

**MARIN SCHOOLS
INSURANCE AUTHORITY**

BYLAWS

As Amended May 23, 2019

**BY-LAWS
Of the
MARIN SCHOOLS INSURANCE AUTHORITY**

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BY-LAWS

PREAMBLE

The Marin Schools Insurance Authority, hereinafter referred to as the “**Authority**”, is established for the purpose of providing the services and other items for the establishment, operation, and maintenance of insurance and/or self-insurance programs for coverage of the **Members**.

The **Administrative Services Provider** shall administer this **Authority** pursuant to the **Agreement**, these By-Laws, and any Policies and Procedures established by the **Board of Directors**.

DEFINITIONS

Unless the context otherwise requires, the terms used herein shall have the following meanings:

1. **Administrative Services Provider** – shall mean the person(s) or organization(s) responsible for the daily administration, management, and operation of the **Authority’s** programs as defined in these By-Laws.
2. **Administrator** – shall mean the person of ultimate authority within the **Administrative Services Provider** who oversees the daily administration, management, and operation of the **Authority’s** programs as defined in these By-Laws.
3. **Authority** - shall mean the Marin Schools Insurance Authority.
4. **Board of Directors** - shall mean the governing board of the **Authority** constituted as set forth in Section 12 of the **Agreement**.
5. **Broker** - shall mean the broker or brokers engaged by the **Authority**.
6. **District** - shall mean singularly one of the public school districts or County Office of Education or community college district which is a party to the **Agreement**, and plurally two or more of the school districts or County Office of Education or community college district which are party to the **Agreement**.
7. **Fiscal Year** - shall mean the period from the first of July of each year to and including the 30th day of June of the following year.
8. **Joint Powers Agreement** – shall mean the agreement made by and among the public entities who are signatories to the agreement establishing the Marin Schools Insurance Authority, hereafter referred to as **Agreement**.

9. **Law** - shall include but not be limited to Education Code Sections 1252, 35208, and 35214, Labor Code Section 3700, and Government Code Sections 989, 990, 990.4, 990.8, and 6500 et seq.
10. **Local Education Agency** – shall include but is not limited to a public school or community college district, charter school, or public school related joint powers authority located in Marin County.
11. **Management Committee** - shall mean those persons elected by the **Board of Directors** to assist in operation of the **Authority**.
12. **Member** - shall mean any **District** or **Local Education Agency** or other public school related public entity authorized by the State of California whose governing board has voted to participate in the **Agreement** and has been accepted according to the By-Laws.
13. **Participant** – shall mean a **Member** who has elected to participate in one or more of the **Authority's Programs**.
14. **Premium** – shall mean that amount to be paid by each **Participant** for each **fiscal year**.
15. **Program** – shall mean coverages provided directly by the **Authority** pursuant to a pooled or excess Memorandum of Coverage and/or provided by a self-funded or fully-funded purchased coverage.
16. **Program Year** – shall mean that 12-month period of time commencing at 12:01 a.m. on the effective date selected by the **Board of Directors** for each individual **Program**.
17. **Third Party Administrator** - shall mean any firm or firms engaged by the **Authority** for the purpose of determining and paying for losses and related matters.

PURPOSE

The purpose of the **Authority** is to achieve jointly the following objectives for the benefit of the **Authority's Members** in all types of risks covered by the **Authority**:

1. Reduce the costs of various insurance coverage through effective loss control practices and combined purchasing power;
2. Reduce the cost of all administrative services through central management, volume, and combined purchasing power;
3. Provide greater spread of risk through size of the combined membership;

4. Reduce severity and frequency of **Member** losses by implementing loss control programs, training programs and sharing best practices between **Members**;
5. Improve recovery from responsible third party tort-feasors;
6. Establish financial policy for appropriate funding levels and reserve funds;
7. Increase awareness of hazards causing losses and provide guidance in the alleviation of such hazards;
8. Provide administration and oversight for claims management and benefits payments as authorized by the **Authority's Members**;
9. Provide greater stability in rates by jointly purchasing reinsurance or excess insurance above **Authority** retention levels;
10. Jointly purchase administrative and other services including risk management, consulting, brokerage, claims administration, claims adjusting, safety and loss prevention, data processing, legal, and related services; and
11. Increase availability and awareness of employee health and wellness programs through effective communications and through utilization of innovative strategies.

