MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND

BYLAWS

MONMOUTH MUNICIPAL JOINT INSURANCE FUND
Park 80 West, Plaza One
Saddle Brook, New Jersey 07662

Organized January 1, 1988

BYLAWS

Adopted - 1/14/88

WHEREAS - Smaller municipalities throughout the State of New Jersey are continuously subjected to the chaotic cycles which occur in the commercial insurance industry; and

WHEREAS - During these cycles, many municipalities cannot obtain adequate insurance or are faced with unaffordable premiums; and

WHEREAS - Public Law 1983, c.372 (N.J.S.A. 40A:10-36 et seq) permits municipalities to join together to form a joint insurance fund.

WHEREAS - Said statute was designed to give the smaller municipalities an opportunity to use alternative risk management techniques, providing they are based on sound actuarial principal; and

WHEREAS - The towns annexed to this document contracted to study the feasibility of forming a join insurance fund; and

WHEREAS - It has been concluded that the formation of a "Municipal Joint Insurance Fund" will result in significant savings in insurance cost as well as providing stability in coverage.

NOW THEREFORE, in consideration of the premises and in order to create said fund to be known as the Monmouth Municipal Joint Insurance Fund, hereinafter called the "Fund", it is mutually understood and agreed as follows:

ARTICLE I - DEFINITIONS

"ACTUARY" means a person who is a member of the American Academy of Actuaries qualified in loss reserves and rate making according to professional guides, recommendations, interpretations, and opinions of the Academy or a member of the Casualty Actuarial Society. (sic N.J.A.C. 11:15-2.2)

"ADMINISTRATOR" means a person, partnership, corporation or other legal entity engaged by the Fund to act as Executive Director, to carry out the policies established by the fund commissioners or executive committee and to otherwise administer and provide day-to-day management of the Fund.

"ALLOCATED CLAIMS EXPENSE" means attorneys' fees, expert witness fees (i.e. engineering, physicians, etc.), medical reports, professional photographers' fees, police reports and other similar expenses. The exact definition of "Allocated Claims Expense" or similar terms for any line of insurance coverage shall be the definition in the excess insurance policy purchased by the JIF.

"EMPLOYER'S LIABILITY" means the legal liability of an employer to pay damages because of bodily injury or death by accident or disease at any time resulting therefrom sustained by an employee arising out of and in the course of his employment by the employer, which is not covered by a workers' compensation law. The exact definition of "Employer's Liability" or similar terms shall be the definition used in the excess insurance policy purchased by the Fund.

"EXCESS INSURANCE" means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner of Insurance as a surplus lines insurer, covering losses in excess of an amount established between the Fund and the insurer up to the limits of coverage set forth in the insurance contract on a specific occurrence, or per accident or annual aggregate basis.

"FUND" means the Monmouth Municipal Joint Insurance Fund (hereinafter referred to as "Fund").

"FUND YEAR" means the Fund's fiscal year of January 1st through December 31st.

"GENERAL LIABILITY" means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers' compensation, employer's liability, motor vehicular and equipment liability. The exact definition of a "General Liability" or similar terms is the definition used in the excess insurance policy purchased by the Fund.

"INCURRED CLAIMS" means claims which occur and are reported during a Fund year, including claims reported or paid during a later period. The exact definition of "Incurred Claims" or any similar term is the definition used in the excess insurance policy purchased by the Fund.

"INDEMNITY AND TRUST AGREEMENT" means a written contract signed by and duly adopted by the members of the Fund under which each agrees to jointly and severally assume and discharge the liabilities of each and every party to such agreement arising from their participation in the Fund.

"MANUAL PREMIUM" means the premium computed according to the mandatory merit rating plan for workers' compensation and similar insurance industry rating plans for other lines of coverage.

"MOTOR VEHICULAR AND EQUIPMENT LIABILITY" means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the participating municipality, or owned by or under the control of any subdivision thereof including its departments, boards, agencies or commissions. The exact definition of "motor vehicular and equipment liability" or any similar terms shall be the definition of the excess insurance policy purchased by the Fund.

"OCCURRENCE" means a single event. The exact definition of "occurrence" or any similar term shall be the definition used in the excess insurance policy purchased by the Fund.

"PROBABLE NET COST" means the estimated ultimate cost of claims incurred during a Fund year plus the cost of allocated claims expense and other costs of operating the Fund until all claims incurred during the Fund year are settled. For purposes of computing the probable net cost, losses within the deductible of participating municipalities and future investment income on outstanding loss reserves held by the Fund shall not be taken into consideration.

"PROBABLE TOTAL COST" means the probable net cost plus the estimated ultimate cost of losses incurred within the deductible of the participating utility municipalities.

"PROPERTY DAMAGE" means any loss or damage, however caused, on property, motor vehicles or apparatus owned by the participating municipality or owned by or under the control of any of its departments, boards or agency. The exact definition of "Property Damage" or similar terms shall be the definition in the excess insurance policy purchased by the Fund.

"SERVICING ORGANIZATION" means an individual, partnership or corporation which provides services to the Fund not provided by the Administrator, including but not limited to:

. Claims adjusting
. Safety engineering
. Compilation of statistics and the preparation of assessment, loss and expense reports.
. Preparation of reports required pursuant to PL 1983 c.372 or any regulations and/or rules of the New Jersey Department of Insurance including but not limited to N.J.A.C. 11:15-2.
. Development of members assessments and fees

. Claims administration
. Actuarial Services

"SURPLUS" means that amount of monies in a trust fund that is in excess of the probable net cost for that Fund year.

"WORKERS' COMPENSATION" means the provisions of N.J.S.A. 34:15-7 et seq. The exact definition of "Workers' Compensation" or similar terms shall be the definition in the excess insurance policy purchased by the Fund.

