

## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property losses and liability claims against public educational agencies who are members thereof, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for liability and property losses.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property losses and liability claims, whereby ASCIP will pay or provide insurance, subject to deductible amounts, for such property losses and liability claims against members as set forth are in the plan adopted by the Executive Committee, using funds provided by members for this purpose.

3. Pursue any member's right of subrogation on property or third party liability claims when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
4. Establish and maintain a fund or funds to pay self-insured losses.
5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes and programs of ASCIP.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, provided that membership is contingent upon being a party to the Joint Powers Agreement and satisfaction of Article III, Section 3 requirements. A "public educational agency" is defined as a School District, a Community College District, a County Superintendent of Schools, a Regional Occupational Program, a Regional Occupational Center, a Charter School, or any other public educational agency as defined in the California Government Code.
2. Should any member reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member, provided that the member continue to be a public educational agency under California law.
3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of a completed ASCIP underwriting questionnaire;

- b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
4. Upon admission to membership in ASCIP, each member agency shall become eligible to participate in the election of members of the Executive Committee according to the Procedures outlined in Article IV.

#### **ARTICLE IV**

##### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which shall hereafter be referred to as the "Committee" or "Executive Committee".
2. No one serving on the Executive Committee shall receive any salary or compensation from ASCIP.
3. There shall be an eleven (11) member Executive Committee.
4. As member terms expire, elections shall be held for the following three years term. There shall be no term limits. If, for any reason, a member is not able to complete a term, the remaining members may appoint a new member for the duration of the vacant member's term.
5. ASCIP shall distribute a ballot for election of Committee members with nominees appropriately grouped and categorized. A public educational agency which is a party to the Joint Powers Agreement shall be eligible to vote for members to the Committee in the same category as that into which the district falls. For separate joint powers authorities which are admitted to membership in ASCIP ("Member-JPA"), each agency member of the Member-JPA will have one vote for conducting general ASCIP business. For the purpose of voting on representation to the Executive Committee, a Member-JPA will be defined as one ASCIP member with one collective vote per Member-JPA. Member-JPAs representation category will be based on the total average daily attendance of that Member-JPA.

Executive Committee member distribution will be as follows:

- a. Two members and one alternate to be selected from nominees from member public educational agencies and Member-JPAs with an average daily attendance in excess of 30,000, as reported in official State lottery reports for the immediately preceding fiscal year.
  - b. Two members and one alternate to be selected from nominees from member public educational agencies and JPAs with an average daily attendance between 15,001 and 30,000, as reported in official State lottery reports for the immediately preceding fiscal year.
  - c. Two members and one alternate to be selected from nominees from member public educational agencies and JPAs with an average daily attendance between 10,001 and 15,000, as reported in official State lottery reports for the immediately preceding fiscal year.
  - d. Three members and one alternate to be selected from nominees from member public educational agencies and JPAs with an average daily attendance between 1 and 10,000, as reported in official State lottery reports for the immediately preceding fiscal year.
  - e. Two members and one alternate to be selected from nominees from member community college districts and college district Member-JPAs.
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
7. Membership on the Committee may cease for any of the reasons stated below; however, the Executive Committee must take specific action to ratify the termination of any Executive Committee member:
- a. Voluntary resignation.
  - b. Failure to attend regular monthly Committee meetings for three consecutive months, unless a leave of absence is approved by a majority vote of the Executive Committee.
  - c. If the district represented by the Committee member ceases to be a member of ASCIP.
  - d. If the Committee member's agency average daily attendance changes and results in a category representation change, the Committee member may serve through the remaining program year at the discretion of the Executive Committee.

8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Committee.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement. In addition, the Executive Committee is specifically empowered to:

1. Establish bylaws, rules, and regulations not inconsistent with applicable law or with the ASCIP Joint Powers Agreement, as may be necessary for the conduct of its business.
2. Provide for the management and administration of the ASCIP programs in a manner that is in the best interest of the members. This power shall include the power to employ and terminate a management firm for such purpose or to employ staff.
3. Determine annual premium or contribution rates and retrospective rating formulas and the method by which such contributions will be paid to the fund created pursuant to ASCIP's purpose.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums or excessive claims costs.
5. Determine whether, and by what method, new members shall be allowed into the program consistent with the terms of Article III of these Bylaws.
6. Appoint and dissolve working committees from its active membership or by contracting for such services consistent with the terms and purposes of ASCIP.
7. Insure that a complete and accurate system of accounting for all funds is maintained at all times.
8. Determine the manner in which the property loss and liability programs shall be operated. This will include issuing to members a statement of the coverage provided by ASCIP.
9. Maintain, or cause to be maintained, accurate case records for all risks insured against and accurate records of all claims paid.
10. Provide for loss control services.