ARTICLE I – MEMBERSHIP

1. Initial membership was open to all districts located within Marin County, California.
2. Other districts or **local education agencies** located within Marin County may apply for membership in the **Authority**, subject to the following conditions:
 - A. Submit a completed application for membership 90 days before the start of the **program year**. The application must be accompanied by the **Board of Directors**' approved fee, which shall be returned if membership is approved;
 - B. Execution of a copy of the **Agreement** together with a resolution formally adopted by the applicant's governing board or appropriate governing body acknowledging participation under the terms and conditions which then prevail and agreeing to be bound by any subsequent amendments to the **Agreement**.
 - C. Appoint, in writing, as specified in Article II.1.B., a regular and up to two alternate representatives to the **Board of Directors**.

- D. Ensure the representative and alternate representatives file the required Fair Political Practices Commission (FPPC) forms with the **Administrative Services Provider** upon assuming office, annually, and upon leaving office.
 - E. **Board of Directors** review of the applicant's past insurance experience;
 - F. A two-thirds vote of approval of all of the members of the **Board of Directors**.
 - G. The **Board of Directors** shall determine the effective date of membership.
 - H. At the discretion of the **Board of Directors**, the term **Member** may include a charter school governed by or as a public benefit non-profit corporation provided that the charter was granted either by a school district located within Marin County or by the Marin County Office of Education and provided further that the charter school operates in whole or in substantial part in Marin County.
3. Approval of Membership
The **Administrator** shall inspect each applicant, including its most recent audited financial statement and associated management letters, five (5) years of loss runs, and may schedule and coordinate a safety inspection of the facilities of the applicant. The **Administrator** shall report the results of these inspections to the **Management Committee** who shall provide a recommendation to the **Board of Directors**. A two-thirds vote of all of the members of the **Board of Directors** is required to approve the application. The **Board of Directors'** decision will be based on the **Management Committee's** recommendation, the application, and any inspections, reports, or other material pertinent to the decision.
4. On joining the **Authority**, a **Member** shall indicate the coverages in which the **Member** wishes to participate. Any later additions to coverage shall be effective only upon review and approval by a 2/3 vote of the **Board of Directors'** representatives, as defined in Article III, Section 8, and at a date specified by the **Board of Directors**.
5. Should any **district** or **districts** reorganize in accordance with State statutes, the successor-in-interest to the obligations of any such reorganized **district** shall be substituted as a **Member**.

6. Withdrawal from or termination of membership

A. Self Funded Programs

1. The governing board of any party to this agreement which has completed three (3) complete **fiscal years** as a **Member** of the **Authority** may voluntarily withdraw from this agreement and terminate its membership in the **Authority**, provided it gives written notice of its intention to withdraw six (6) months prior to the commencement of the **fiscal year** of withdrawal.
2. The governing board of a **Member** wishing to withdraw from a coverage shall give written notice to the **Authority** at least six (6) months before the anniversary date of the coverage, and shall pay all obligations due as of the date of withdrawal.

B. Fully Funded Programs

1. The governing board of any party to this agreement which has completed (2) complete **fiscal years** as a **Member** of the **Authority** may voluntarily withdraw from this agreement and terminate its membership in the **Authority**, provided it gives written notice of its intention to withdraw three (3) months prior to the commencement of the **fiscal year** of withdrawal.
2. The governing board of a **Member** wishing to withdraw from a coverage shall give written notice to the **Authority** at least three (3) months before the anniversary date of the coverage, and shall pay all obligations due as of the date of withdrawal.

C. Rescinding a Notice of Intent to Withdraw

A notice of intent to withdraw from the **Authority** may be rescinded by providing signed written notice to the Authority within sixty (60) days of the submission of the original notice.

D. Re-application to the Authority

A **Member** who voluntarily withdraws from a Self Funded or Fully Funded **Program** will not be allowed to re-apply to the **Program** until after two (2) complete **program years** have elapsed, the two (2) year period may be reduced or waived at the discretion of the **Board of Directors** by a majority vote of all the members of the **Board of Directors**.

E. Involuntary Termination

1. A **Member** may be involuntarily terminated from the **Authority** by a two-thirds vote of the remaining members of the **Board of Directors**. Such removal from membership shall terminate the participation in this agreement at a date specified by the **Board of Directors** with no less than six (6) months notice.

2. Termination must be for good cause. Good cause shall include, but not be limited to non-payment of **premium** or surcharges, non-compliance with underwriting or loss control recommendations, a significant change in exposure, excessive losses as determined by the **Board of Directors**, or failure to adopt and implement a safety program.
3. A terminated **Member** shall pay all obligations due as of the date of termination.

