



MICHIGAN MUNICIPAL  

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RISK MANAGEMENT  

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A U T H O R I T Y

**JOINT POWERS AGREEMENT**

DECEMBER 2008

**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY**

**JOINT POWERS AGREEMENT**

**DECEMBER 2008**

This Agreement is entered into pursuant to the provisions of MCL, 124.1 et. seq., as amended.

WHEREAS, the public interest requires and it is in the mutual interest of the parties hereto to join together to establish and to operate a cooperative program of risk management and risk financing for municipal operations and to accomplish the purposes hereinafter set forth; and

WHEREAS, each of the municipal corporations which is a party to this Agreement has the legal power to establish and operate individually a program of risk management and self-insurance; and

WHEREAS, Section 28 of Article 7 of the Constitution of the State of Michigan authorizes local units of government to contract with each other for the joint administration of any functions or powers which each would have the power to perform separately; and

WHEREAS, MCL, 124.1 et. seq., as amended, authorizes local units of government to contract jointly to undertake cooperative programs and services, including providing risk management and self-insurance coverages; and

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purposes of creating self-insured reserves against losses, providing reinsurance and other insurance, providing administrative services, conducting a comprehensive cooperative program of risk management and risk financing and other joint or cost sharing programs for the mutual benefit of the parties.

WHEREAS, MCL 124.6 states that any self-insurance group organized under MCL 124.1 et.seq, is not an insurance company or insurer under the laws of the State of Michigan; and

NOW THEREFORE, for and in the consideration of the mutual advantages to be derived therefrom and in consideration of the execution of this Agreement by the participating municipal corporations which are parties hereto, each of the parties does agree as follows:

## **ARTICLE 1 CREATION OF AGENCY**

**Section 1 - Name, Address** There is hereby created a separate legal and administrative entity as provided by law, the full legal name of which shall be the Michigan Municipal Risk Management Authority and which may be herein referred to as MMRMA. The business address of MMRMA shall be within the State of Michigan and established from time to time by the Board.

**Section 2 - Powers** MMRMA shall have the power to establish and operate programs of cost savings and risk management services and provide related coverages for the benefit of its Member municipal corporations. By this Agreement the parties agree to provide for and pay the costs of the risk management and risk financing services, and related coverages, to make contributions to MMRMA as provided by this Agreement, and to maintain active and effective programs of risk management and loss prevention.

## **ARTICLE 2 PURPOSES**

**Section 1 - Purposes** - The purposes of the Michigan Municipal Risk Management Authority are:

- a. To provide cooperative and comprehensive risk management and self insurance programs;
- b. To prevent or lessen the frequency and severity of losses occurring in the operation of Member municipal functions;
- c. To defend and/or indemnify its Members, in accordance with this Agreement, administrative rules, Coverage Documents, and Coverage Overviews;
- d. To provide claims administration, legal defense, and related general administrative services to Members; and
- e. To establish procedures whereby additional qualifying Members may be added to this Agreement and establish mechanisms whereby additional and/or alternative programs and services may be developed for the benefit of the Members.

## **ARTICLE 3 LIMITATION OF MEMBER LIABILITY; NONWAIVER OF IMMUNITY**

**Section 1 – Limitations** - Except to the extent of the financial contributions of Members to MMRMA agreed to herein, no Member agrees or contracts to be held responsible for any claims in tort or contract made against any other Member. MMRMA is established as an authority for joint purchasing, risk management and risk financing only within the scope set out. The Members do not specifically herein create, between or among the Members, any relationship or partnership, suretyship, indemnification or responsibility for debts or claims against any other Member. This Agreement shall not relieve any Member of any obligation or responsibility imposed upon it by law, except to the extent that actual and timely performance by MMRMA satisfies such obligation or responsibility.

**Section 2 - Nonwaiver of Immunity** - This Agreement is not intended to, nor does it waive, nor shall it be construed as waiving in any way whatsoever, any immunity provided to the Members or their officers or employees by any Federal, State or local law, ordinance or custom.