11. Enter into contracts consistent with the terms of the Joint Powers Agreement.
12. Make appropriate periodic reports to the membership on the status of ASCIP and its programs.
13. Adopt an annual budget for ASCIP.
14. Perform any and all other functions necessary or appropriate to accomplish the purpose of ASCIP.
15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Administrative Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the regular July meeting of each year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Administrative Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.
  2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.
  3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.

4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
6. Conduct all necessary correspondence of ASCIP.
7. Prepare such notices and reports as may be requested by the Executive Committee.
8. Be an ex officio member of all committees.
9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
11. Be responsible for preparing any annual reports required by law or the Executive Committee.
12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
13. Be the official representative of ASCIP, unless otherwise designated.
14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
15. Be bonded in an amount determined by the Executive Committee.

b. The President shall:

1. Preside at all meetings of the Executive Committee.
2. Assist the Chief Administrative Officer in the performance of duties.
3. Prepare a list of unfinished business for use by the Chief Administrative Officer in the preparation of the agenda.
4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.

5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

## **ARTICLE VII**

### **MEETINGS**



1. The Executive Committee shall meet regularly but not less than nine times per year.
2. The Executive Committee shall, at its July meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special meetings may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee membership shall constitute a quorum for the transaction of business.
6. A majority of the total Executive Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled meetings.
8. Minutes shall be kept of all open sessions of meetings held by the Executive committee and made available to each member of ASCIP.
9. Items may be placed on the agenda, provided a written request is received by the Chief Administrative Officer at least ten (10) working days prior to the regularly scheduled meeting.
10. Any member of the public desiring to make a personal appearance before the Executive Committee to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## **ARTICLE VIII**

### **FINANCE**

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in

accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.

2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, vehicle counts, and property values.
    - (2) Loss experience of the member.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.
    - (6) The deductible selected by the member.
    - (7) Cost of services.
  - b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.
3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance

- c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
4. In making retrospective rating calculations, community colleges will be treated separately from other ASCIP members for the first \$250,000 of each loss occurrence.
  5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
  6. In the event of the dissolution of ASCIP, the complete rescission or other final termination of the JPA by all agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all obligations, shall be returned to the districts that were members of ASCIP during its final three years based on their prorata share of premiums paid for such of the final three years as the district was a member of ASCIP.
  7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
  8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

### **FUNDS**

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
  - (b) Claims management expense

- (c) Costs of administration
  - (d) Safety engineering
  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
2. The Executive Committee may establish a Claims Payment Fund into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a member of ASCIP, effective upon the date of involuntary termination. The member being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

## **ARTICLE XIII**

### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

## **ARTICLE XIV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.

## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property losses and liability claims against public educational agencies who are members thereof, and to provide for additional insurance and risk management programs and services, and a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for liability and property losses and other insurance and risk management programs and services.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property losses and liability claims, whereby ASCIP will pay or provide insurance, subject to deductible amounts, for such property losses and liability claims against members as set forth are in

- the plan adopted by the Executive Committee, using funds provided by members for this purpose.
3. Pursue any member's right of subrogation on property or third party liability claims when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
  4. Establish and maintain a fund or funds to pay self-insured losses.
  5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
  6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
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3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:



- a. Submission of a completed ASCIP underwriting questionnaire;
  - b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
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representation category will be based on the total average daily attendance of that Member-JPA.

Executive Committee member distribution will be as follows:

- a. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the county's P2 report for the current program year.
  - b. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance in excess of 15,000, as reported in the county's P2 report for the current program year.
  - c. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance between 1 and 5,000, as reported in the county's P2 report for the current program year.
  - d. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance in excess of 5,000 as reported in the county's P2 report for the current program year.
  1. Two members and two alternates to be selected from nominees from member community college districts.
  - f. One member and one alternate to be selected from nominees from Member-JPAs.
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
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15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Administrative Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Administrative Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.
  2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.

