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**AMENDED AND RESTATED  
JOINT POWERS AGREEMENT  
and  
DECLARATION OF TRUST**

**Idaho Independent Intergovernmental Authority**

This AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, for the purpose of facilitating the collective participation and negotiation of its agencies health benefits coverage with vendors doing business in Idaho or through health benefit pooling and/or self-funding.

**I. RECITALS**

WHEREAS, public agencies are authorized to provide their officers and employees with health care benefits; and

WHEREAS, the undersigned, hereinafter designated as the “Agency” or “Agencies”, is authorized by Idaho Code Section §67-2326 et seq. to enter into agreements with one or more public entities for the purpose of jointly exercising any power common to said public entities; and

WHEREAS, the Agency is authorized by Idaho Code Section §41-4101 et seq. to provide for joint public agency self-funded health care programs; and

WHEREAS, the Agency has been duly authorized by its respective governing body to enter into this JPA with the Idaho Independent Intergovernmental Authority; and

WHEREAS, it is the intention of the Parties to this JPA to create an irrevocable trust fund for the purpose of funding health benefits for the Agencies’ employees pursuant to a joint public agency self-funded health care program.

NOW, THEREFORE, BE IT AGREED BY AND BETWEEN the parties hereto as follows:



## II. DEFINITIONS

“III-A” or III-A Trust” “Trust” - The Idaho Independent Intergovernmental Authority established pursuant to the statutes of this state by this Joint Powers Agreement.

“III-A Plan” or “Plan” - The Idaho Independent Intergovernmental Authority Benefits Plan established pursuant to the statutes of this state. The joint public agency plans of benefits, self-funded or jointly purchased, established by the Joint Powers Agreement and documents relating thereto, and under which payment for Employee III-A health benefits, as defined in the Plan Documents, regularly provided for or promised from funds created or maintained in whole or in part by contributions or payments thereto by a public agency employer, or by a public agency employer and the employees of the public agency.

“Board” - The Board of Trustees of the III-A Trust, which shall serve as Trustees as required by Idaho Code, Title 41, Chapter 41. Specific Board and Trustee assignments are designated in Article IX herein.

“Agency” or “Agencies” - The political subdivision(s), as identified in Idaho Code §§ 6-902(2), 41-4102(9), and 67-2327, which qualify and agree to the terms of this Joint Powers Agreement or any subsequent amendment thereto. Agencies also include collective bargaining eligible groups that provide police or fire services to government entities that are eligible to participate in collective bargaining as a bargaining unit.

“Joint Powers Agreement” or “JPA” - This Agreement and Declaration of Trust wherein political subdivisions agree to participate in the offers of III-A as set forth by the Board and any subsequent modifications or amendments thereto.

“Trustees” - The members of the Board and their successors provided for in this JPA.

“Agency Delegate” or “Delegate” - The appointed individual to represent each Agency at a meeting to vote on III-A Trust business. These Agency Delegates are collectively referred to as the “Agency Delegation” or “Delegation”.

“Employee” - All persons employed by an Agency, which may include elected officials and part-time employees, who are eligible for benefits under this JPA and the eligibility rules of the Trust. The term “Employee” also includes retirees of Agencies, provided that such participation complies with Idaho law and there has been no lapse in coverage between active status and retired status.



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“Third Party Administrator” - The entity designated by the Trustees to administer the Plan. Such Third-Party Administrator is a fiduciary agent of the Trustees.

“Fund” - The trust fund created by this instrument, and shall mean generally the monies, property, contracts, or things of value, tangible or intangible, received and held by the Trustees for the uses, purposes and Trust set forth herein, and those things of value which comprise the corpus and additions to the Fund. The Fund is an irrevocable trust fund, which means the Agency does not retain any power to alter, amend, revoke or terminate the transfer of funds held in the trust fund. Funds in the trust fund are fiduciary funds.

“Agency Contributions” - Contributions made by each Agency to the Fund for the Plan.

“Employee Contribution” - The contributions made by the Employees of the Agencies to said Fund.

“Plan Document” The benefit agreement, the administrative services agreement, or any other agreement entered into by the Board of Trustees, and the summary plan description, schedule(s) of benefits, and/or any other documents, working rules, policies, or any and all other documents produced in furtherance of the Plan and submitted to DOI for review.