## ARTICLE 4 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings hereafter set out:

- a. "Agreement" means this Agreement entered into by Members.
- b. "Board" means the Board of Directors of the Michigan Municipal Risk Management Authority created by this Agreement.
- c. "Coverage Documents" means documents that describe the specific subjects of coverage provided to MMRMA Members, including terms, conditions and exclusions.
- d. "Coverage Overview" means a customized document provided to each Member for each Coverage Year or coverage period that includes, but is not limited to, a list of specific types of coverage provided, coverage effective date and time, coverage expiration date and time, coverage limits, coverage sub-limits, applicable deductibles and/or self insured retention, special endorsements, special terms and conditions, and special exclusions.
- e. "Coverage Year" means a twelve (12) month coverage period as designated by the Board.
- f. "Fiscal Year" means a twelve (12) month fiscal period as designated by the Board.
- g. "General Fund" means funds contributed by Members and used to pay losses, legal fees, and administrative, risk management, reinsurance, debt or other necessary expenses of MMRMA and obligations of Members as required by this Agreement.
- h. "Member" means a municipal corporation as defined by MCL 124.1 et. seq., as amended which is eligible and qualified for MMRMA membership pursuant to Article 6, Section 1 and which has entered into this Agreement. Member also includes any entity or individual as defined in the Coverage Documents for defense and indemnity only as stated in the Coverage Documents.
- i. "Member Representative" means an officer or a full-time employee of the Member designated by the Member as the official contact for MMRMA matters.
- j. "Member Retention Fund" means funds deposited to finance those obligations that are the responsibility of Individual Members or a Pool, including retained losses, legal fees and other expenses.
- k. "Members' Funds on Deposit" means funds deposited and held by MMRMA in the Member Retention Fund on behalf of Individual Members.
- l. "Pool Loss Fund" means funds deposited and held by MMRMA in the Member Retention Fund on behalf of a Pool.
- m. "Membership Class" means levels or types of membership within MMRMA with differing Member rights, privileges or obligations.
- n. "MMRMA" means the Michigan Municipal Risk Management Authority established by this Agreement.
- o. "Officer" means an elected official; an appointed official at least of the department head rank of a Member municipal corporation; a position defined by State law, local charter or ordinance as an officer; an individual certified by the governing body of a Member municipal corporation as serving or acting as an officer of that corporation.

- p. "Pool" means a group of Members that collectively share certain risks and operate pursuant to rules, regulations and restrictions established by the Board.

## **ARTICLE 5 MMRMA POWERS**

**Section 1** - The powers of MMRMA to perform and accomplish the purposes set forth in this Agreement shall be as follows:

- a. To establish and implement educational, technical assistance and other programs relating to risk management;
- b. To establish reasonable and necessary risk reduction procedures to be followed by Members;
- c. To provide or contract for risk management and claims adjustment services including legal defense;
- d. To settle claims;
- e. To employ agents, employees and independent contractors;
- f. To hold or dispose of real and personal property;
- g. To invest funds as authorized by State law;
- h. To assume, cede and sell risk;
- i. To borrow money, contract debts and pledge assets in the name of MMRMA;
- j. To sue and be sued;
- k. To enter into contracts;
- l. To provide all coverages to Members permitted by State law and, within prudent business and industry standards, determine deductible and retention levels for each Member and the amount of risk to be retained and the amount of risk to be transferred to others;
- m. To purchase or provide fidelity bond coverage for officers, directors and employees of MMRMA;
- n. To be subrogated to the rights of its Members and to seek recovery in the name of its Members from any person or entity responsible for a claim or loss;
- o. To establish other joint programs and services.
- p. To perform such other activities as are necessary, expedient, implied, or desirable to carry out the purposes of MMRMA.

## **ARTICLE 6 MEMBERSHIP**

**Section 1 - Eligibility** - Membership in the Michigan Municipal Risk Management Authority shall be limited to municipal corporations, authorized by statute, which have entered into this Agreement. New Members are admitted by the Executive Director in accordance with

underwriting policies and rating plans approved by the Board. The Executive Director shall report new Members to the Board, Membership Committee and Pool Committee. The Executive Director may impose such conditions on membership or coverage as he/she deems appropriate to protect the interests of MMRMA.

**Section 2 - Withdrawal from Membership** - Any Member may withdraw from MMRMA at the end of any Coverage Year by giving at least ninety (90) days notice, in writing to the Executive Director. The withdrawing Member shall be responsible for all obligations after the date of withdrawal that are applicable to the term of membership. Any withdrawing Member shall continue to be subject to all MMRMA Rules and administrative procedures pertaining to Members. Withdrawing Members shall forfeit all rights to any MMRMA assets after withdrawal from membership.