F. Continued Liability Upon Termination

Termination of participation, whether voluntary or involuntary, in future **program years** does not relieve the terminated **Member** of any obligations of those **program years** in which it participated. These obligations include payment of assessments, retrospective adjustments, or any other amounts due and payable.

ARTICLE II – MANAGEMENT OF THE AUTHORITY

1. **Board of Directors**

A.

The **Authority** shall be governed by a **Board of Directors** composed of one representative from each **district** of A.D.A. over 50. Each **district** over 50 A.D.A. shall have one vote. The Marin County Office of Education shall represent **Member districts** in the county with an A.D.A. of 50 or less, and shall have one vote.

- B. Each **Member** shall appoint a regular and up to two alternate representatives to the **Board of Directors**, one of whom shall be the **district** superintendent and the others of whom shall be management employees. Official appointment shall be made by written notice to the **Authority**, from a **Member's** governing board or Superintendent, specifying who shall serve as the regular and/or alternate representative(s), their title(s), and contact information.

2. Officers

- A. The Officers of the **Board of Directors** shall consist of a President, a Vice President, and a Treasurer/Auditor. The **Administrator** shall act as Secretary to the **Board of Directors**. The **Board of Directors** shall elect from its membership the President, Vice President, and Treasurer/Auditor.

- B. The President, the Vice President, and the Treasurer/Auditor of the **Authority**, shall be elected biennially by the **Board of Directors** at the last Board meeting of the applicable **fiscal year**. Those candidates receiving a majority of votes in each office will succeed to those offices. If no nominee receives a majority vote, the nominee with the least votes shall be deleted as a nominee and a new vote taken. This elimination process will continue until one nominee receives a majority vote.
- C. Any Officer may be removed at any time and all vacancies, however arising, may be filled at any time by the affirmative vote of a majority of the **Board of Directors**. The President, Vice-President, and Treasurer/Auditor may be elected for subsequent terms up to four (4) consecutive years, or two terms, unless otherwise approved by a two-thirds vote of the **Board of Directors**.
- D. The President shall see that all orders and resolutions of the **Board of Directors** are carried into effect, and shall appoint a member of the **Management Committee** to all committees appointed by the **Board of Directors**. The President shall have such other powers and perform such other duties as may be prescribed from time to time by the **Board of Directors**.
- E. The Vice-President shall have such powers and perform such duties as may be prescribed from time to time by the **Board of Directors** or the President. In the absence or disability of the President, the Vice-President shall be vested with all the powers and authorized to perform all the duties of the President.
- F. The duties of the Treasurer shall include:
1. Ensuring the custody of and disbursement of **Authority** funds, accounts, and property, in accordance with the Policies and Procedures of the **Board of Directors** and applicable provisions of the California Government Code;
 2. Supervising the custody and maintenance of such records to assure that financial records, funds, and property are maintained in accordance with Generally Accepted Accounting Principles and practices prescribed by the Governmental Accounting Standards Board;
 3. Providing for inspection of all financial records;
 4. Overseeing, monitoring, and reporting on investment activities;
 5. Overseeing and monitoring the annual financial audit;

6. Working with the **Authority's** Finance Manager and Investment Firm to accomplish the goals of the Investment Policy; and
 7. Periodically review and recommend changes and amendments to the Investment Policy, as necessary, subject to approval by the **Board of Directors**.
3. **Management Committee**
- A. The **Board of Directors** shall elect a **Management Committee** consisting of seven members at the last Board meeting of the applicable **fiscal year**. The **Management Committee** shall be composed of: 1) the President, Vice President, and Treasurer, 2) the representative from the Marin County Office of Education, if not an Officer, and 3) three or four other representatives. The three or four non-Officer representatives shall be elected in the same manner as the Officers, except that their two (2) year terms shall commence on July 1 of each alternate year. Each **Management Committee** member, including a **Management Committee** member elected to fill a vacancy, shall hold office until the expiration of the term for which elected or until a successor has been elected.
 - B. All members of the **Management Committee** shall participate in at least two of the **Authority's Programs**. Of the seven **Management Committee** members, it is the **Board of Directors'** intent that at least one member fall within each of the categories listed below. More than one category may be satisfied by a single **Member** unless provided otherwise:
 1. One of the four largest **Members** based upon average daily attendance provided to the **Authority** during the **fiscal year** immediately prior to election;
 2. One **Member** whose average daily attendance fell below the median average daily attendance as determined from a calculation of all average daily attendance provided to the **Authority** during the **fiscal year** immediately prior to the election;
 3. One **Member** whose average daily attendance was in excess of the median average daily attendance as determined from a calculation of all average daily attendance provided to the **Authority** during the **fiscal year** immediately prior to election, provided that said **Member** is not included in the category described in Section B.1. above; and
 4. The most recent Board President, for the two years following their leave of office, if they are still a regular or alternate representative serving on the **Board of Directors**.