ARTICLE II - MEMBERSHIP

Agreement To Join The Fund:

1. Pursuant to Section I of P.L. 1983, c.372, the governing body of a qualified municipality shall by resolution or ordinance, as appropriate, agree to join the Fund.

    a. The resolution or ordinance shall provide for execution of a written agreement specifically providing for acceptance of the Fund's bylaws as approved and adopted pursuant to Section 4 of the Act.

    b. The Agreement shall specify the extent of the municipality's participation in the Fund with respect to the types of insurance coverage to be provided by the Fund and shall include the duration of Fund membership, which in no event shall exceed three years pursuant to N.J.S.A. 40A:11-15 (6).

2. Any applicant who wishes to avail itself of Excess coverage available through the Municipal Excess Liability Joint Insurance Fund shall by resolution or ordinance, as appropriate, make application to said Excess Fund for membership to run concurrently with its membership in this Fund.

3. The agreement shall include an executed Indemnity and Trust Agreement.

4. All applicants to the Fund must also include a letter certifying that the municipality has never defaulted on claims if self-insured, and has not been canceled for nonpayment of insurance premiums for a period of at least two years prior to the application.

Initial Membership:

Any municipality which participated in the initial feasibility study may be a part of the Fund's initial application of approval by the Commissioner of Insurance and the Department of Community Affairs.

Subsequent Membership:

1. Any municipality seeking membership after the Fund's initial approval by the Commissioner of Insurance and the Department of Community Affairs shall submit an application for membership to the Fund on a form approved by the Commissioner of Insurance. The application shall include an executed Indemnity and Trust Agreement and other documentation required under Section A above.

2. The Commissioners/Executive Committee may approve the application by a two-thirds vote of its full authorized membership based on the following criteria.

    a. The applicant's five (5) year claims history shows safety performance consistent with the Fund's objectives and the applicants physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.

    b. A safety inspection and evaluation conducted by the Fund's safety consultant at the expense of the applicant shows the applicant meets the Fund's safety standards.

    c. The Fund has the administrative capability to absorb additional memberships without undue inconvenience or strain.

3. If the applicant is approved by the Fund, it shall be concurrently filed with the Department of Insurance and the Department of Community Affairs and shall be accompanied by such amendment to the Fund's bylaws, budget and plan of risk management as may be appropriate.

4. No new membership in the Fund shall become effective until the application and accompanying amendments to the Fund's Bylaws and Plan of Risk Management are approved by the Commissioners of Insurance and the Community Affairs.

Conditions Of Membership:

As a condition of membership, each municipality shall:

1. Form a safety committee and actively participate in all Fund sponsored safety programs.

2. Hire a Risk Management Consultant, who shall not be a Fund Commissioner, to advise the municipality on matters relating to the Fund's operation and coverages. Said Risk Management Consultant shall be hired independently by each municipality or as a single appointment, as voted upon and established annually by the commissioners/executive committee. If the Fund commissioners/executive committee elect to appoint a single Risk Management Consultant, any member community may for cause, upon written notice to the Joint Insurance Fund within 30 days of said appointment, reject the Funds' appointee and substitute one of its own choice. "For cause" shall be defined as any reasonable justification not necessarily related to the performance of the Fund's appointee. The Risk Management Consultant shall be paid by the Fund a fee of six (6%) percent of the municipality's assessment for the current year. The fee shall be paid on a quarterly basis with 30 days of the first day of each quarter for the preceding quarter.

   If the municipality rejects the Fund's appointee and appoints its own Risk Management Consultant, or if it elects to assume all or any portion of the duties normally assigned to the Fund's appointee, the municipality shall indemnify and Hold Harmless the Fund, Fund Commissioners, appointed officials and other Fund servants, agents and employees from any and all claims arising from its decision to hire its own Risk Management Consultant or to assume all or any portion of the duties normally assigned to the Fund's appointee.

   Unless otherwise directed by the municipality, the Fund shall pay to the named consultant a fee equal to six percent (6%) of the municipality's assessment on the same basis as outlined above.

   a. The Risk Management Consultant shall be appointed in conformance with the Local Public Contracts Law.

   b. The Risk Management Consultant's specific responsibilities shall include, but not be limited to:

      (1) The evaluation of the town's exposure.

      (2) The explanation of the various coverages available from the Fund and assisting the municipality in the selection of proper coverage.

      (3) The preparation of applications, statement of values, etc., required by the Fund.

      (4) The review of the town's assessment and assisting in the preparation of the town's insurance budget.

      (5) The review of losses and engineering reports and providing assistance to the town's safety committee.

(6) Assisting in the claims settlement process.

(7) Attendance at the majority of meetings of the Fund commissioners/executive committee and the performance of such other services as required by the municipality or the Fund.

c. The Risk Management Consultant shall be a New Jersey licensed property/casualty insurance agent or broker who has demonstrated prior experience in the management of public insurance risks.

3. Participate in all the major lines of coverage offered by the Fund.

Membership Renewals:

1. Members may renew their participation by execution of a new agreement to join the Fund as provided for in Sec. "A" above, ninety (90) days prior to the expiration of the term period.

2. The Fund commissioners/executive committee must act upon any renewal application no later than forty five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.

3. In order to deny a renewal application, the Fund shall find by majority vote that the applicant has failed to fulfill its responsibilities as a member or no longer meets the Fund's written safety standards or other objective criteria duly adopted.

4. If a member's renewal application is rejected, the Fund shall comply with subsection F2, 3 and 4 below.

5. Non-renewal of a Fund member does not relieve the member of responsibility for claims incurred during its period of membership.