**Section 3 - Termination of Membership, Notice, Hearing** - The Executive Director, with concurrence of the Board, may terminate any MMRMA membership if the Member fails to comply with the provisions of this Agreement including, but not limited to the Obligations of Members in Article 7, MMRMA policies, rules, procedures. Membership may also be terminated by the Executive Director for any one or more of the following reasons:

- a. Filing a false claim or report;
- b. Any action or inaction which impairs the ability of MMRMA to carry out its purposes and powers;
- c. Adverse loss experience or anticipated adverse loss experience; and
- d. Other reasons which the Executive Director in his/her discretion determines to be in the best interest of MMRMA.

No Member may be terminated except after written notice from the Executive Director stating the reason(s) for termination. The Member shall be afforded a reasonable opportunity of not less than thirty (30) days following such notice to cure the stated deficiencies. Termination shall take place effective (30) thirty days after the Executive Director determines that the Member has failed to cure the stated deficiencies. The Member may request a hearing pursuant to Article 8, Section 14 of this Agreement. Decisions of the Board that results in Member termination after notice and hearing shall be final and shall take effect thirty (30) days after the decision to terminate is affirmed by the Board. All former Members shall have continuing obligations as detailed in Article 6, Section 2 of this Agreement.

The Executive Director shall report any membership terminations to the Membership Committee, and Pool Committee.

**Section 4 - Classes of Membership** - MMRMA provides for the following classes of membership:

- a. Individual Members - This class of Members shall include municipal corporations, authorized by statute, that are approved for membership in accordance with Article 6, Section 1 of this Agreement, and maintain a separate self-insured retention.
- b. Pool Members - This class of Members shall include municipal corporations, authorized by statute, that are approved for membership in accordance with Article 6, Section 1 of this Agreement, and have joined with other Members in a Pool.
- c. Affiliated Member - This class of Members includes entities other than the Michigan Municipal Risk Management Authority, created pursuant to MCL 124.1 et. seq., as amended, which have contracted with MMRMA for certain programs or services.

- d. Other classes as may be created by the Board.

## **ARTICLE 7 OBLIGATIONS OF MEMBERS**

**Section 1 - Obligations** - The obligations of Members shall be as follows:

- a. To designate in writing, by the governing body a Member Representative. MMRMA shall not be required to contact any other individual except the Member Representative. All notices or agreements with the Member Representative shall be binding upon the Member. A Member may change the Member Representative by giving written notice to MMRMA.
- b. To pay all contributions or other payments to MMRMA at such times and in such amounts as shall be established by the Board pursuant to this Agreement.
- c. To allow MMRMA and its agents, officers and employees access to all facilities and records of the Member, including but not limited to financial records, as they relate to the purposes of MMRMA.
- d. To report to MMRMA as promptly as possible all incidents or occurrences that could reasonably and possibly be expected to result in a claim against the Member, its agents, officers or employees or for other losses to municipal property, within the scope of loss coverage provided by MMRMA;
- e. To cooperate fully with MMRMA claims adjusters, agents, employees and attorneys selected by MMRMA in activities relating to the purposes and power of MMRMA; all claims and litigation shall be reported promptly to MMRMA.
- f. To allow MMRMA and attorneys selected by MMRMA to represent the Member in the investigation, settlement and litigation of any claim against the Member within the scope of coverages provided by MMRMA.
- g. To follow risk management practices and risk control recommendations required by MMRMA.
- h. To promptly report to MMRMA the addition of new programs and facilities or the reduction or expansion of existing operations and facilities or other acts which could reasonably be expected to affect the Member's loss experiences or create potential risks.
- i. To promptly provide MMRMA all requested information needed for determining Member loss exposures.
- j. To follow and adhere to all terms and conditions of this Agreement, Coverage Documents, and all MMRMA policies, rules and procedures.

## **ARTICLE 8 BOARD OF DIRECTORS**

**Section 1 - Creation, Powers** - There is hereby created a MMRMA Board of Directors which shall be empowered to oversee all affairs of MMRMA and do all things necessary for the furtherance of the purposes of MMRMA. The Board shall exercise all of the corporate powers of MMRMA including but not limited to those contained in Article 5 of this Agreement.

**Section 2 - Size, Election, Qualifications** - The Board shall include ten (10) elected directors. The Board shall adopt procedures for the election of members of the Board provided that the Board shall:

- a. Have nine members elected by the Individual Members from their membership, provided that each Individual Member shall be entitled to one vote;
- b. Have one member elected by the Pool Members from their membership, provided that each Pool Member shall be entitled to one vote;
- c. Serve four year, staggered terms; and
- d. Assume office on January 1, following election.

