

# **Illinois Municipal League Risk Management Association**

## **Bylaws**

## **Article I – Name and Purpose**

**Section 1.1.** The Illinois Municipal League Risk Management Association (“RMA”) is established pursuant to the “Illinois Municipal League Risk Management Association Intergovernmental Cooperation Contract” (“Contract”).

**Section 1.2.** The purpose of the RMA is to provide a cooperative self-insurance and risk management program and system for Illinois municipalities that will reduce costs of coverage through effective loss control practices and combined purchasing power; reduce costs of claims administration services through central management, volume and combined purchasing power; achieve greater stability through size of combined membership, longer duration of agreements and effective loss control practices; reduce the amount and frequency of losses of members of RMA; improve control of sources of risk through the application of risk management and loss control techniques; and improve recovery from responsible third parties.

**Section 1.3.** The RMA promotes and embraces diversity and inclusion. For ease of writing and simplification of terms in these Bylaws, “he” shall be construed to be gender neutral and represent both males and females.

## **Article II – Membership**

**Section 2.1.** Each municipality which is party to the Contract is a member of the RMA (“Member”). Any other municipality may become a Member by executing the Contract, paying its required premiums and assessments, meeting established safety and risk management standards, and being a member in good standing of the Illinois Municipal League (“IML”).

**Section 2.2.** Each Member shall:

- a) Provide necessary data to assist in obtaining necessary coverage.
- b) Establish and maintain a safety program and risk management program approved by the RMA.

c) Pay when due all assessments levied by the RMA Board of Directors.

## **Article III – Board of Directors**

**Section 3.1. Composition.** The governing body of the RMA shall be the Board of Directors (“Board”).

The Board shall be composed of 7 voting members, who are officers of municipalities that are Members and who do not serve on the IML Board of Directors. These Board members shall be appointed by a majority vote of the IML Board of Directors to a one-year term. In addition, the IML Executive Director shall be an *ex officio* non-voting member of the Board and all committees.

**Section 3.2. Duties and authority.** The Board shall have general supervision of the affairs of the RMA and shall have the authority to expel existing Members upon a majority vote of the members of the Board.

**Section 3.3. Board Meetings.** The regular meetings of the Board shall be held coincidental to meetings of the IML Board of Directors or as otherwise provided by the Board. Meetings of the Board may be called by the Chairman, or the Managing Director upon written petition submitted by three members of the Board, and may be conducted in person or by telephonic or video means. Meetings of the Board shall be conducted pursuant to the most current edition of Robert’s Rules of Order. A quorum for the transaction of business by the Board shall consist of a majority of the members of the Board. Except as otherwise provided in the Contract or Bylaws, all decisions of the Board shall be made by a majority vote of those members present.

**Section 3.4. Conflicts of interest.** Whenever a voting member of the Board has a personal or financial interest in any matter coming before the board, the Board member shall fully disclose the nature of the interest and refrain from discussing, lobbying and voting on the matter. Any transaction or issue involving a potential conflict of interest shall be approved only upon an affirmative vote by a majority of the disinterested members of the Board present.

## **Article IV – Officers and their Duties**

**Section 4.1. Election.** A Chairman and Vice Chairman of the RMA Board shall be elected from among the Board's membership following the annual appointment of the Board.

**Section 4.2. Duties of the Chairman.** The Chairman shall preside at all meetings of the Board and perform such other duties as may be required of him by the Board.

**Section 4.3. Duties of the Vice Chairman.** The Vice Chairman shall perform all duties as assigned to him by the Chairman and shall exercise the duties of the Chairman during the absence, inability, or refusal to act of the Chairman.