“Executive Director” - The individual that is the chief administrative official of the Agency and has the power to hire and fire III-A employees.

### **III. PARTIES**

The parties to this JPA shall be those public agencies which qualify and agree to the terms of this Joint Powers Agreement or any subsequent amendment thereto.

### **IV. PURPOSE AND COMMON POWER**

The purpose sought to be achieved by the parties to this JPA is the joint exercise of the powers conferred by Idaho Code Section §67-2326 et seq. and Idaho Code Section §41-4101 et seq. to provide public Agencies with health benefits in the most cost- effective manner possible while



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emphasizing quality, price stability, and financial solvency. The Agencies will seek to accomplish this purpose through health benefit pooling, as authorized by Idaho Code Section §41-4101 et seq.

It is the intent of the Agencies of III-A to create an entity with unlimited duration which will administer self-funded health care plans. All income and assets of the III-A shall be at all times held in Trust and dedicated to the benefit of its Agencies.

**V. IDAHO INDEPENDENT INTERGOVERNMENTAL AUTHORITY**

By this JPA there is created the Idaho Independent Intergovernmental Authority, a separate public agency formed to carry out the purposes set forth above. The debts, liabilities, and obligations of the III-A Trust shall not be debts, liabilities or obligations of the respective parties hereto except as otherwise provided in this JPA.

III-A shall be comprised of those political entities which have entered into this JPA or any subsequent amendment to this JPA by and through an individual duly authorized to execute this JPA, and who have agreed to tender the appropriate contributions. This JPA shall be automatically renewed, annually or periodically, consistent with Board established policy terms, unless the provision for withdrawal, expulsion, or termination are applied in compliance with the terms of this JPA or adopted Board policy.

**VI. NON-WAIVER**

The Agencies, by participation in this program, do not waive any immunities or limitations of liability provided to political subdivisions or their employees by law of the State of Idaho or the United States; provided, however, this paragraph or any other terms as stated in this Joint Powers Agreement does not abrogate or waive in any way whatsoever the standards of conduct as to fiduciary responsibilities of the Trustees either individually or collectively as the Board as required under titles 41 and 68, Idaho Code or other applicable law.



## **VII. IRREVOCABLE TRUST FUND**

Financial operations of III-A are committed to the sound discretion of the Board with the primary intent being the long-term solvency of the program through the use of an irrevocable trust; said Trust Fund shall be actuarially sound, that its assets and income must be adequate under reasonable estimates for payment of all benefits promised to beneficiaries of the Plan. Contributions from Agencies shall be determined by the Board, considering, among other factors, risk exposure as determined by actuarial information, loss experience, net operating expenditures, costs of administering claims, and other appropriate or necessary costs.

The Fund is an irrevocable trust fund, which means the Agency does not retain any power to alter, amend, revoke, or terminate the transfer of funds held in the Trust Fund. Funds in the Trust Fund are fiduciary funds.

The III-A Joint Powers Agreement establishes an Irrevocable Trust Fund which shall consist of funds the Board deems reasonably sufficient to annually produce the sum of money necessary to fund benefit claims and claims expenses, provide for any stop loss insurance, excess insurance requirements, provide for fidelity bonds, other operating expenses, plus funds necessary to meet the III-A's obligation to satisfy the requirements of any regulatory authority. The Trust Fund shall be legally liable for payment of all applicable benefits stated in the statement or schedule of benefits in effect at the time a claim thereunder arises.

The name of this Trust is and shall be the "III-A Trust" and shall in all respects be governed by the laws of the State of Idaho and administered to accomplish the purposes expressly, and by necessary implication, contained herein.

The express purpose and primary objectives of the Trust are:

1. To establish and maintain a program of providing and maintaining health benefits for Employees of Agencies;
2. To pay for costs of wellness programs designed to improve the health of employees;
3. To pay for incurred claims, for costs of administration and related expenses of self-funded programs;
4. To empower the Trustees to enter into contracts to provide benefits; and
5. To reimburse the Trustees for any other expenses necessarily or properly incurred by them in the performance of their duties under this JPA.



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The foregoing expressions of purpose are not exhaustive and, in addition to other related objectives reasonably inferred from that list, the Trust shall have such other objectives as may be lawful under Idaho law.