- C. Those candidates receiving a majority of votes for each position will succeed to those positions. If no nominee receives a majority vote, the nominee with the least votes shall be deleted as a nominee and a new vote taken. This elimination process will continue until one nominee receives a majority vote.
- D. The **Management Committee** shall be a standing committee of the **Board of Directors**. The **Management Committee** shall carry out the directions and/or policies of the **Board of Directors**, review all operations of the **Authority** on a regular basis, and make recommendations to the **Board of Directors**.
- E. The **Management Committee** shall meet at the call of the President.
- F. The **Management Committee** shall have the authority to work on behalf of the **Board of Directors** except for those authorities specifically reserved unto the **Board of Directors** in Article II, Section 6, A-F, H, J, K, and N-Q. The **Management Committee** may handle claims matters and financial considerations not to exceed \$100,000. Matters exceeding \$50,000 shall be reported at the following **Board of Directors** meeting.
- G. Attendance of **Management Committee** members is essential to conducting the business of the **Authority**. A **Management Committee** member missing a maximum of two meetings in a **fiscal year** shall be subject to review by the **Board of Directors** or **Management Committee** concerning forfeiture of his/her membership on the **Management Committee**.
- H. The **Board of Directors** may remove any or all non-Officer members from the **Management Committee** at any time. A vacancy in any non-Officer position on the **Management Committee**, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the **Board of Directors**. Pending action by the **Board of Directors**, the remaining members of the **Management Committee** may fill a vacancy on an interim basis, except in the case of a vacancy caused by removal, which may only be filled by the **Board of Directors**.
- I. An agenda of items to be discussed shall be prepared for regular meetings of the **Management Committee** and shall be distributed to all members of the **Management Committee**, and the **Board of Directors**.
- J. Minutes of the **Management Committee** shall be kept and distributed to all **Members** of the **Authority**.
- K. For purposes of the Brown Act the **Management Committee** is deemed to be a standing committee.

4. Duties of the **Board of Directors**

The **Board of Directors** shall exercise the powers of the **Authority** as outlined in the **Agreement**. In addition, the **Board of Directors** shall:

- A. Establish By-Laws Policies and Procedures, Resolutions, or other governing documents consistent with applicable **law** and with the **Agreement** for the operation and conduct of business of the **Authority**;
- B. Provide for the management and administration of the **Authority**, including Board Secretary services. The Secretary shall be responsible for preparing all minutes and agendas of the **Board of Directors**, **Management Committee**, and any other committee meetings, preparing necessary correspondence, and maintaining files and records;
- C. Determine **premiums** or contribution rates, refunds, dividends and the like and the method by which such monies will be paid into and from the funds created pursuant to the **Authority's** purpose;
- D. Provide for additional assessments by fund during the year, if necessary, to allow for increased cost due to legislative or judicial requirements, excessive claims costs, or for other causes;
- E. Authorize by a vote equal to at least 2/3 of all of the members of the **Board of Directors**, a loan from one fund to another with interest to be determined by the **Board of Directors**.
- F. Determine whether and by what method new **Members** shall be allowed into any of the programs and services of the **Authority**;
- G. Appoint and dissolve ad hoc advisory committees from the active membership consistent with the terms and purposes of the **Authority**;
- H. Insure that a complete and accurate system of accounting of all funds is maintained at all times;
- I. Determine the manner in which claims shall be processed;
- J. Elect officers of the **Board of Directors** and **Management Committee** for terms of two (2) years;
- K. Maintain, or cause to be maintained, accurate case records for all risks insured against, and accurate records of all claims paid. Reports shall be forwarded to **Members** as determined by the **Board of Directors**;
- L. Enter into contracts consistent with the terms of the **Agreement**;

- M. Retain the services of consultants, **brokers**, and others as deemed necessary;
- N. Make periodic reports to the membership on the status of the **Authority** and its programs;
- O. Adopt an annual budget or budgets;
- P. Determine whether the **fiscal year** shall be other than July 1 of each year through June 30 of the following year; and
- Q. Perform any and all other functions necessary to accomplish the purposes of the **Authority**.