Termination And/Or Withdrawal Of Fund Members:

1. A participating municipality must remain in the Fund for the full term of membership unless earlier terminated by a majority vote of the Fund commissioners or a two-thirds vote of the Executive Committee for non-payment of assessments or continued non-compliance after written notice to comply with these Bylaws or other obligations. However, such participating municipality shall not be deemed terminated until:

a. The Fund gives by registered mail to the member a written notice of its intention to terminate the member in ten (10) days; and

b. Like notice shall be filed with the Department of Insurance and Department of Community Affairs, together with a certified statement that the notice provided for above has been given; and

c. Ten (10) days have elapsed after the filing required by "b" above.

2. A member of the Fund that does not desire to continue as a member after the expiration of its membership term shall give written notice of its intent ninety (90) days before the expiration of the term period. The Fund shall immediately notify the Department of Insurance and the Department of Community Affairs that the member has given notice to leave the Fund.

3. A member that has been terminated or does not continue as a member of the Fund shall remain jointly and severally liable for claims incurred by the Fund and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.

4. The Fund shall immediately notify the Department of Insurance and the Department of Community Affairs if the termination or withdrawal of a member causes the Fund to fail to meet any of the requirements of P.L. 1983, c.372 or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the Fund shall advise the Department of Insurance and the Department of Community Affairs of its plan to bring the Fund into compliance.

5. A Fund member is not relieved of the claims incurred during its period of membership except through payment by the Fund or member of those claims.

ARTICLE III - ORGANIZATION

Commissioners:

1. Appointment:

a. Commissioners: In the manner generally prescribed by law, each participating municipality shall appoint one (1) commissioner to the Fund. Each participating municipality shall select either a member of its governing body or one of its municipal employees.

b. Alternate: Each participating municipality shall have the right to appoint one (1) alternate to attend either regular or special meeting on behalf of the municipality in the absence of the Fund Commissioner. Each participating municipality shall select either a member of its governing body or one of its municipal employees.

c. Special Commissioner: In the event that the number of participating municipalities is an even number, one (1) additional commissioner shall be appointed by a participating municipality on a rotating basis determined alphabetically.

"The municipality's privilege to appoint the special commissioner shall remain with that municipality for one entire Fund year and the subsequent admission to the Fund of a municipality with a preceding alphabetical prefix shall not deprive any municipality already a member of the Fund of its prerogative to appoint a special commissioner during a current Fund year."

2. Terms of Office and Vacancy:

a. All terms of office shall expire on January 1st or until a successor is duly appointed and qualified.

b. A commissioner, other than the special commissioner, who are members of the appointing municipality's governing body shall hold office for two years or for the remainder of there term of office as a member of the governing body, whichever shall be less.

c. Commissioners who are employees of the appointing municipality shall hold office at the pleasure of the municipality and can be removed by the municipality at any time without cause.

d. The special commissioner, if any, shall serve until January 1st of the year following appointment provided, however, that if the special commissioner is an employee of the appointing municipality, he can be removed by the appointing municipality at any time without cause.

e. The unexpired term of a commissioner other than the special commissioner, shall be filled by the appointing municipality in the manner generally prescribed by law.

f. In the event of vacancy of the special commissioner caused by reason other than the expiration of the term of office, the municipality which appointed the commissioner shall appoint the replacement for the unexpired term.

g. Any commissioner can be removed from office for cause by two-thirds vote of the full membership of the Fund commissioners. Upon such a vote it shall be incumbent upon the member municipality to replace the commissioner.

Commissioners shall serve without compensation.

3. Responsibilities:

a. The commissioners are hereby authorized and empowered to operate the Fund in accordance with these Bylaws and appropriate state laws and regulations.

b. Each commissioner shall have one vote provided, however that the special commissioner, if any, shall only vote in the event of a tie.

Officers:

1. As soon as possible after the beginning of each year, the commissioners shall meet to elect the officers of the Fund from their own membership. Fund officers shall serve until January 1st of the following year, or until a successor is duly elected and qualified.

a. Chairperson: The Chairperson shall preside at all meetings of the commissioners and shall perform such other duties provided for in these bylaws and the laws and regulations of the State of New Jersey.

b. Secretary: The Secretary shall preside over the meetings of the commissioners in the absence of the Chairperson, maintain minutes of its meetings, retain all books, records, files and other documents of the Fund, and shall perform such other duties as provided for in these bylaws and the laws and regulations of the state of New Jersey.

"The Secretary shall have the responsibility to maintain the books and records of the Fund at the office of the Fund as from time to time designated by the Fund commissioners which office the Secretary shall have free access to."

2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the commissioners (or executive committee) shall by majority of vote fill the vacancy for the unexpired term.

3. Any officer can be removed without cause at any time by a two-thirds vote of the full membership of the Fund commissioners. In this event, the full membership of the Fund commissioners shall fill the vacancy for the unexpired term.

4. The Chairperson and the Secretary shall serve without compensation.

Appointed Officials:

As soon as possible after the beginning of each year, the commissioners/executive committee shall meet and select individuals to serve in the following appointed positions. These individuals shall serve until January 1st of the following year, or until a successor is duly elected and qualified.

1. Treasurer: The Treasurer shall not be a commissioner. The Treasurer shall have the following duties and responsibilities.

    a. The Treasurer shall be the custodian of the Fund's assets and shall maintain the various trust funds.

    b. The Treasurer shall approve all receipts, payments, and financial records.

    c. The Treasurer shall prepare the Fund's cash management plan and shall invest all balances.

    d. The Treasurer shall perform such other duties as provided for by the Fund commissioners/executive committee, these Bylaws and in the laws and regulations of the State of New Jersey.

    e. The Treasurer shall provide a fidelity bond protecting the Fund's assets in a form and amount to be determined annually by the commissioners. Said bond to be paid for by the commissioners.