**Section 4.4. Duties of the Managing Director.** A Managing Director shall be appointed by the Board and shall manage the day-to-day affairs of the RMA under the general direction of the Board. He shall hire the employees of the RMA and shall be responsible for the proper and efficient administration of the RMA office. He shall prepare an annual budget, covering estimates receipts and disbursements of the RMA, and this budget shall be presented to the Board for its approval. He shall receive and disburse all RMA revenue, keeping an accurate account of all money belonging to RMA and shall annually submit to the Board a report of receipts and disbursements during the preceding fiscal year. This report shall be audited by a competent certified public accountant satisfactory to the Board. In general, he shall perform the duties usually incident to the Chief Executive Officer, as well as the office of secretary and treasurer. He shall furnish a satisfactory surety bond in an amount to be fixed by the Board, and the premium of this bond shall be paid out of the funds of the RMA. The Managing Director shall keep minutes of the Annual Business Meeting and all RMA Board meetings, issue notices of all meetings, and be responsible for all records of the RMA. He shall provide oversight and receipt of and collect all assessments, and recommend the expulsion of a member to the Board when necessary or appropriate.

## **Article V – Annual Business Meeting**

**Section 5.1.** An Annual Business Meeting shall be conducted on a date to be selected by the Board.

Each Member shall have one (1) vote at the Annual Business Meeting upon which a vote is required, which must be cast in person by the Mayor, Village President or Town President, or by another official of that municipality designated by the Mayor, Village President or Town President. Such voting representatives shall register with the RMA prior to any Annual Business Meeting or special meeting. Special meetings of Members may be held as may be authorized by the Board upon thirty (30) days' notification to Members.

## **Article VI – Services**

**Section 6.1. Providing Risk Management Services.** The Board shall provide for risk management services. Such services may be provided by RMA employees or an individual, a partnership, corporation or other suitable entity, which shall consult with and advise the Board regarding all aspects of risk management as set forth below.

**Section 6.2. Scope of RMA Services.** Services to be provided by RMA shall include, but not be limited to:

- a) Investigating, reporting on, settling and defending claims against Members.
- b) Monitoring the status of RMA programs and operations, Member losses and administrative and operational costs.
- c) Providing appropriate risk management counseling and information to Members.
- d) Preparing periodic reports to each Member detailing loss experience, desirable corrective actions and other information pertinent to risk management programs of the RMA.
- e) Advising Members on legislative developments affecting potential liability.

- f) Advising Members of the impact of proposed new or changed risk management programs.
- g) Assisting the Board in selecting coverage and the processing of claims.
- h) Selecting claims defense attorneys.
- i) Conducting risk management reviews as needed.
- j) Developing effective risk management and loss control procedures and advising Members on how to implement them.
- k) Establishing and monitoring effective safety programs.

**Section 6.3. Payment for Risk Management Services.** The fees for risk management services shall be paid in such manner as may be fixed and determined from time to time by the Board, as recommended by the Managing Director.

## **Article VII – Administration**

**Section 7.1. Fee.** The RMA shall pay a fee to the IML, at a rate satisfactory to IML, for the use of the IML name.

**Section 7.2. Premiums and Assessments.** Each Member shall be charged premiums and assessments in accordance with the terms of the Contract.

**Section 7.3. Payment of Claims.** All claims against Members, shall, if approved by the Board, be paid as follows:

- a) Subject to applicable deductibles, all approved claims not exceeding the self-insured retention shall be paid by RMA from the self-insured retention funds.
- b) Claims in excess of the self-insured retention shall be paid from the proceeds of the excess insurance or reinsurance coverage in effect for RMA.
- c) Any claim exceeding the limits of the coverage referred to in paragraph b) of this Section shall be paid by the Member against which the claim was made.

**Section 7.4. Audit.** A copy of the required annual audit shall be made available to the chief executive officer of each Member.

**Section 7.5. Notices.**

a) Notice to RMA shall be given by delivery of such notice to the Managing Director in person, by U.S. Mail, or electronically at the office of the RMA.

b) Notice to Members shall be given by delivery of such notice to the main business office of each Member in person, by U.S. Mail, or electronically.

c) The principal office of the RMA is located at 500 East Capitol Avenue, Springfield, Illinois 62701. The main business office of each Member shall be the official business address of the Member.

**Article VIII – Effective Date and Amendments**

**Section 8.1.** The Bylaws shall be effective upon approval by the Board. These Bylaws may be amended at any time by a majority of the total number of voting members of the Board.