3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.
4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
6. Conduct all necessary correspondence of ASCIP.
7. Prepare such notices and reports as may be requested by the Executive Committee.
8. Be an ex officio member of all committees.
9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
11. Be responsible for preparing any annual reports required by law or the Executive Committee.
12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
13. Be the official representative of ASCIP, unless otherwise designated.
14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
15. Be bonded in an amount determined by the Executive Committee.

b. The President shall:

1. Preside at all meetings of the Executive Committee.
2. Assist the Chief Administrative Officer in the performance of duties.
3. Prepare a list of unfinished business for use by the Chief Administrative Officer in the preparation of the agenda.
4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.

5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

## **ARTICLE VII**

## MEETINGS

1. The Executive Committee and the Claims/Coverage Committee shall meet regularly but not less than nine times per year. All other Committees shall meet on an as-needed basis.
2. The Executive Committee shall, at its June meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special Meetings of the Executive Committee, Claims/Coverage Committee or any other Committee may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee, of the Claims/Coverage Committee, and of any other Committee of ASCIP shall constitute a quorum for the transaction of business.
6. A majority of the total Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. Notwithstanding any other provision of the Bylaws, a minimum of five members of the Claims/Coverage Committee shall be sufficient, even in the absence of a quorum, to conduct the business of the Committee.
8. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled Committee meetings.
9. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and made available to each member of ASCIP. Minutes shall also be kept of all Open Session of the Claims/Coverage Committee and other Committees of ASCIP.
10. Items may be placed on the agenda, provided a written request is received by the Chief Administrative Officer at least ten (10) working days prior to the regularly scheduled meeting of any Committee.
11. Any member of the public desiring to make a personal appearance before the Executive Committee, Claims/Coverage Committee or any other Committee of ASCIP to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## ARTICLE VIII

### FINANCE

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.
2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, vehicle counts, and property values.
    - (2) Loss experience of the member.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.
    - (6) The deductible selected by the member.
    - (7) Cost of services.



- b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.
3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance
  - c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
4. In making retrospective rating calculations, community colleges will be treated separately from other ASCIP members for the first \$250,000 of each loss occurrence.
5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
6. In the event of the dissolution of ASCIP, the complete rescission or other final termination of the JPA by all agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all obligations, shall be returned to the districts that were members of ASCIP during its final three years based on their prorata share of premiums paid for such of the final three years as the district was a member of ASCIP.
7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

### **FUNDS**

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
  - (b) Claims management expense
  - (c) Costs of administration
  - (d) Safety engineering
  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
  
2. The Executive Committee may establish a Claims Payment Fund into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  
3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a member of ASCIP, effective upon the date of involuntary termination. The member

being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

### **ARTICLE XIII**

#### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

### **ARTICLE XIV**

#### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.

## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property, liability and workers' compensation claims and losses against public educational agencies who are members thereof, and to provide for additional insurance and risk management programs and services, and a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for losses and other insurance and risk management programs and services.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property, liability and workers' compensation claims and losses, where ASCIP shall pay or provide insurance, subject to various deductibles and self-insured retentions, for such losses and

claims against members as set forth in the plan adopted by the Executive Committee, using funds provided by members for this purpose.

3. Pursue any member's right of subrogation when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
4. Establish and maintain a fund or funds to pay self-insured losses.
5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes and programs of ASCIP.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, provided that membership is contingent upon being a party to the Joint Powers Agreement and satisfaction of Article III, Section 3 requirements. A "public educational agency" is defined as a School District, a Community College District, a County Superintendent of Schools, a Regional Occupational Program, a Regional Occupational Center, a Charter School, or any other public educational agency as defined in the California Government Code.
2. Should any member reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member, provided that the member continue to be a public educational agency under California law.

3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of a completed ASCIP underwriting questionnaire;
  - b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
4. Upon admission to membership in ASCIP, each member agency shall become eligible to participate in the election of members of the Executive Committee according to the Procedures outlined in Article IV.

## **ARTICLE IV**

### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which shall hereafter be referred to as the "Committee" or "Executive Committee".
2. No one serving on the Executive Committee shall receive any salary or compensation from ASCIP.
3. There shall be an eleven (11) member Executive Committee.
4. As member terms expire, elections shall be held for the following three years term. There shall be no term limits. If, for any reason, a member is not able to complete a term, the remaining members may appoint a new member for the duration of the vacant member's term.
5. ASCIP shall distribute a ballot for election of Committee members with nominees appropriately grouped and categorized. A public educational agency which is a party to the Joint Powers Agreement shall be eligible to vote for members to the Committee in the same category as that into which the district falls. For separate joint powers authorities which are admitted to membership in ASCIP ("Member-JPA"), each agency member of the Member-JPA will have one vote for conducting general ASCIP business. For the

purpose of voting on representation to the Executive Committee, a Member-JPA will be defined as one ASCIP member with one collective vote per Member-JPA. Member-JPAs representation category will be based on the total average daily attendance of that Member-JPA.