## **VIII. AGENCY DELEGATION**

Each Agency may appoint an Agency Delegate to represent it at the annual meeting of the Agency Delegation. At this meeting, the Board shall report to the Delegation and the Delegation shall elect the Board of Trustees as provided herein. Each Agency may change its Delegate at any time. Each Delegate is entitled to cast one vote on each action item at any duly constituted meeting of the Delegation at which he or she is present; provided, however, that a Delegate may not vote on a matter specifically pertaining to the Delegate personally or a matter specifically pertaining to the Agency that the Delegate represents.

A minimum of ten Delegates must be present for the transaction of III-A business at a meeting of the Delegation. A vote of a majority of the Delegates present at any such meeting shall be sufficient to approve an action of the Agency Delegation.

## **IX. BOARD OF TRUSTEES OF TRUST**

### **A. APPOINTMENT.**

The membership of the Board shall consist of no more than thirteen Trustees. Only Agencies with three or more years of continuous participation in a III-A medical plan shall be eligible to serve as a Trustee. Agencies participating in only dental, vision, or mental health benefits are not eligible to serve on the Board. The Board shall be made up as follows:

Trustees Seats One through Three shall be chosen based on the number of employees enrolled in the III-A Trust's medical program. The three Agencies having the highest number of enrolled employees shall have a Trustee on the Board of Trustees. Ninety (90) days prior to the annual Agency Delegation meeting, the Board shall verify the number of enrolled employees for each Agency in order to determine the three Agencies entitled to a Trustee position on the Board of Trustees. Such Trustees shall hold Trustees Seats One through Three on the Board of Trustees.



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Trustee Seats Four through Eight shall be elected from the Delegation, provided that no Agency shall have more than one (1) Trustee on the Board of Trustees.

Trustee Seats Nine and Ten shall be appointed by the Board of Trustees.

Trustee Seats Eleven, Twelve, and Thirteen shall be designated as Founding Agency Seats and shall be elected only by a majority of the Agencies that joined at the inception of the Trust. Any Founding Agency with any lapse in membership with the Trust will not be eligible for a Founding Agency Seat or vote. The eligible Founding Agencies are: Aberdeen, American Falls, Arco, Blackfoot, Cascade, Council, Donnelly, Downey, Dubois, Fruitland, Grangeville, Homedale, Ketchum, Kooskia, Lava Hot Springs, Menan, Minidoka Irrigation District, New Meadows, New Plymouth, Nezperce, Oakley, Paul, Potlach, St. Anthony, Victor, and Wilder.

After the initial term, all seats shall serve a term of three (3) years.

If an Agency holding a Trustee Seat withdraws or is involuntary terminated from III-A, the Board shall appoint an eligible Agency for that Trustee Seat for the remainder of the term.

#### **B. QUALIFICATIONS OF TRUSTEES.**

Employees of an eligible Agency, members of the City Council, Commissioners, or members of a governing board may serve as Trustees.

The executive officer of an agency cannot serve as a Trustee. Idaho Code Sections §§41-4115 and 18-1361 prohibit an individual from being a Trustee if they receive any financial benefit from the Trust. An individual cannot serve as a Trustee if the individual is: 1) deemed to have a conflict of interest in the success of the III-A Trust; or 2) is deemed to benefit financially in either the success or failure of the III-A Trust.

#### **C. ATTENDANCE AND STANDARD OF CONDUCT FOR TRUSTEES.**

1. Each Agency shall designate an alternate for their seat on the Board of Trustees. When a Trustee is unable to attend a meeting, the alternate should attend the meeting in their absence. The alternate is encouraged to attend all Trustee meetings, as they are available, to stay informed of the Trustees' decisions and workings in the event the Trustee is unable to attend and they become the voting Trustee.