2. Administrator:

    a. The Administrator shall be experienced in risk management matters and shall not be a commissioner of the Fund.

    b. Except with the approval of the Commissioner of Insurance, and the Administrator, its employees, officers or directors shall not be an employee, officer or director of, or have either a direct or indirect financial interest in a servicing organization.

    c. The Administrator shall have the following duties and responsibilities:

1) The Administrator shall act as the executive director to carry out the policies established by the commissioners or executive committee and to otherwise administer and provide for the day-to-day management of the Fund.

2) The Administrator shall advise the commissioners on risk management matters and shall prepare a draft risk management plan.

3) The Administrator shall maintain underwriting data and assist the Fund in the purchase of insurance or excess insurance.

4) The Administrator shall prepare draft bid specifications for services such as claims administration, safety engineering, and actuarial projections.

5) The Administrator shall monitor the performance of the service companies.

6) The Administrator shall write a draft budget for review by the commissioners/executive committee.

7) The Administrator shall perform such other duties as provided for by the Fund commissioners, these bylaws, and in the laws and regulations of the State of New Jersey.

d. The Administrator shall be bonded in a form and amount acceptable to the Commissioner of Insurance. The Administrator shall also be covered by Errors and Omissions insurance as provided by NJAC 11:15-2 and/or supplements or amendments thereto, unless said requirement is waived by the Commissioner of Insurance. Said coverage to be paid by the Fund.

3. Auditor: The Auditor shall be an independent certified public accountant (CPA) or a registered municipal account (RMA) but shall not be a commissioner. The Auditor shall conduct the annual audit of the Fund and shall perform such other duties as provided for by the Fund commissioners, these Bylaws and in the laws and regulations of the State of New Jersey.

4. Attorney:

a. The Attorney shall be admitted to the New Jersey Bar but shall not be a Fund commissioner.

b. The attorney shall have the following responsibilities:

1) The Attorney shall advise the Fund on legal matters and the appropriateness of claim settlements recommended by the claims administrator.

2) The Attorney shall advise the commissioners/executive committee on the selection of counsel to represent the Fund in the defense of claims. However, the Attorney or any member of the Attorney's law firm shall not defend any claim which is the responsibility of the Fund.

3) The Attorney shall perform such other duties as provided for by the Fund commissioners/executive committee, these Bylaws and in the laws and regulations of the State of New Jersey.

5. Service Agent: The Fund shall designate and appoint an agent in New Jersey to receive service and process on behalf of the Fund.

6. In the event of a vacancy in any one of the appointed positions caused by other than the expiration of the term of office, the commissioners (or executive committee) shall by majority vote fill the vacancy for the unexpired term. In the event that any of the appointed officials is incapacitated, the commissioners (or executive committee) shall by majority vote appoint an acting official.

7. All appointed officials shall be retained on a contractual basis which shall be approved by the Fund commissioners and submitted to the Commissioner of Insurance and the Commissioner of Community Affairs.

8. Appointed officials shall be compensated for their services pursuant to written fee guidelines submitted annually and approved by a majority of the commissioners/executive committee. The written fee schedule shall be part of the official's contract.

Executive Committee:

1. If the total number of commissioners exceeds seven (7), as soon as possible after the beginning of the year they shall meet and elect five (5) commissioners to serve with the Chairperson and the Secretary as the executive committee of the Fund. During their term of office, members of the executive committee shall exercise the full power and authority of the commissioners except as otherwise provided. Wherever the term "commissioner/executive committee" appears in these Bylaws, that term shall be interpreted to mean "executive committee", except in those cases where the express language and content of these Bylaws or applicable statutes dictate otherwise.

2. The executive committee shall serve until January 1st of the following year, or until their successors are duly elected and qualified.

3. If a member of the executive committee misses three consecutive regular meetings, which absences are unexcused, that seat will be deemed vacant and the vacancy filled.

4. Vacancies on the executive board caused by a reason other than the expiration of the term of office shall be filled by a majority vote of the full remaining membership of the Fund commissioners.

Indemnification Of Officers And Employees:

1. The Service Company and Administrator shall, unless waived per Subsection 3, below, provide Errors and Omissions coverage in a form satisfactory to the Commissioner of Insurance.

2. The executive committee, in its discretion may, but shall not be required to have the Auditor, Treasurer, Fund Attorney or Defense Attorneys produce evidence of Errors and Omissions coverage, and such other coverages as they deem advisable, as a condition of employment.

3. In the event that as a consequence of factors generally existing within the insurance industry, the Administrator and/or Service Company is unable to procure Errors and Omissions coverage, or is only able to procure same at a cost which the commissioners/executive committee deem to be unreasonable then, and in such event, the commissioners/executive committee with the concurrence of the Commissioner of Insurance may waive the requirements for the Administrator's and/or Service Company's Errors and Omissions coverage. Any such waiver shall be effective for a period of time not to exceed one (1) year and may be reconsidered more frequently if circumstances warrant.

   The commissioners/executive committee shall, prior to granting any such waiver, have made specific findings of fact, with regard to the availability of such Errors and Omissions insurance at a reasonable cost and cause such finding of fact to be set forth in detail in the Minutes.

4. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Fund shall indemnify any past, present or future Fund commissioner, official or employee of the fund for claims arising from an act or omission of such Fund commissioner, official or employee within the scope of the performance of such individuals' duties as Fund commissioner, officials or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the Fund

to pay punitive damages or exemplary damages arising from the commission of a crime by such an individual and the Fund shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, actual malice, gross negligence or willful misconduct of such individual or in the event of a claim against such an individual by the State of New Jersey or if such Fund commissioner, official or employee is either covered, or required to be covered by Errors & Omissions liability insurance.