ARTICLE III – MEETINGS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT COMMITTEE

1. The **Board of Directors** and **Management Committee** shall each hold at least two regular meetings per **fiscal year**. Notice shall be given to each **Member** of the date, hour, and place at which any regular meeting shall be held.
2. Special meetings may be called by the President or any three members of the **Board of Directors**, provided at least twenty-four (24) hours advance notice is given.
3. All meetings of the **Board of Directors** and the **Management Committee** shall be called, noticed, held, and conducted in accordance with the provisions of the Brown Act (commencing with Section 54950 of the California Government Code).
4. Each voting member, as defined in Article II, Section 1.A., of the **Board of Directors** present at a Board meeting shall be entitled to one (1) vote, as defined in Article III, Section 8. Each member of the **Management Committee** present at a Committee meeting shall be entitled to one (1) vote on all matters brought before the Management Committee.
5. An agenda of items to be discussed shall be prepared for all regular meetings and shall be distributed to all members of the **Board of Directors** (5) business days prior to the meeting.
6. Minutes shall be kept of proceedings of all meetings held by the **Board of Directors** and the **Management Committee**.

7. Except as otherwise provided in the **Agreement**, the By-Laws, the Policies and Procedures Manual, or other **Board of Directors'** approved governing document, a majority of the voting **Members** of the **Authority** must be present at a meeting of the **Board of Directors** and a majority of the members of the **Management Committee** must be present at a meeting of the **Management Committee** to constitute a quorum and to transact business. Unless otherwise specified, the affirmative vote of a majority of the members present and voting shall be required to take action on an agenda item.
8. **Members** of the **Board of Directors** shall vote on any Board agenda item, regardless of the **Program** it affects, provided the **Member** participates in that **Program** or participates in at least four of the **Authority's Programs**.
9. **Members** of the **Board of Directors** and all Committees have a duty to vote on all applicable matters unless a conflict of interest precludes them from doing so.

ARTICLE IV – FINANCE

1. The **Board of Directors** shall annually, on or before July 1, adopt a budget for each **Program** authorized. A copy of the budget shall be transmitted to each of the **Members**.
2. The **Board of Directors** may establish a trust fund into which may be deposited a sum necessary for the settlement of claims for a thirty (30) day period. One or more service companies or management firms contracted to administer the self-funded **Programs** may be authorized to issue checks drawn on such account in payment of such claims. A monthly accounting and bank reconciliation of all checks drawn on such accounts shall be obtained from such service company.
3. The **Authority** shall have power to seek and recover subrogation or third party liability monies whenever possible. Distribution of recovered funds shall be as determined by the **Board of Directors**.

ARTICLE V – INSURANCE FOR AUTHORITY

The **Board of Directors** shall determine the level of insurance the **Authority** shall purchase to insure itself against loss, liability, and claims arising out of, or connected with, the operations of the **Authority**. Said insurance is to be purchased in the name of the **Authority** for the benefit of the **Authority**, **Board of Directors**, **Members**, and the employees of the **Authority**.

ARTICLE VI – DISPOSITION OF PROPERTY AND FUNDS

1. In the event of the dissolution of the **Authority** as provided in the **Agreement**, any property interest remaining in the **Authority** following a discharge of all obligations shall be disposed of as determined by the **Board of Directors** in accordance with Government Code 6511.

2. In the event of the dissolution of the **Authority** as provided in the **Agreement**, any funds interest remaining in the **Authority** following a discharge of all obligations shall be disposed of as determined by the **Board of Directors** in accordance with Government Code 6512.
3. In the event a **Member** withdraws from this **Agreement**, or is involuntarily terminated, no refund or repayment of any kind shall be given to the withdrawn or terminated **Member**.
4. “Obligations”, as referred to herein, shall include, but not be limited to, all payments required by **law**, together with all reserves which have been established for the purpose of paying claims together with any other legal obligations incurred by the **Authority** pursuant to this agreement.

ARTICLE VII – AMENDMENTS

1. These By-Laws may be amended or suspended by a two-thirds vote of all of the members of the **Board of Directors**.
2. Amendments may be proposed by any **Member** of the **Authority**. The amendment shall be referred to the **Management Committee** for its consideration and comment. A copy of the amendment shall be forwarded to each **Member** at least five (5) business days before the meeting at which it is to be voted upon.
3. The effective date of the amendment shall be included in each such amendment.