2. If a Trustee fails to attend, or send an alternate, to more than half the meetings in a year, the Chairperson may recommend their removal from the Board of Trustees. The Agency will receive notification of the Chairperson's action. The notification will request that the Trustee be replaced unless there is a legitimate reason for the absences. If the agency is unable to appoint a Trustee to fulfill the attendance obligation, the Chairperson may replace the Agency on the Board of Trustees.
3. Situations of actual or potential conflicts of interest are to be avoided by all Trustees. The receipt of gifts or gratuities (with a value greater than \$50.00) or the receipt of benefits or "perks" creates an actual or potential conflict of interest. Additionally, conducting work similar to work performed by III-A outside of III-A's supervision creates an actual or potential conflict of interest. The Trustees shall be required to execute annual conflict of interest disclosure statements, consistent with the requirements of Idaho Code §§41-223(1), 41-4115, and Title 68, Idaho Code. The Trustees shall also require all contractors to execute conflict of interest disclosure statements. If III-A determines an actual or potential conflict of interest exists, III-A may take whatever action is appropriate according to the circumstances.
4. Behaviors or actions that may result in removal include, but are not limited to: failure to disclose a conflict of interest; violation of confidentiality; attempting to use information obtained as a board member for personal, financial, or other gain; improper behavior that brings risk or negative publicity including accusation or conviction of a felony or publicly speaking out against III-A; and abuse of other board members, agency members, staff, or the families of such persons.

#### **D. RESIGNATION OF TRUSTEES.**

A Trustee may resign upon giving thirty (30) calendar days' notice in writing to the Chairperson of the Board of Trustees. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Chairman or by such other officer, and the acceptance of such resignation shall not be necessary to make it effective. The Agency may appoint the alternate to take over as the Trustee or may appoint another eligible representative to serve the remaining term.

#### **E. REMOVAL OF TRUSTEES.**

A Trustee may be removed from the Board with or without cause by a two-thirds vote of the Trustees. The agency will be notified of such removal by the Board Chairperson. The agency will be





granted thirty (30) days to appoint a new Trustee and notify the Executive Director. If an Agency holding a Trustee seat withdraws or is involuntarily terminated from III-A, the Board shall appoint an eligible Agency for that Trustee Seat for the remainder of the term.

**X. MEETINGS OF THE BOARD OF TRUSTEES**

The Board of Trustees shall meet at least once each quarter. Minutes shall be kept of all Board and Delegation meetings by the Executive Director of the Trust. A simple majority of the Board shall constitute a quorum for the transaction of business.

All meetings of the Agency Delegation and the Board shall be subject to the Idaho open meetings act (Idaho Code §74-201 et seq.). The Board shall adopt rules and regulations for conducting Delegation and Board meetings in conformity with the law.

**XI. OFFICERS OF THE BOARD**

The officers of the Board shall consist of the Chair, Vice-Chair, and Secretary.

The Chair shall be responsible for developing meeting agendas and conducting meetings and shall be authorized to make administrative decisions on behalf of III-A subject to Board policies.

The Vice-Chair shall fulfill the Chair's duties in his or her absence.

The Secretary or his or her designee shall cause minutes of all meetings to be kept and shall, upon request, cause a copy of the minutes to be forwarded to any Agency of III-A. The Secretary shall fulfill the duties of the Chair and Vice-Chair in their absence.

**XII. POWERS AND DUTIES OF III-A BOARD OF TRUSTEES**

**A. POWERS AND DUTIES.** The Trustees shall have all powers with regard to Trust property granted by Idaho law on the date hereof, and, in addition, shall have the following specific powers:



1. To hold, manage, care for, and keep the Fund and collect the income and increments thereof, and keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter mentioned;
2. To employ or hire such agents, attorneys, accountants, actuaries, consultants, employees, or other persons, and may lease premises and equipment, as may be necessary or desirable in administering the Fund and carrying out the objects and purpose of this Trust. The necessary and reasonable fees, salaries, wages, emoluments, or compensation of any and all such persons shall be paid from the Fund;
3. To sell, convey, transfer, pledge, lease, or otherwise dispose of the same without the approval of any court and without any notice to Agencies and without obligation upon any person dealing with the Trustees to be responsible for the application of any money or other property delivered to them to the extent permitted by Idaho law.
4. To pay any and all expenses of whatsoever nature the Trust is or may be obligated to pay and incur any expenses for supplies, rental of space, or other items or anything else believed to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Trust;
5. To borrow money for the purposes of the Trust and to give security therefore;
6. To exchange property or securities for other property or securities;
7. To vote, either in person or by proxy, any shares of stock held as part of the assets of the Trust;
8. To collect the principal or income of the Trust as the same shall become due and payable and, if necessary, to take such legal proceedings as it may deem advisable in the best interests of the Trust to collect any sum of money due to the Trust. The Trustees shall be under no obligation to commence suit unless they shall first have been indemnified by the Agencies with respect to expenses or losses to which the Trust may be subjected through taking such action;
9. To have all right, power, and authority to do all those things which, in the opinion of the Trustees, may be necessary or desirable for the administration and operation of and accomplishments of the objectives and purposes of the Fund and this Trust and JPA in compliance with title 41, chapter 41, Idaho Code.



