNESSETH

WHEREAS, certain municipalities of the State of South Carolina have agreed to create the Fund and have agreed to pool the risk of their exposure to certain potential liabilities in the manner herein provided, pursuant to the provisions of the Code of Laws of South Carolina, 1976 Section 15-78-140; and

WHEREAS, the prospective members of the Fund have agreed upon designation of a Board of Trustees to direct the affairs of the Fund, adopt policies and procedures for implementing and administering the Fund, and to pass upon the admissibility of future members of the Fund; and

WHEREAS, the members and Trustees have designated the Municipal Association of South Carolina as Administrator of the Fund and its assets subject to the provisions of this Agreement and the policies adopted by the Board of Trustees of the Fund; and

WHEREAS, by this Agreement the Fund will undertake to discharge certain claims against any member of the Fund, when said claims come within the provisions of this Agreement and the regulations or policies of the Trustees, and when said claims are determined to be due as a result of a court judgment or settlement agreement; and

WHEREAS, the members of the Fund agree to pay contributions based upon appropriate classifications, rates, and loss experience, and other criteria established by the Board of Trustees, out of a portion of which the Fund will establish and maintain a fund for the payment of the claims, awards and attorneys fees and further, that the members covenant and agree there will be no disbursements out of the fund by way of dividends or distribution of accumulated reserves to the respective members, except at the discretion of the Trustees; and



WHEREAS, the members of the Fund, through action of their respective governing bodies, have elected to comply with the conditions of this Agreement and to share their risks for certain liability claims as herein provided;

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 to the other, the parties hereto agree as follows:

1. The municipalities which are signatories hereto do hereby establish the SC Municipal Insurance and Risk Financing Fund, hereinafter referred to as the "Fund", as a joint interlocal agency to operate a fund for liability risk sharing, including but not being limited to the following risks and coverages: automobile liability; automobile physical damage; comprehensive general liability; property and inland marine; boiler and machinery; and fidelity bonds (with such exclusions, exemptions or limitations as are specified in the regulations or schedules of coverage adopted by the Board of Trustees).

2. There shall be nine (9) Trustees elected, except for the initial Board of Trustees, from Participating Member Municipalities. The term of the Trustees shall be for three (3) years, except for the initial appointment. The initial appointments, which shall be made by the Board of Directors of the association, shall be made as follows: three members for one (1) year, three (3) members for two (2) years, three (3) members for three (3) years. Thereafter, the successors to the Trustees whose terms are expiring shall be elected for three-year terms commencing on the first day of October following their election. Trustees may be elected for no more than two (2) full terms in succession.

3. The Fund will pay from the assets of the Fund lawful claims according to the types and levels of coverage established by the Board of Trustees. The Board of Trustees shall establish a schedule for types and monetary levels of coverages for which the Fund shall be responsible on behalf of its members, including provisions for levels of coverage for which the members shall be individually responsible.

Such types and levels of coverage may vary according to population classifications of members, mutual agreement of the Fund and a member, or such other criteria as may be established by the Board of Trustees. The schedule so established may from time to time be amended by the Board of Trustees (but not during any twelve-month coverage period) to sustain the financial integrity of the Fund or to reflect the desires of the members as determined by the Board of Trustees.



4. The members intend this Agreement as a mutual covenant of risk sharing and not as a partnership. No member by reason of being a member of the Fund contributing to the Fund shall be liable to the Fund or to any other member, except for the payment of the contributions provided for in its application for membership and joinder in the Fund, for annual contributions for continued membership as determined by the Trustees, and for any necessary additional assessments levied by the Trustees to offset a claims fund deficiency.

5. The Trustees of the Fund shall establish, operate, and enforce administrative rules, regulations and bylaws governing the relationship between the individual members of the Fund and the Fund.

6. The Board of Trustees is authorized to enter into agreements with such agents, service contractors, persons, firms, corporations and attorneys as it deems appropriate to adjust claims, promote membership in the Fund; provide actuarial services; defend against claims and lawsuits; provide accounting services; secure reinsurance coverage; invest the assets of the Fund; provide loss control and risk management services; maintain records and accounts; and provide any other service necessary or desirable for the sound initiation and operation of the Fund.