Board members shall be elected or appointed Officers of Member municipal corporations.

**Section 3 – Removal**

- a. The Board shall remove any Board member upon conviction, guilty plea, or *nolo contendere* plea of the Board member to any felony or to any misdemeanor containing an element of theft, dishonesty or false statement.
- b. Members of the Board who fail to attend three regular Board meetings in a calendar year may, at the discretion of the Board be subject to removal by the Board.
- c. Members of the Board elected by Individual Members or appointed by the Board may be removed by a two-thirds (2/3) vote of the Individual Member representatives. The member of the Board elected by Pool Members may be removed by a two thirds (2/3) vote of the Pool Member Representatives.
- d. The Board may adopt policies and procedures for the removal of Board members that are not in conflict with this Agreement.

**Section 4 - Vacancies** - The Board, by majority vote, shall appoint qualified individuals to fill vacancies on the Board for any unfulfilled term.

**Section 5 - Voting** - Each member of the Board shall be entitled to one (1) vote. There shall be no proxy voting. All motions shall be carried by a simple majority unless otherwise provided by this Agreement.

**Section 6 - Quorum** - Six (6) members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board.

**Section 7 - Manner of Acting** - The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless a greater number is required by this Agreement.

**Section 8 - Compensation** - The Board shall determine what compensation, if any, Board members shall receive. Board members shall have their reasonable and necessary expenses paid by MMRMA.

**Section 9 - Meetings** - The Board shall meet, in regular session, at least two times annually at a time and place to be announced by the Board. At regular Board meetings any item of business may be considered. Special meetings of the Board may be called by a majority of the membership of the Board or the Board Chair. Special meetings business shall be strictly limited to agenda items. All meetings shall be conducted in accordance with the current edition of



Robert's Rules of Order and relevant State law, provided that the Board may establish meeting rules that are designed to meet MMRMA's unique needs.

**Section 10 - Board Officers** - Each year, at the first Board meeting following January 1, the Board shall elect from its membership a Chair, Vice-Chair, and Secretary, as officers of MMRMA. These officers shall serve until their successors are elected and qualified. The Chair shall preside at all Board meetings and, with the advice and consent of the Board, appoint committee members and act as spokesperson for MMRMA. The Vice Chair shall so act in the Chair's absence. The Secretary shall serve as corporate secretary.

**Section 11 - Committees** - The Board may establish advisory and technical committees as deemed necessary or expedient, provided that committee membership, duties and compensation, if any, shall be determined by the Board. The Chair shall, with the advice and consent of the Board, appoint all committee Members and no term shall exceed four years.

**Section 12 - MMRMA Policies, Rules and Procedures** - The Board shall adopt policies, rules and procedures not in conflict with this Agreement that are necessary for the operation and functioning of MMRMA. All Members, contractors, attorneys and other service providers shall be subject to and adhere to such policies, rules and procedures.

**Section 13 - Pools, Affiliate Members** - The Board shall establish policies, rules and procedures pertaining to Pools and may enter into contracts with Affiliated Members.

**Section 14 - Resolving Member Disputes** - The Board shall have ultimate responsibility for resolving Member disputes regarding but not limited to this Agreement, coverage issues, policies, rules, guidelines, administrative procedures, membership status, sanctions, and other Member obligations, rights and privileges. A Member may request a hearing regarding a dispute. Such requests must be in writing. Upon receipt of a request for hearing, the date, time and procedure for the hearing shall be set by the Executive Director. Notice of any action taken by the Board shall be served to the Member by mail. All actions of the Board shall be final and binding on both the Member and MMRMA.

## **ARTICLE 9 EXECUTIVE DIRECTOR**

**Section 1 - Appointment, Authority** - There is hereby created the position of Executive Director, an officer of MMRMA. The Board shall appoint and establish the compensation of the Executive Director. The Executive Director shall be MMRMA's chief executive officer and shall be responsible to the Board for the proper administration and conduct of all affairs, programs and services offered by MMRMA. All agents, employees and independent contractors shall report to the Board through the Executive Director and shall be supervised by the Executive Director. The Executive Director is authorized to settle all cases involving the coverages provided by MMRMA. The Executive Director shall prepare and submit to the Board for consideration prior to the start of the Fiscal Year, a recommended budget for the forthcoming Fiscal Year. The Executive Director shall attest to all official records, sign contracts, select, appoint, and supervise all employees, and do all other things customary to this position. The Executive Director shall be a member of all standing and special committees and shall be entitled to attend all Board and Committee meetings with a right to speak but not to vote on issues.