Executive Committee member distribution will be as follows:

- a. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the county's P2 report for the current program year.
  - b. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance in excess of 15,000, as reported in the county's P2 report for the current program year.
  - c. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance between 1 and 5,000, as reported in the county's P2 report for the current program year.
  - d. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance in excess of 5,000 as reported in the county's P2 report for the current program year.
  1. Two members and two alternates to be selected from nominees from member community college districts.
  - f. One member and one alternate to be selected from nominees from Member-JPAs.
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
  7. Membership on the Committee may cease for any of the reasons stated below; however, the Executive Committee must take specific action to ratify the termination of any Executive Committee member:
    - a. Voluntary resignation.
    - b. Failure to attend regular monthly Committee meetings for three consecutive months, unless a leave of absence is approved by a majority vote of the Executive Committee.
    - c. If the district represented by the Committee member ceases to be a member of ASCIP.



- d. If the Committee member's agency average daily attendance changes and results in a category representation change, the Committee member may serve through the remaining program year at the discretion of the Executive Committee.
8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Committee.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement. In addition, the Executive Committee is specifically empowered to:

1. Establish bylaws, rules, and regulations not inconsistent with applicable law or with the ASCIP Joint Powers Agreement, as may be necessary for the conduct of its business.
2. Provide for the management and administration of the ASCIP programs in a manner that is in the best interest of the members. This power shall include the power to employ and terminate a management firm for such purpose or to employ staff.
3. Determine annual premium or contribution rates and retrospective rating formulas and the method by which such contributions will be paid to the fund created pursuant to ASCIP's purpose.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums or excessive claims costs.
5. Determine whether, and by what method, new members shall be allowed into the program consistent with the terms of Article III of these Bylaws.
6. Appoint and dissolve working committees from its active membership or by contracting for such services consistent with the terms and purposes of ASCIP.
7. Insure that a complete and accurate system of accounting for all funds is maintained at all times.
8. Determine the manner in which the property, liability and workers' compensation programs shall be operated and assure full compliance with all applicable laws and

regulations. This will include issuing to members a statement of the coverage provided by ASCIP.

9. Maintain, or cause to be maintained, accurate case records for all risks insured against and accurate records of all claims paid.
10. Provide for loss control services.
11. Enter into contracts consistent with the terms of the Joint Powers Agreement.
12. Make appropriate periodic reports to the membership on the status of ASCIP and its programs.
13. Adopt an annual budget for ASCIP.
14. Perform any and all other functions necessary or appropriate to accomplish the purpose of ASCIP.
15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Administrative Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Administrative Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.

2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.
  3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.
  4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
  5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
  6. Conduct all necessary correspondence of ASCIP.
  7. Prepare such notices and reports as may be requested by the Executive Committee.
  8. Be an ex officio member of all committees.
  9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
  10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
  11. Be responsible for preparing any annual reports required by law or the Executive Committee.
  12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
  13. Be the official representative of ASCIP, unless otherwise designated.
  14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
  15. Be bonded in an amount determined by the Executive Committee.
- b. The President shall:
1. Preside at all meetings of the Executive Committee.
  2. Assist the Chief Administrative Officer in the performance of duties.
  3. Prepare a list of unfinished business for use by the Chief Administrative Officer in the preparation of the agenda.

4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.
  5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

## **ARTICLE VII**

### **MEETINGS**

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2. The Executive Committee shall, at its June meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special Meetings of the Executive Committee, Claims/Coverage Committee or any other Committee may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee, of the Claims/Coverage Committee, and of any other Committee of ASCIP shall constitute a quorum for the transaction of business.
6. A majority of the total Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. Notwithstanding any other provision of the Bylaws, a minimum of five members of the Claims/Coverage Committee shall be sufficient, even in the absence of a quorum, to conduct the business of the Committee.
8. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled Committee meetings.
9. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and made available to each member of ASCIP. Minutes shall also be kept of all Open Session of the Claims/Coverage Committee and other Committees of ASCIP.
10. Items may be placed on the agenda, provided a written request is received by the Chief Administrative Officer at least ten (10) working days prior to the regularly scheduled meeting of any Committee.
11. Any member of the public desiring to make a personal appearance before the Executive Committee, Claims/Coverage Committee or any other Committee of ASCIP to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## **ARTICLE VIII**

### **FINANCE**

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.
  