The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Fund's commissioners/executive committee. Nothing herein contained is intended to shield any employee or appointed official from liability for any act, omission or wrongdoing which would not customarily be covered by Errors & Omissions insurance if same had been required of said employee or appointed official.

5. A present, past or future Fund commissioner, official or employee of the Fund shall not be entitled to a defense or indemnification from the Fund unless:

   a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Fund attorney, selected by the Fund to handle such matters, together with a request that the Fund provide for his or her defense.

   b. He or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and

   c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Fund to handle such matters, the past, present or future Fund commissioner, official or employee shall agree that the Fund and its counsel shall have exclusive control over the handling of the litigation.

6. The foregoing right of indemnification shall not be exclusive of any other rights to which any Fund commissioner, official or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this Fund shall be in addition to and not in restriction or limitation of any other privilege or power which the Fund may lawfully exercise with respect to the indemnification or reimbursement of a Fund commissioner, official or employee; except that in no event shall a Fund commissioner, official or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.

7. Expenses incurred by any Fund commissioner, official or employee in defending an action, suit or preceding may be paid by the Fund in advance of final determination

of such action, suit or proceeding as authorized by the Fund in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

Safety Committee:

1. Membership: Each participating municipality shall appoint one of its management employees to serve on the Fund's safety committee. Each municipality shall also select an alternate, and each member and alternate on the committee shall serve at the pleasure of the appointing municipality. The committee may also request additional members to join the committee.

2. Organization: At the beginning of each year the safety committee shall select a chairman, a vice chairman, and a secretary.

3. Duties: The committee shall meet monthly (except July and August) and shall have the following duties or responsibilities:

    a. Work with the safety engineering service organization to develop a comprehensive safety and loss control program.

    b. Review all accident reports and monitor accident trends and frequencies.

    c. Coordinate the annual safety inspections and identify locations requiring more frequent inspections.

    d. Conduct safety education programs.

    e. Review the activities of each municipality's safety committee and notify the Fund commissioners if any municipality is not conducting an active safety program.

    f. Perform such other duties that are requested by the Fund commissioners/executive committee, or are provided for by state regulation and law.

ARTICLE IV - OPERATION OF THE FUND

General Operation:

1. The Fund shall be subject to and operate in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and the various statutes authorizing the investment of public funds, including but not limited to N.J.S.A. 40A:10-10(b), 17:12B-241 and 17:9-4.1.

2. The Fund shall be considered a local unit for purposes of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and services.

3. The Fund shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The Fund shall prepare a financial statement on a form acceptable to the Commissioner of Insurance showing the financial ability of the Fund to meet its obligations. The members may, upon majority vote, request that the Commissioner of Insurance order an examination of any Fund member which the Fund commissioners or executive committee, if any, in good faith believes may be in a financial condition detrimental to other Fund members or to the public.

4. The minimum Workers' Compensation contribution of the members shall be at least $250,000 for the Fund's first year and at least $500,000 for each subsequent year of operation unless otherwise approved by the Commissioner of Insurance.

Risk Management Plan:

1. The commissioners shall prepare or cause to be prepared, a plan of Risk Management for the Fund. The plan shall include, but not be limited to:

    a. The perils or liability to be insured against.

    b. Limits of coverage, whether self-insurance, direct insurance purchased from a commercial carrier or reinsurance.

    c. The amount of risk to be retained by the Fund.

    d. The amount of reserves to be established.

    e. The proposed method of assessing contributions to be paid by each member of the Fund.

    f. Procedures governing loss adjustment and legal fees.

    g. Coverage to be purchased from a commercial insurer, if any.

h. Reinsurance to be purchased, if any, and the amount of premium therefore.

2. The Risk Management Plan and all amendments must be approved by the Commissioner of Insurance and the Commissioner of the Department of Community Affairs before it takes effect.

Servicing Organizations:

1. The Fund shall contract to have the following services performed:

   Claims administration
   Safety Engineering
   Compilation of statistics and the preparation
   of assessments, loss and expense reports
   Preparation of reports required pursuant to PL 1983 c.372 or any regulations and/or rules of the New Jersey Department of Insurance including but not limited to N.J.A.C. 11:15-1
   Development of members assessments and fees
   Actuarial Services

2. Except with the approval of the Commissioner of Insurance, no servicing organizations or its employees, officers or directors shall have either a direct or indirect financial interest in an administrator or be an employee, officer or director of an administrator.

3. Each service contract shall include a clause stating "unless the Commissioner of Insurance otherwise permits, the servicing organization shall handle to their conclusion all claims and other obligations incurred during the contract period."

4. Each servicing organization shall provide a surety bond and Errors and Omissions coverage in a form and amount acceptable to the commissioner of Insurance, and as provided elsewhere in these bylaws.

Financial Statement And Reports:

1. The Fund shall provide its members with periodic reports concerning the activities and status of the Fund for the reporting period. Such reports shall be made at least quarterly and may be made more frequently at the discretion of the Fund commissioners.

2. A sworn annual report in a form prescribed by the Commissioner of Insurance shall be prepared by the Fund, filed concurrently with the Department of Insurance and

the Department of Community Affairs and made available to each Fund member on or before June 30th of each year. The report shall be accompanied by:

a. An annual audited statement of the financial condition of the Fund prepared by the auditor and performed in accordance with generally accepted accounting principles and Sec. II of PL 1983, c.372.

b. Reports of outstanding liabilities showing the number of claims, amounts paid to date and current reserves for losses, claims and unearned assessments as certified by an actuary.

Coverages:

The Fund shall offer the following coverages to the members:

1. Workers' Compensation and Employer's Liability. The Workers' Compensation benefits levels will equal those required by the Workers' Compensation law and other applicable statutes. The Fund shall make payment to Workers' Compensation recipients in a timely fashion in accordance with the regulations of the Department of Insurance.