## **ARTICLE 10 ASSETS, INVESTMENTS**

**Section 1 - MMRMA Funds** - To the extent required by law, all monies, including interest, contributed by Members to MMRMA are subject to relevant State law and regulations pertaining to group self-insurance pools.

**Section 2 - Investments** - In accordance with MCL 124.11 MMRMA assets shall be invested in those securities and investments permitted for insurers in the State of Michigan under the insurance code of 1956, Act No. 218 of the Public Acts of 1956, as amended.

## **ARTICLE 11 FUNDS, MEMBER CONTRIBUTIONS**

**Section 1 - Funding** - MMRMA shall be financed by contributions from its Members. The Board shall adopt policies to determine when contributions are due and may impose charges for late payments.

**Section 2 - Underwriting Policies** - Contributions paid by Members shall be based upon underwriting policies and rating plans adopted by the Board.

**Section 3 - Annual Budget** - The Board shall adopt an annual budget in a form and manner to be determined by the Board. If, at any time, in the opinion of the Board, MMRMA's assets are insufficient to meet anticipated obligations, the Board shall immediately develop a financial plan to restore MMRMA's financial integrity.

**Section 4 - MMRMA Funds Allocation** - Member contributions are allocated to two funds:

- a. **Retention Fund** - The Retention Fund is used to finance obligations that are the responsibility of Individual Members or a Pool including retained losses, legal fees, and other expenses. Members' Funds on Deposit and the Pool Loss Fund reside in the Retention Fund.
- b. **General Fund** - The General Fund is used to finance losses, legal fees, and administrative, risk management, reinsurance, debt or other necessary expenses of MMRMA and obligations of Members as required by this Agreement. MMRMA shall establish reserves based on actuarial principles for General Fund incurred losses, both reported and unreported. Such reserves shall be held in the General Fund.

**Section 5 - Members' Funds on Deposit** - The Board shall adopt policies that establish the minimum amount of funds each Individual Member shall maintain on deposit with MMRMA. Members' Funds on Deposit shall be used to pay losses, allocated loss adjustment expenses, and other expenses that are an obligation of the Member. MMRMA shall invest any Members' Funds on Deposit in a prudent manner and in accordance with relevant State law. Investment earnings shall be credited in a timely and appropriate manner to each Individual Member's account. The Board shall establish guidelines concerning the appropriate amount that each Member shall hold on deposit to pay future losses, both reported and unreported.

**Section 6 - Pool Loss Fund** - The Board shall adopt policies, rules and procedures that establish the minimum amount of funds the Pool shall maintain in the Retention Fund. The Pool Loss Fund shall be used to pay losses, allocated loss adjustment costs, and other expenses that are the obligation of a Pool. MMRMA shall invest the Pool Loss Funds in a prudent manner and in accordance with relevant State law. Investment earnings shall be credited in a timely and appropriate manner to the Pool Loss Fund. The Board shall establish policies concerning the appropriate amount that a Pool shall maintain in the Retentions Funds to pay future losses, both reported and unreported.

**Section 7 - Stop Loss Fund** - The Board may fund and establish policies and regulations for an internal stop loss program for losses retained by Members.

**Section 8 - Supplemental Contribution** - It is the intent of MMRMA to fund, in an appropriate and timely manner, its annual and future obligations without the use of supplementary contributions. However, supplementary contributions may be required by the Board, but only if

administrative and financial obligations should be incurred that were not otherwise anticipated or accounted for in the annual Member contributions.

**Section 9 - Reinsurance and Excess Insurance** - MMRMA shall obtain reinsurance or excess insurance or participate in other risk transfer mechanisms to protect the General Fund.

**Section 10 - Audit** - The Board shall select a qualified certified public accounting firm to audit MMRMA on an annual basis. The audit shall be available to all Members and to others as required by State law.

## **ARTICLE 12 COVERAGES AND COVERAGE DOCUMENTS**

**Section 1 - Coverages** - It is the intent of MMRMA to provide coverages detailed in separate documents. The fact that MMRMA may not, at any one time, offer all coverages authorized by law, shall not act to deter MMRMA from offering such coverages in the future. MMRMA may issue coverage documents to Members that reflect the unique needs of Members and MMRMA. All coverages by MMRMA shall be considered excess only and not primary or contributory when the Member has valid and collectable insurance or other similar protection against a loss covered by MMRMA.