7. The Municipal Association of South Carolina, a non-profit corporation with offices at 1411 Gervais Street, Columbia, South Carolina 29201, is designated as the Administrator of the Fund. The Administrator shall provide overall supervision of the Fund and other specified services as agreed to by the Board of Trustees. The Administrator shall deposit to the account of the Fund at any bank or banks designated by the Trustees all contributions as collected and such monies shall be disbursed only as provided by the rules, regulations and bylaws of the Trustees and the Agreement between the Trustees and any agents, service providers or contractors of the Fund. The Administrator shall be reimbursed for its direct and indirect cost for services provided.

8. The Trustees shall effect reinsurance coverage designated to protect the Fund against excess losses in such aggregate and specific amounts as is deemed appropriate. The Fund shall not become effective for risk sharing until it has received applications of members requiring and committing annual contributions totaling at least two million two hundred fifty thousand dollars (\$2,250,000).



9. All members of the Fund hereby agree that the Trustees may admit as members of this Fund only Municipal government units, institutions or agencies in the State of South Carolina. The Trustees shall determine which South Carolina municipalities shall be eligible for future membership in accordance with rules for maintenance of membership established by the Trustees. The Trustees shall be sole judge of whether or not an applicant shall be admitted to membership. A member may be suspended or expelled by the Trustees from the Fund after ninety (90) days notice has been mailed to it and no payment shall be required of the Fund for any claim arising after ninety (90) days written notice has been mailed to the suspended or expelled member.

10. The rules and regulations for the administering of the Fund and the admission and expulsion or suspension of members shall be promulgated by the Trustees. In addition, each member of the Fund agrees as follows:

(a) To follow any reasonable loss prevention and risk management recommendations from the Trustees or contractors of the Fund in order to minimize claims against and losses of the Fund.

(b) In the event a claim is reported to or is known to a member, to give immediate notification of the claim to the Fund in the manner prescribed by the Trustees.

(c) To make prompt payment of all contributions as required by the Trustees, the contributions to be determined by applying sound actuarial principles concerning exposure to risk.

(d) To (and they do hereby) appoint the Fund, as well as its designees, as its agent and attorney-in-fact, to act in its behalf and to execute all contracts, reports, waivers, agreements, excess insurance contracts, and service contracts; to make or arrange for payment of claims and all other things required or necessary, insofar as they affect its liability for claims and awards and as covered by the terms of this Agreement and the rules and regulations as now provided or as hereafter promulgated by the Trustees.

(e) To permit the Fund to defend in the name of and on the behalf of the members any suits or other proceedings which may at any time be instituted against them concerning claims for which the Fund may be obligated to make payment (although such suits, other proceedings, allegations or demands are considered to be wholly groundless, false, or fraudulent) and to pay all judgments and all expenses which are incurred pursuant to the direction of the Fund for investigation, negotiation or defense, from the



Fund. It is agreed that the Fund shall make all final decisions regarding the legal defense of claims, and shall have absolute and conclusive authority with regard to defense, settlement and payment of claims. It is agreed that the independent settlement or payment of any claim by or on behalf of a member, other than first party claims for physical damage within the member's maintenance deductible, without approval of the

Fund shall be at the sole cost of the settling member without any reimbursement or other resources from the Fund; and may be grounds for expulsion of the member from the Fund.

(f) To cooperate in all respects with the Fund, the Administrator and any contractors of the Fund in carrying out the purposes of this Agreement.

(g) In the event of the payment of any loss by the Fund under this Agreement, 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 such loss, and in such event the member agrees to render all reasonable assistance to affect recovery.

(h) The Trustees of the Fund, the Administrator, and any contractor of the Fund and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times to inspect the real and personal property, work places, plants, works, machinery, and appliances of each member covered by this Agreement, and shall be permitted at all reasonable times and within two years after the final termination of a member's membership to examine member's books, vouchers, contracts, documents, and records of any and ever kind which show or tend to show or verify the contribution which is payable under the terms hereof.

(i) Risk sharing by the Fund under the terms of this Agreement shall with respect to any member, expire and be cancelled automatically for nonpayment of contributions, and a member may be expelled from the Fund upon thirty (30) days written notice by mail by the Trustees or their designee to the member specifying the date that cancellation shall be effective.