**B. AUTHORITY OF TRUSTEES.**

1. The Trustees, in carrying out the purposes of this JPA, shall have the power and the right to provide the intended benefits under this Trust by means of self- funding.
2. Except as limited by law, a majority of the Trustees may designate one or more of the Trustees or another individual to act on behalf of all the Trustees in writing. A third party dealing with the Trustees may conclusively presume that any exercise of power within the scope of a written designation is authorized by the Trustees and is in accordance with the terms of this JPA. In the absence of such written designation, any action approved by a majority of the Trustees shall be conclusively binding.
3. The Trustees may, subject to their discretion and the continuing right to change, obtain for the beneficiaries of the Trust the forms of employee benefits.
4. All contributions must be deposited in the name of the Trust. All corpus or portions of the Fund not expended may be deposited in the name of the Trust in such depository or depositories or investments as the Trustees shall from time to time select, as authorized in writing, and any such deposit or deposits should carry or bear interest. The Trustees are empowered to receive for the benefit of the Fund such interest as might accrue on the above deposits. If not so deposited, any accumulated funds not currently required for the purposes of this Trust shall be invested by the Trustees in reasonably secure, reasonably liquid investments permitted for investment of such funds pursuant to Idaho law.
5. The Trustees may invest reserves required by Idaho Code §41-4110 and other funds available for the purposes of the Trust in investments authorized by Idaho Code §41-4109. All such investments shall be made and held in the name of the Fund, and the interest and yield thereon shall inure to the account of the Fund. No investment shall be made unless authorized in writing by the Trustees and so shown in the records of the Trust. Any Trustee or other person who authorizes any investment of Fund moneys in violation of Section 41-4109, Idaho Code, shall, in addition to other penalties provided under Idaho law, be liable for all loss suffered by the Fund on account of the investment. No investment made in violation of Section 41-4109, Idaho Code, shall constitute an “asset” in any determination of the financial condition of the Fund.



6. The Trustees shall not receive compensation from the Trust for their services rendered. The Trustees shall receive reimbursement for actual reasonable expenses incurred and travel per diem as set forth by the Trustees.
7. All checks, drafts, vouchers, or other withdrawals from the Fund or depositories or investments shall first be authorized by the Trustees and then signed by appropriate signators, except that checks for claims payment and authorized expenses may be signed by an authorized representative of the Third-Party Administrator responsible for administering the self-funded benefits.
8. In the event there shall be any disagreement between the Trustees and the Third-Party Administrator or any third-party contractor over exercise of powers granted herein, the Trustees shall prevail, and the service organization shall have no liability to any person with respect to such act or omission in the event it shall give notice in writing of its dissent from such act to each Trustee and to each Agency.
9. The benefits to be provided hereunder shall be set forth in an employee booklet that shall be provided to each employee-beneficiary of the Plan. Summary plan descriptions and summary benefits coverage (“SBC”) shall be provided as required by law.
10. The accounting year of the Fund shall be on a fiscal year basis, commencing on the first day of October of each year, and ending on the last day of September of the following year, provided that the first fiscal year of the Trust shall begin on the date of registration with the State of Idaho and end on the last day of September 2012. Any report required by city, county, state, or federal law, or the law of the respective subdivisions thereof, shall be made by the Trustees. The Trustees shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant (“CPA”) in accordance with generally accepted accounting practices, at the end of each fiscal year. The CPA shall certify the accuracy of his audit and accounting. A statement of the results of each audit shall be available for inspection by authorized persons for a period of not less than five (5) years. Copies of the audit and generalized statements of the accounting and reports shall be delivered to each Trustee and available at the request of each Agency after each audit or at other times when necessary. In addition to the audit required by this Section, the Trustees shall promptly make the books, records, and accounts of the Plan and Trust Fund available