**Section 2 - Coverage Documents** - The Board shall approve the basic Coverage Documents that shall specify the terms and conditions of the coverages offered by MMRMA. Said coverage documents may be modified to meet specific Member or MMRMA needs. Such coverage documents shall be subject to all of the terms and conditions of this Agreement and MMRMA policies, rules, and procedures. In case of any conflict between the coverage documents and this Agreement or MMRMA policies, rules and procedures, this Agreement and/or MMRMA policies, rules and procedures shall be controlling.

**Section 3 - Coverage Issues and Appeals** - The Executive Director shall decide all questions of coverage in specific cases. The Member may appeal the Executive Director's decision to the Board in accordance with Article 8, Section 14 of this Agreement.

## **ARTICLE 13 MEMBER PARTICIPATION IN SETTLEMENTS, MEMBER PRIVILEGE**

**Section 1 - Member Participation** - To the extent possible, MMRMA, its agents, officers, employees and attorneys selected by MMRMA shall keep the Member and MMRMA informed of the status of any claim or case involving the Member including the progress of all settlement negotiations and settlement offers.

**Section 2 - Member Privilege** - The Board shall establish a policy which controls the settlement of property and liability cases or claims providing that the Member may reject recommended settlements. When a Member exercises this privilege, the Member then shall be responsible for all damages, expenses, or costs, of every kind and description, without limitation, that exceed the rejected settlement and accrued loss adjustment expenses through the date of rejection by the Member.

## **ARTICLE 14 LIABILITY OF BOARD MEMBERS, OFFICERS AND EMPLOYEES**

**Section 1 - Liability** - Board members, officers and employees of MMRMA shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or committed by them in good faith or for any action taken or omitted by any agent,

employee or independent contractor who was selected with reasonable care. No Board member shall be liable for any actions taken or not taken by any Member or other Board members.

**Section 2 - Bond, Defense** - MMRMA may provide for a bond or other security to guarantee the faithful performance by each Board member, officer and employee. The Michigan Municipal Risk Management Authority shall hold harmless and defend and indemnify current and past Board members, officers or employees for actions taken by any such person in good faith within the scope of his or her authority or duties for MMRMA. Any available insurance shall be primary to any obligation of MMRMA.

## **ARTICLE 15 CONTRACTUAL OBLIGATIONS**

**Section 1 - Contract** - This Agreement, when approved by the governing body and signed by the Member Representative or other proper official, shall be an intergovernmental contract among the Members.

**Section 2 - Venue** - The Member agrees that all legal actions against MMRMA shall be brought only in the County where the principal offices of MMRMA are located.

**Section 3 - Severability** - In the event that any article, provision, clause or other part this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such action or unenforceability shall not affect the validity or enforceability with respect to any other article, provision, clause, application or occurrence. This Agreement is expressly declared to be severable.

**Section 4 - Amendments** - This Agreement may be amended by approval of three-fourths (3/4) of the members elect of the Board.

## **ARTICLE 16 DURATION, DISSOLUTION**

**Section 1 - Duration** - This Agreement, when accepted by the Member and MMRMA, shall remain in effect until canceled, modified, or amended by the parties provided that the Coverage Documents and Coverage Overview may be modified or amended without the need to modify or amend this Agreement. Any withdrawing Member shall continue to be subject to all MMRMA policies, rules and procedures pertaining to Members. Withdrawing Members shall forfeit all rights to any MMRMA assets after withdrawal from Membership.

**Section 2 - Dissolution** - While it is the intent to establish the Michigan Municipal Risk Management Authority in perpetuity, this Agreement may be terminated on July 1 of any year by a vote of two-thirds (2/3) of the entire Member Representatives. This Agreement may also be terminated in the manner provided by law. If for whatever reason this Agreement is terminated, the Board of Directors shall be responsible for taking all actions necessary to complete MMRMA's dissolution. Remaining MMRMA assets, after the payment of all obligations and the establishment of necessary reserves, shall be distributed to the Members in accordance with policies adopted by the Board.

**ACCEPTANCE**

The Member acknowledges that it has read and agrees to be bound by all terms and conditions of this Agreement.

Accepted:

**MEMBER**

\_\_\_\_\_  
Member Name

\_\_\_\_\_  
Signed:

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY**

\_\_\_\_\_  
Michael L. Rhyner, Executive Director

\_\_\_\_\_  
Date