2. Liability other than Motor Vehicles

3. Property Damage other than Motor Vehicle

4. Motor Vehicle

The exact terms and conditions of coverage may be the same as the excess insurance policy purchased by the Fund.

ARTICLE V - MEETINGS AND RULES OF ORDER

Meetings:

1. Annual Organization Meeting. As soon as possible after the beginning of the year, the commissioners shall meet to elect officers and the executive committee, if any, to appoint officials and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating municipalities at least two (2) weeks in advance.

2. Monthly Business Meetings. The commissioners (or executive committee) shall establish a schedule of monthly meetings to conduct the business of the Fund. All commissioners may attend open or closed sessions of the executive committee.

3. Special Meetings. The Chairperson, or three (3) commissioners may call a special meeting by notifying the Secretary at least three (3) days in advance. The Secretary shall notify the commissioners (or members of the executive committee) by telephone. If the Secretary is unable to reach a member as of forty-eight (48) hours before the meeting, the Secretary shall telephone another official of the municipality using the following order: Mayor, Clerk, Police Department.

   Notice shall state the purpose of the meeting and whether it is called for the executive committee only or full membership of commissioners.

4. Quorum. The quorum for full commissioners meeting shall be as follows:

   a. A majority of the total commissioners unless the total number of members exceeds 25.

   b. If the total membership exceeds 25 in numbers, then a quorum shall be 13 plus a sum equal to 20% of the number of members in excess of 25 rounded to the next higher number.

   c. A quorum for executive committee meetings shall be a majority of the total committee.

Conduct Of Meetings:

1. All meetings of the Fund shall be subject to the rules and regulations of the Open Public Meetings Act.

2. Unless otherwise provided in these Bylaws, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.

Amendments To The Bylaws:

1. Any commissioner may propose an amendment to the Bylaws by filing the proposed amendment in writing with the Secretary.

2. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all

commissioners of the hearing date and shall send all Fund commissioners a copy of the proposed amendment.

3. The amendment is adopted by the Fund when the governing body of each participating municipality approves the amendment within six (6) months of the hearing on the amendment. In the event Section 40A:10-43 is amended, the procedure and vote required by said statute as amended shall control. If after six (6) months the Secretary has not received written notice of approval from each municipality, the Secretary shall notify the members that time has expired for the adoption of the amendment.

4. If adopted, the amendment shall not take effect until approved by the Commissioner of Insurance and the Department of Community Affairs.

ARTICLE VI - BUDGETS

Budget Preparation:

1. In November of each year, the Fund shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self-insurance or loss retention accounts.

2. The budget shall be reviewed by an actuary who shall comment on its adequacy and shall recommend changes, as appropriate, by November 15th.

Budget Adoption:

1. Not later than December 31st of each year the Fund commissioners (or executive committee) shall adopt by majority vote the budget for the Fund's operation for the coming fiscal year.

2. A copy of the Fund's proposed budget (as changed to reflect the actuary report) shall be sent to each participating municipality at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all participating municipalities the opportunity to present comments or objections.

3. An adopted budget may be amended by majority vote after giving the participating municipalities two (2) weeks advance written notice and conducting a hearing on the proposed amendment.

4. A copy of the adopted budget and any amendment shall be filed within thirty (30) days of its adoption with the governing body of each participating municipality, the Commissioner of Insurance and the Department of Community Affairs.

ARTICLE VII - ASSESSMENTS

Annual Assessment:

1. By November 15th of each year, the actuary shall compute the probable net cost for the upcoming Fund year by line of coverage for each prior Fund year. The actuary shall include all budget items in these computations.

2. The annual assessment of each participating municipality shall be its pro rata share of the probable net cost for the upcoming year for each line of coverage as computed by the actuary.

3. The calculation of pro rata shares shall be based on each municipality's manual premium by Fund year for that line of coverage.

4. The total amount of each member's annual assessment shall be certified by majority vote of the Fund commissioners (or executive committee, as applicable) to the governing body of each participating municipality at least one (1) month prior to the beginning of the next fiscal year.

5. The annual assessment shall be paid to the Fund in two (2) equal installments to be determined by the commissioners (or executive committee), which shall conform with N.J.A.C. 11:15-2.15(a).

6. In the event the final budget passed in December necessitates changes in the annual assessment, the second installment shall be adjusted to reflect this difference.

7. The Treasurer shall deposit each member's assessment into the appropriate accounts, including the Administrative Account and the Claim or Loss Retention Trust Fund account by Fund year for each type of coverage in which the member participates.

8. If a municipality becomes a member of the Fund, or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and

supplemental assessments shall be reduced in proportion to that part of the year which had elapsed.

Supplemental Assessments:

1. The Fund commissioners/executive committee shall by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's Claim, Loss Retention or Administrative Accounts to assure the payment of the Fund's obligations.

    a. All supplemental assessments shall be charged to the participating municipalities by applicable Fund year, and shall be apportioned by that year's manual premium for that line of coverage.

    b. All municipalities shall be given thirty (30) days advance written notice of the Fund's intention to charge an additional assessment, and the Fund shall conduct a hearing before adopting the supplemental assessment.

    c. Municipalities shall have thirty (30) days to pay the Fund from the date any supplemental assessment is adopted.

2. The Fund shall submit to the Commissioner of Insurance and the Department of Community Affairs a report of the causes of the Fund's insufficiency, the assessments necessary to replenish it and the steps taken to prevent a reoccurrence of such circumstances.

Failure Or Refusal To Provide Required Assessments:

Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the Chairperson or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Commissioner of Community Affairs. Past due assessments shall bear interest at the rate of interest to be established annually by the commissioners/executive committee.