- to the Director of the Idaho Department of Insurance and do all other things necessary to comply with the examination requirements of Idaho Code §41-4113.
11. On an annual basis the Trustees shall contract for an actuarial study of all self-funded programs to establish reserve levels, set appropriate funding and contribution rates, and ensure compliance with state and federal laws and regulations. The Trustees shall provide reports as required by the Department of Insurance.
  12. The Trustees shall have the power to adopt rules and regulations for the administration of the Fund and/or Trust, which shall be consistent with the covenants, terms, conditions, obligations and duties as set forth in this JPA, and such rules and regulations shall be binding upon all persons dealing with the Trust and upon any and all persons claiming any benefits hereunder; provided such rules and regulations shall not conflict with any provision of this JPA.
  13. The Trustees shall procure dishonesty insurance policies or surety bonds for the Trust and persons authorized to receive, handle, deal with, or draw upon the monies in the Fund for any purpose whatsoever, said bonds to be in such reasonable amount to reasonably aid in reimbursing bondable loss of money, and in any event shall meet the requirements as may be required, from time to time, by applicable United States or Idaho law, including Idaho Code §41-4114(3). Such bonds are to be obtained from a reputable fidelity or surety company or companies as the Trustees shall determine. Any such bonds or policies shall only be cancelled upon giving no less than thirty (30) days' written notice to the Trustees and to the Director of the Idaho Department of Insurance. The cost of the premiums on such bonds shall be paid out of the corpus or income of the Fund.

### **XIII. FUNDS OF THE III-A TRUST**

#### **A. ESTABLISHMENT OF TRUST FUNDS.**

The Board shall establish an irrevocable trust fund for the purpose of receipt of contributions, making claim payments, payment of premiums to insurers contracting with III-A, and administrative expenses under III-A's self-funded program(s). Revolving bank accounts may be established to facilitate payment of claims provided such accounts are established as irrevocable trust funds. Deposits to and withdrawals from these funds shall be made as provided herein. All money acquired



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by or belonging to III-A shall be kept in said irrevocable trust funds and all funds of III-A are fiduciary funds. Books and records of III-A shall be open for inspection at all reasonable times.

## **B. ANNUAL CONTRIBUTIONS.**

For each fiscal year commencing October 1st and ending September 30th, each Agency that is a party to this JPA shall contribute to III-A an amount equal to the total estimated annual cost of its participation in the self-funded programs of III-A, as calculated by the Board, paid in advance to III-A in monthly installments based upon the number of employees enrolled in each program. All contributions shall be payable to the name of the Trust and shall be paid in the manner and form determined by the Trustees. All Agencies shall comply with the Prompt Payment Act, title 67, chapter 23, Idaho Code. Contributions shall be deposited and disbursed from a trust fund created and existing under this JPA between the Agency and Board of Trustees. The purpose of this Trust is to provide for the pooling of contributions for health care costs as described in Title 41, Chapter 41 of the Idaho Code. If employees are required to pay for any portion of the contribution, such payment shall be by regular periodic payroll deductions and shall be paid by the Agency to the Trust Fund on a monthly basis, except as to contributions made by an employee during his absence from employment for such period as the Plan may reasonably provide.

Subject to the provisions providing for termination of this JPA, all Contributions to the Trust shall be irrevocable, and under no circumstances shall any monies properly paid into the Trust, or any part of the Trust, be recoverable by or payable to the Agencies or any Employee, nor shall any of the same be used for or diverted to purposes other than for the exclusive program of benefits for Employees and beneficiaries provided hereunder.

Prior to payment to an Employee or his or her beneficiary, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any Employee or any Agency. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, levy of execution, bankruptcy proceedings, or other legal process at any time subject to the Trustee's possession and control; but in any event such assets shall be subject to such process only to the extent of such Employee's benefits hereunder as they fall due.

No Employee or other beneficiary shall have any right or claim to benefits under the Plan except as specified in the self-funded benefits procured or entered into pursuant to this JPA. Any dispute as to eligibility, type, amount, time, or duration of benefits provided by the Trust as self-funded



shall be decided by the Trustees, subject to the Employee's right to external review as provided in Idaho Code, Title 41, Chapter 59.