2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, payroll, vehicle counts, and property values.
    - (2) Loss experience of the member.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.

- (6) The deductible and self-insured retention selected by the member.
    - (7) Cost of services.
  - b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.
3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance
  - c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
  - f. Workers' Compensation insurance
4. In making rating and retrospective calculations, K-8, K12, and community colleges will be treated separately for the first \$250,000 of each loss occurrence.
5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
6. In the event of the dissolution of ASCIP, the complete rescission or other final termination of the JPA by all agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all obligations, shall be returned to the districts that were members of ASCIP during its final three years based on their prorata share of premiums paid for such of the final three years as the district was a member of ASCIP.
7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller

for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

### **FUNDS**

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
  - (b) Claims management expense
  - (c) Costs of administration
  - (d) Safety and loss control
  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
  
2. The Executive Committee may establish a Claims Payment Fund(s) into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  
3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The



level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a

member of ASCIP, effective upon the date of involuntary termination. The member being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

## **ARTICLE XIII**

### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

## **ARTICLE XIV**

### **ARBITRATION**

1. In the event of a dispute between a Member and ASCIP, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s). All such disputes shall be subject to binding arbitration including, but not limited to, any disputes arising between ASCIP and any Member(s) concerning the Joint Powers Agreement, the Bylaws, any coverages or programs, or in any way involving or relating to the operations, management and activities of ASCIP and/or the right, duties or obligations of the Member(s).
2. ASCIP and the Member(s) may agree to use one arbitrator or three arbitrators. The arbitration shall be conducted by the American Arbitration Association (“AAA”) and, to the extent not inconsistent with the Bylaws and operative ASCIP – Member agreements, shall be governed by the AAA arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members. ASCIP and the Member(s) may agree to use an alternative arbitration service or to select privately an arbitrator or a three person arbitrator outside of AAA.
3. Regardless of the outcome of the arbitration, ASCIP and the Member(s) shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which

fees and costs shall not be subject to reallocation based upon whether ASCIP or the Member(s) is the prevailing party.

4. The arbitrators shall consider this agreement an honorable engagement rather than merely a legal obligation. Local rules of law as to procedure and evidence will apply and arbitration shall take place in the County of Los Angeles. The decision of the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.
5. A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the Member(s) or ASCIP.

## **ARTICLE XV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.

## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property, liability and workers' compensation claims and losses against public educational agencies who are members thereof, and to provide for additional insurance and risk management programs and services, and a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for losses and other insurance and risk management programs and services.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property, liability and workers' compensation claims and losses, where ASCIP shall pay or provide insurance, subject to various deductibles and self-insured retentions, for such losses and

claims against members as set forth in the plan adopted by the Executive Committee, using funds provided by members for this purpose.

3. Pursue any member's right of subrogation when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
4. Establish and maintain a fund or funds to pay self-insured losses.
5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes and programs of ASCIP.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, provided that membership is contingent upon being a party to the Joint Powers Agreement and satisfaction of Article III, Section 3 requirements. A "public educational agency" is defined as a School District, a Community College District, a County Superintendent of Schools, a Regional Occupational Program, a Regional Occupational Center, a Charter School, or any other public educational agency as defined in the California Government Code.
2. Should any member reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member, provided that the member continue to be a public educational agency under California law.

3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of a completed ASCIP underwriting questionnaire;
  - b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
4. Upon admission to membership in ASCIP, each member agency shall become eligible to participate in the election of members of the Executive Committee according to the Procedures outlined in Article IV.

## **ARTICLE IV**

### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which shall hereafter be referred to as the "Committee" or "Executive Committee".
2. No one serving on the Executive Committee shall receive any salary or compensation from ASCIP.
3. There shall be an eleven (11) member Executive Committee.
4. As member terms expire, elections shall be held for the following three years term. There shall be no term limits. If, for any reason, a member is not able to complete a term, the remaining members may appoint a new member for the duration of the vacant member's term.
5. ASCIP shall distribute a ballot for election of Committee members with nominees appropriately grouped and categorized. A public educational agency which is a party to the Joint Powers Agreement shall be eligible to vote for members to the Committee in the same category as that into which the district falls. For separate joint powers authorities which are admitted to membership in ASCIP ("Member-JPA"), each agency member of the Member-JPA will have one vote for conducting general ASCIP business. For the

purpose of voting on representation to the Executive Committee, a Member-JPA will be defined as one ASCIP member with one collective vote per Member-JPA. Member-JPAs representation category will be based on the total average daily attendance of that Member-JPA.