Insolvency And/Or Bankruptcy Of Fund Members:

The insolvency or bankruptcy of a member does not release the Fund, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

ARTICLE VIII - REFUNDS

A. Any monies for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Fund no less than twelve (12) months after the end of the fiscal year.

B. The initial refund for any year from a Claim or Loss Retention Account shall not exceed thirty (30) percent of the surplus available for the year. The Fund may, however seek annual approval for payment of refunds from a Claim or Loss Retention Trust Fund Account remaining from any year which has been completed for at least thirty (30) months or longer and may include such refund payments with initial refund payments from the preceding year.

C. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund on a previous year is not contingent on the member's continued membership in the Fund after that year.

D. At the option of the member, the refund may be retained by the Fund and applied towards the member's next annual assessment.

ARTICLE IX - EXCESS INSURANCE

A. The Fund shall purchase excess insurance in a form, in an amount and from an insurance company acceptable to the Commissioner of Insurance.

B. No later than forty-five (45) days before the beginning of the fiscal year, the Fund shall notify all members of changes in the coming year's excess insurance policies. The Fund shall also notify the members of any changes in the policies which occur during the year.

C. Certificates of excess insurance showing policy limits and other information shall be filed with each member and the Commissioner of Insurance. Copies of all policies shall be provided to the members.

ARTICLE X - DEDUCTIBLES

A. In order to motivate and reward members to improve their safety program, each participating municipality shall pay a per occurrence deductible in an amount established by the commissioners at least one (1) month before the beginning of the fiscal year. Subject to the provision of this article, the Fund shall pay the cost of any claim including allocated claim expense which exceeds the deductible, subject to the terms, conditions and limits as provided for by the Fund's excess insurance coverage(s).

B. The maximum amount that a municipality shall be responsible for in deductible claims and allocated claims expenses for a Fund year is 15% of its pro rata share of the Fund's budget for claims and allocated claims expense.

C. After the end of the fiscal year, the Fund shall total the deductible costs paid on behalf of each municipality. The Fund shall credit or refund to the municipality any unused portion of the members' deductible account after making a proper deduction for Incurred But Not Reported losses.

ARTICLE XI - TRUST FUND ACCTS., INVESTMENTS & DISBURSEMENTS

Establishment Of Trust Fund Accounts:

1. By resolution, the Fund shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:15-14.

2. The Fund shall establish a separate Trust Fund Account from which monies shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance premiums for each line of coverage by Fund year. Such accounts shall be designated as Claims or Loss Retention Fund Accounts.

    a. Other than for claims, allocated claims expense, or excess insurance premiums, no transfers or withdrawals may be made from a Claim or Loss Retention Account without the prior written approval of the Commissioner of Insurance.

3. The Fund shall also establish an Administrative Account which shall be utilized for payment of the Fund's general operating expenses, loss prevention activities, data processing services, and general legal expenses.

Investments:

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the Fund's cash management plan and consistent with the statutes and rules governing the investment of public funds by local governments and pursuant to N.J.S.A. 40A:10-10b.

2. The investment and interest income earned by the investment of the assets of each Claim or Loss Retention account shall be credited to each account.

3. The investment and interest income earned by investment of the assets of the Administrative Account shall be credited to that account.

Disbursements:

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Fund's assets shall certify as to the availability of sufficient unencumbered funds to fully pay charges or commitments to be accepted.

2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Fund commissioners (or executive committee.

3. Not withstanding numbers 1 and 2 above, the Fund may provide for the expeditious resolution of certain claims by designating the Fund's Administrator or Service Organization as "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Fund may authorize the "certifying and approving officer" to approve for payment any or specified claims in an amount not to exceed $5,000 per claim payment. The Fund shall establish such other procedures and restrictions on the exercise of this authority as the Fund deems appropriate.

4. Upon approval, the "certifying and approving officer" shall certify the amount and particulars of such approved claims to the custodian of the Fund's assets, directing that a check for payment be prepared.

5. Each month, the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Fund commissioners/executive committee at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.

6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and must carry the certification of some officer or duly designated agent or employee of the Fund having knowledge of the facts that the goods have been received by, or the services rendered to the Fund. In the case of claims or losses to be charged against any loss fund, the Fund's claims administrator shall certify as to the claims correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons so designated by the joint insurance fund commissioners/executive committee.

8. All claims or other disbursements approved for payment by the Fund shall be recorded in a claims register maintained by the custodian of the Fund's assets.

ARTICLE XII - CONFLICT OF INTEREST

A. No official or employee of a participating municipality or any members of the family of such officials or employees, or any businesses in which such officials, employees or family members have a beneficial interest shall seek to obtain or participate in any contract to be entered into by the Fund for administration, loss control, investment or depository services, insurance coverage or any other service, commodity or material without first fully disclosing in writing the nature and extent of such interest, financial or otherwise, to the Joint Insurance Fund Commissioners. It shall be the responsibility of the Fund commissioners to determine if the interest so disclosed is such as to constitute an actual or potential conflict of such degree as to impair the ability of the officer, employee, family member or business from fully and impartially performing the duties required by the Fund. If so, the officer, employee, family member or business shall be prohibited from entering into such contract until the cause of such conflict is removed.

B. Any contract entered into between the Fund and any individual, firm, corporation or agency which fails to disclose an actual or potential conflict situation shall be void.

C. There shall be no collusion or evidence or appearance of collusion, between any official or employee of the members or employees of the Fund and any official or employee of any contractor, vendor, insurance company, bank, consultant, brokerage firm or any other profit making or non-profit firm attempting to solicit a contract with the Fund or awarded a contract by the Fund.

ARTICLE XIII - VOLUNTARY DISSOLUTION OF THE FUND

A. If the Fund commissioners/executive committee deem it in the best interest of the members to dissolve the Fund, they shall by majority vote direct that a written plan of dissolution be prepared.