**C. ADJUSTMENT OF CONTRIBUTIONS.**

During the course of each fiscal year covered by this JPA, the Board shall review and determine whether contribution rates should be adjusted to reflect substantial changes in anticipated costs or other unforeseen events occurring after the commencement of the fiscal year. In the event the Board determines that an immediate change in contribution rates is required, the Board shall provide at least sixty (60) days' notice to Agencies before such a change in contribution rate is affected.

**D. CONTRIBUTIONS FOR FUTURE YEARS.**

For each fiscal year, the Board shall transmit to each party no later than sixty days preceding the commencement of the new fiscal year the Agency's contribution rates for such year. The contribution rates so projected shall constitute the limit of each party's annual liability for costs unless subsequently adjusted by the Board of Trustees as herein provided.

**E. CONSEQUENCES FOR NON-PAYMENT.**

Any Agency's membership may be cancelled in the event of a failure of the Agency to pay any contribution as required in this JPA. Should any contribution remain unpaid for more than thirty (30) days after initial notice is sent from the Trust to the Agency, the Trust will send another notice advising the Agency that it is in default under the terms of this JPA, and that the Agency's membership will be cancelled within thirty (30) additional days unless full payment is received. Failure to make full payment as required in the notice of default shall be considered a withdrawal by the Agency effective on the date of cancellation specified in the notice of default; and no coverage shall apply to any claims submitted subsequent to the effective date of cancellation that arise from occurrences taking place during the current protection period. An Agency cancelled for non-payment shall remain liable for a prorated share of the current year's contribution and for all retrospective adjustment contributions through the date of cancellation and attributable to prior years of coverage in which it participated. An Agency desiring to retain membership but unable to make the current contribution payment may seek to arrange a payment plan with the Trust to supersede the terms herein.



#### **XIV. LIABILITY OF BOARD**

The Trustees of III-A owe a duty to the beneficiaries of the Trust to comply with prudent investor rules set forth in Title 68, Chapter 5 of Idaho Code. Trustees shall invest and manage trust assets as a prudent investor would and Trustees must make reasonable efforts to verify facts relevant to the investment and management of Trust assets. Provided Trustees comply with their fiduciary duties, they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee, or independent contractor selected with reasonable care, except with regard to liability as stated in Idaho Code §41-4109(5) or other violations of title 41, chapter 41, Idaho Code. No Trustee shall be liable for any action taken or omitted by any other Trustee. The assets of III-A shall be used to defend and indemnify any Trustee, officer, or employee for actions by such person in good faith within the scope of his or her authority for III-A as public officials in the State of Idaho.

#### **XV. ELIGIBILITY FOR MEMBERSHIP**

Pursuant to this JPA and any membership policies adopted by the Board, a “public agency” as defined in Idaho Code Section §41-4102(9) (hereinafter “entity/agency”), may be eligible for participation in the III-A programs established pursuant to this JPA if, and only if, such public entity/agency satisfies all of the following requirements:

- A. The public entity/agency must be located within the State of Idaho.
- C. The Joint Powers Agreement shall be signed by the governing body of such public entity/agency and shall provide written authorization for the participation, such as approved meeting minutes or a resolution, of the entity/agency into this program.
- D. The Joint Powers Agreement must be accepted by a majority of the entire membership of the Trustees of the Board before taking effect. The decision of the Board shall be final.
- E. All eligible employees of Agencies must participate in programs offered by III-A except elected officials and individuals who provide proof of other medical, dental, or vision benefit coverage under a policy on which the coverage is primary for the employee seeking to waive coverage and would remain primary whether or not the employee is covered by the III-A. Retirees of the Agencies





may also participate in III-A programs, provided such participation complies with Idaho law and provided that there has been no lapse in coverage between active status and retired status.

**XVI. WITHDRAWAL BY AGENCY**

**A. NOTIFICATION.**

Any Agency may elect to withdraw from membership in the III-A and from participation in its programs effective September 30th of any year by giving written notice to III-A by no later than June 30th at 12pm MT of the same year. For all Agencies that are full participants in the III-A, it shall be a condition precedent to the making of such an election that the Agency has completed not less than three (3) full fiscal years as a member of III-A immediately prior to the proposed effective date of its withdrawal. For any Agency participating only in dental, vision, or mental health benefits, it shall be a condition precedent to the making of such an election that the Agency has completed not less than one (1) full fiscal year as a member of III-A immediately prior to the proposed effective date of its withdrawal. The notice of withdrawal shall consist of a resolution adopted by the governing body of the Member, expressly stating the party's intention to exercise its right hereunder to withdraw effective the next succeeding September 30.