11. The Fund began operations on a fiscal year from 12:01 a.m. October 1, 1990 (and each October 1 thereafter) to midnight of the last day of September of the succeeding year (the "Fund Year"). As of January 1, 1993 and thereafter, the Fund operates on a fiscal year from 12:01 a.m. January 1 to midnight of the last day of December in the same calendar year (the "Fund Year").

Application for membership, when approved in writing by the Trustees or their designee shall constitute a continuing contract for each succeeding Fund Year unless cancelled by the Trustees.



12. This Agreement may be amended by an agreement executed by those members constituting a majority of the participants in the Fund during the current Fund Year. In lieu of this amendment procedure, the members hereby appoint the Board of Directors of the Municipal Association of South Carolina agents to make any amendments to this agreement which would not fundamentally alter the contemplated arrangement. For purposes of illustration, and not limitation, an amendment to increase or decrease the number of members of the Board of Trustees or their terms shall not be construed as a fundamental alteration of the arrangement, provided that the current term of a member may not be terminated by any such amendment. Written notice of any amendment proposed for adoption by the Board of Directors of the Municipal Association of South Carolina shall be mailed to each member not less than thirty (30) days in advance. Written notice of amendments finally adopted by the Board of Directors of the Municipal Association of South Carolina shall be mailed to each member not more than thirty (30) days after adoption.

13. Any member who formally applies for membership in the Fund and is accepted by the Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof, and such application shall constitute a counterpart of this Agreement. Cancellation of this Agreement on the part of any member, or withdrawal from membership, shall be permitted only at the end of a fiscal or Fund Year.

14. This Fund has been established with the bona fide intention that it shall be continued in operation indefinitely and that the contributions to the Fund shall continue for an indefinite period. However, the Trustees reserve the right at any time to terminate the Fund by a written instrument to that effect executed by the Trustees. Such written termination notice shall be delivered to each member no less than one hundred twenty (120) days prior to the effective date of termination. In the event of such termination, member contributions shall cease as of the date of termination and the assets then remaining in the fund shall continue to be used and applied, to the extent available, for the

- (a) payment of claims arising prior to such termination;
- (b) payment of reasonable and necessary expenses incurred in such termination.

Any monies or other assets thereafter remaining in the Fund shall revert pro rata, based on cumulative loss ratios, translated into fund dollar balances, to the members covered as of the day of





termination. In no event shall any such assets be returned or distributed to any individual. Upon such termination, the Trustees shall continue to serve for such period of time and to the extent necessary to effectuate termination of the Fund.

IN WITNESS WHEREOF, members listed below acknowledge their membership in the Fund and acceptance of obligations thereunder, by the due execution hereof, following appropriate governmental body approval, by its mayor or other duly authorized official. Further, the members of the SC Municipal Insurance and Risk Financing Fund have caused these presents to be signed by their duly authorized Chairman of the Board of Trustees and have had this Agreement attested by its duly authorized Administrator.

SC MUNICIPAL INSURANCE AND RISK FINANCING  
FUND

BY: \_\_\_\_\_  
Chairman, Board of Trustees

MUNICIPAL ASSOCIATION OF SC

BY: \_\_\_\_\_  
Insurance Director Administrator

MEMBER CITY/TOWN

Town of Bluffton

\_\_\_\_\_  
City/Town

BY: \_\_\_\_\_  
Authorized Signee

DATE: \_\_\_\_\_





**RESOLUTION OF INTENT TO PARTICIPATE IN THE  
SOUTH CAROLINA MUNICIPAL INSURANCE AND RISK FINANCING FUND**

**Be It Resolved** that the governing board of the City/Town of \_\_\_\_\_  
(Name of Municipality)

During its regular meeting on \_\_\_\_\_ authorized the City/Town of \_\_\_\_\_  
(Date)  
to request participation in the South Carolina Municipal Insurance  
(Name of Municipality)  
and Risk Financing Fund effective June 30, 2025  
(Date of Coverage to Begin)

**Be It Further Resolved** that \_\_\_\_\_  
(Name of Individual Signing or Signee)  
is authorized to sign all documents required  
(Title)

For the City/Town of \_\_\_\_\_ to participate in the South Carolina Municipal  
(Name of Municipality)  
Insurance and Risk Financing Fund.

**SIGNED:**

**ATTEST:**

(Name of Authorized Signee)

(Name of Witness)

(Title)

(Title)