B. The plan of dissolution must provide for the payment of all incurred losses of the Fund and its members, including all incurred but not reported losses, as certified by an actuary, before any assets of the Fund or the Trust Fund Accounts may be used for any other purpose.

C. Upon completion of the plan, the Chairperson shall call a general meeting of all Fund commissioners/executive committee who shall review the plan and make any appropriate amendments. By majority vote, the Fund commissioners may recommend to the members that the Fund be dissolved in accordance with the plan of dissolution.

D. A majority of the governing bodies of the participating municipalities must by resolution vote to accept the plan of dissolution in order to dissolve the Fund.

E. The plan of dissolution and other such information as may be required, must be filed with and approved in writing by the Commissioner of Insurance and the Commissioner of the Department of Community Affairs before the dissolution of the Fund is effective.

ARTICLE XIV - CLAIMS HANDLING PROCEDURE

Registration Of Claims:

Upon receipt of initial notice of claim, whether by service of process, notice of claim or petition or otherwise, the claims administrator shall cause each claim to be numbered, and to be included on a monthly report to the Fund commissioners/executive committee. The monthly report shall set forth the name of the claimant, the nature of the claim, the type insurance coverage claimed against, and to the extent known, an approximate estimate of the magnitude of the potential loss.

Claims Response:

Upon receipt of the initial notice of claim described above, the claim administrator shall immediately forward the notice of claim and any other information available to the claims service agency and, where appropriate, to the Fund's defense attorneys for initial contact, investigation, court actions or other appropriate response.

Claims Acknowledgment And Initial Evaluation:

Upon receipt of an assignment of claim handling, the claims service agency and, where appropriate, the defense attorneys shall acknowledge receipt of the claim and within thirty (30) days of receipt, submit a report indicating their initial assessment of the merits and exposure represented by the claim and a summary of the actions taken to date in response to said claim.

Periodic Review Of Claim Status:

Each claim shall be reviewed at intervals of not greater than ninety (90) days as to their status. In particular, the Fund commissioners/executive committee shall determine whether the investigation and defense of the claim is adequate, and the adequacy of the reserves posted for the claim.

Notice Of Settled Claims:

Where permitted by the bylaws, and settlements have been concluded without action of the Fund commissioners/executive committee, a complete report thereof as provided by the bylaws shall be furnished to the Fund commissioners/executive committee.

Notice Of Intended Settlement:

Whenever an investigation discloses that the prompt fair and equitable settlement of a claim is appropriate and possible, the claims service agency shall submit to the administrator for review at an Fund commissioners/executive committee meeting, a notice of recommended settlement. This notice shall be on forms approved by the Fund commissioners/executive committee and shall set forth identifying information concerning the claim, recommendations where appropriate concerning the legal liability of the Fund, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement.

Approval Of Payments And Settlements:

Whenever the Fund shall make any payment or settlement of any claim, a notation thereof identifying the claim, the amount paid and the reasons underlying the payment shall be approved by the Fund commissioners/executive committee and entered upon a ledger of claims paid.

ARTICLE XV - COMPLAINT HANDLING PROCEDURE

A. Whenever any interested party shall submit a complaint in writing to the "FUND", the administrator, or any member of the Fund, a copy thereof shall be forthwith communicated to the Fund commissioners/executive committee for consideration at its next regularly scheduled meeting.

B. At said meeting the Fund commissioners/executive committee shall consider the complaint, and by recorded vote take such action as might be appropriate.

C. The complaining party, and the commissioner from the municipality wherein the complaining party resides (if the complaining party is a resident of a member municipality) shall receive written notice of the commissioners' findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning its complaint before the Fund commissioners/executive committee.

D. The Fund shall keep a separate record of all complaints received and the disposition of same.

ARTICLE XVI - OTHER CONDITIONS

Inspection And Audit:

The Fund shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each Participant covered by this agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Participant or others, to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The Fund shall be permitted to examine and audit the Participant's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this agreement.

Notice Of Injury:

When an injury occurs, written notice shall be given by or on behalf of the Participant to the Fund or any of its authorized agents as soon as practical. Such notice shall contain particulars sufficient to identify the Participant and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

Notice Of Claim Or Suit:

If claim is made or formal petition or a suit or other proceedings are brought against the Participant, the Participant shall immediately forward to the Fund every demand, notice, summons or other process received by him or his representative.

Assistance And Cooperation Of The Participant:

The Participant shall cooperate with the Fund, and upon the Fund's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The

Participant shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Workers' Compensation Law.

Action Against Fund:

No action shall lie against the Fund unless, as a condition precedent thereto, the Participant shall have fully complied with all the terms of this agreement, not until the amount of the participant's obligation to pay shall have been finally determined either by judgment against the Participant after actual trial or by written agreement of the Participant, the claimant and the Fund. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this agreement to the extent of the protection afforded by this agreement. Nothing contained in this agreement shall give any person or organization any right to join the Fund as a co-defendant in any action against the Participant to determine the Participant's liability.

Bankruptcy or insolvency of the Participant shall not relieve the Fund of any of its obligations.

Subrogation:

In the event of any payment under the agreement, the Fund shall be subrogated to all rights of recovery therefore of the Participant and any person entitled to the benefits of this agreement against any person or organization and the Participant shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Participant shall do nothing after loss to prejudice such rights.

Conformance With Statute:

In the event any portion of these Bylaws conflict with any statute or administrative regulation covering joint insurance funds, the provision of any such regulation shall control to the extent it conflicts.

THUS DONE, READ AND PASSED in my office in _____, state of New Jersey.

MONMOUTH MUNICIPAL JOINT INSURANCE FUND

By:

Chairman

Attest:
Secretary

By:
Executive Director/Administrator