An Agency that withdraws without complying with the above paragraph will be subject to a penalty equal to the contributions paid or charged against the Agency for the twelve (12) month period prior to the effective date of the Agency's unauthorized withdrawal. The penalty shall be paid in full within ninety (90) days following the date of unauthorized withdrawal. In the event that such penalty is determined to be a violation of Article VIII, Section 3, of the Idaho Constitution, such penalty shall not be assessed.

**B. UNFUNDED LIABILITY.**

In addition to any fees required to be paid in subsection A, a withdrawing Agency must pay in full the amount of its proportionate share of any cumulative unfunded liability as determined by the Board. Upon withdrawal, the Trust will provide the currently known amount of unfunded liability and the withdrawing agency shall pay in full within ninety (90) days following the date of unauthorized withdrawal. From the date of withdrawal, claims may continue to be processed for one full year and the withdrawing member is obligated to fulfill its entire amount of unfunded liability.



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**C. RE-ADMISSION.**

An Agency, which has withdrawn, must be a non-member of III-A for a period of two (2) complete program years and must apply for membership pursuant to Section XIV.

**XVII. INVOLUNTARY TERMINATION OF AGENCY**

III-A may, if it deems such action necessary to achieve the purposes stated hereinabove, elect to terminate any Agency's participation under this JPA without that Agency's consent. The terminated Agency shall have the financial responsibilities expressed in Article XV.B. Such action may only be taken upon an affirmative vote of two-thirds of all the members of the Board of Trustees followed by ninety (90) days' written notice to the party of its involuntary termination.

**XVIII. DISSOLUTION OF III-ATRUST**

The term of this agreement is intended to be perpetual. III-A may elect at any time to terminate its joint activities carried on pursuant to this JPA. Such election to terminate shall not be effective unless authorized by duly adopted action of each of the governing bodies of at least three-fourths of the current III-A Agencies and by written request of the Board of Trustees to the Director of the Idaho Department of Insurance and entry of his or her order terminating said Plan and Trust Fund in accordance with Section 41-4118, Idaho Code, or its subsequent equivalent.

In the event of termination of this Joint Powers Agreement such that III-A is dissolved, all assets of said Plan and Trust Fund shall be liquidated, and such liquidation shall be conducted by the Board of Trustees under a plan of liquidation in writing filed with the Director of the Idaho Department of Insurance and approved by the Director in accordance with section 41-4119, Idaho Code, or its subsequent equivalent.



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**XIX. ACCESS TO EMPLOYEES**

Agencies agree to cooperate with III-A and its consultants in coordinating access to Employees for the purpose of training, obtaining relevant information, completing required forms, etc. All necessary steps shall be taken to ensure that III-A, its Trustees, and its consultants comply with HIPAA.

**XX. STOP LOSS PROVISION**

An integral part of the Trust will be an aggregate stop loss and specific stop loss insurance as required by law. Stop loss coverage will be provided by an authorized carrier licensed to execute contracts in the State of Idaho, pursuant to the requirements of Idaho Code §41-4104.

**XXI. SEVERABILITY**

In the event that any portion of this JPA is hereafter found or declared to be void or otherwise rendered inoperative in any way, the remainder of this JPA shall continue in full force and effect separate and apart from the portions so invalidated.

**XXII. AUTHORITY TO AMEND JPA**

The Board of Trustees shall have the authority to amend this JPA by a three-fourths vote at a properly noticed meeting. In the event this JPA is amended, the Trust shall first obtain authorization from the Department of Insurance.

**XXIII. VENDOR-CARRIER SELECTION**

The selection of vendors and consultants for III-A shall be at the sole discretion of the Board. Benefit offerings shall be at the sole discretion of the Board.



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Approved by the \_\_\_\_\_ on \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Name and Title

Attest:

\_\_\_\_\_

Clerk

Approved by the III-A Board of Trustees on \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

III-A Chairman

Attest:

\_\_\_\_\_

III-A Secretary