Executive Committee member distribution will be as follows:

- a. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the county's P2 report for the current program year.
  - b. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance in excess of 15,000, as reported in the county's P2 report for the current program year.
  - c. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance between 1 and 5,000, as reported in the county's P2 report for the current program year.
  - d. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance in excess of 5,000 as reported in the county's P2 report for the current program year.
  1. Two members and two alternates to be selected from nominees from member community college districts.
  - f. One member and one alternate to be selected from nominees from Member-JPAs.
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
  7. Membership on the Committee may cease for any of the reasons stated below; however, the Executive Committee must take specific action to ratify the termination of any Executive Committee member:
    - a. Voluntary resignation.
    - b. Failure to attend regular monthly Committee meetings for three consecutive months, unless a leave of absence is approved by a majority vote of the Executive Committee.
    - c. If the district represented by the Committee member ceases to be a member of ASCIP.

- d. If the Committee member's agency average daily attendance changes and results in a category representation change, the Committee member may serve through the remaining program year at the discretion of the Executive Committee.
8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Committee.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement. In addition, the Executive Committee is specifically empowered to:

1. Establish bylaws, rules, and regulations not inconsistent with applicable law or with the ASCIP Joint Powers Agreement, as may be necessary for the conduct of its business.
2. Provide for the management and administration of the ASCIP programs in a manner that is in the best interest of the members. This power shall include the power to employ and terminate a management firm for such purpose or to employ staff.
3. Determine annual premium or contribution rates and retrospective rating formulas and the method by which such contributions will be paid to the fund created pursuant to ASCIP's purpose.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums or excessive claims costs.
5. Determine whether, and by what method, new members shall be allowed into the program consistent with the terms of Article III of these Bylaws.
6. Appoint and dissolve working committees from its active membership or by contracting for such services consistent with the terms and purposes of ASCIP.
7. Insure that a complete and accurate system of accounting for all funds is maintained at all times.
8. Determine the manner in which the property, liability and workers' compensation programs shall be operated and assure full compliance with all applicable laws and regulations. This will include issuing to members a statement of the coverage provided by ASCIP.



9. Maintain, or cause to be maintained, accurate case records for all risks insured against and accurate records of all claims paid.
10. Provide for loss control services.
11. Enter into contracts consistent with the terms of the Joint Powers Agreement.
12. Make appropriate periodic reports to the membership on the status of ASCIP and its programs.
13. Adopt an annual budget for ASCIP.
14. Perform any and all other functions necessary or appropriate to accomplish the purpose of ASCIP.
15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Administrative Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Administrative Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.

2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.
  3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.
  4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
  5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
  6. Conduct all necessary correspondence of ASCIP.
  7. Prepare such notices and reports as may be requested by the Executive Committee.
  8. Be an ex officio member of all committees.
  9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
  10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
  11. Be responsible for preparing any annual reports required by law or the Executive Committee.
  12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
  13. Be the official representative of ASCIP, unless otherwise designated.
  14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
  15. Be bonded in an amount determined by the Executive Committee.
- b. The President shall:
1. Preside at all meetings of the Executive Committee.
  2. Assist the Chief Administrative Officer in the performance of duties.
  3. Prepare a list of unfinished business for use by the Chief Administrative Officer in the preparation of the agenda.

4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.
  5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

## **ARTICLE VII**

### **MEETINGS**

1. The Executive Committee and the Claims/Coverage Committee shall meet regularly but not less than nine times per year. All other Committees shall meet on an as-needed basis.
2. The Executive Committee shall, at its June meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special Meetings of the Executive Committee, Claims/Coverage Committee or any other Committee may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee, of the Claims/Coverage Committee, and of any other Committee of ASCIP shall constitute a quorum for the transaction of business.
6. A majority of the total Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. Notwithstanding any other provision of the Bylaws, a minimum of five members of the Claims/Coverage Committee shall be sufficient, even in the absence of a quorum, to conduct the business of the Committee.
8. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled Committee meetings.
9. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and made available to each member of ASCIP. Minutes shall also be kept of all Open Session of the Claims/Coverage Committee and other Committees of ASCIP.
10. Items may be placed on the agenda, provided a written request is received by the Chief Administrative Officer at least ten (10) working days prior to the regularly scheduled meeting of any Committee.
11. Any member of the public desiring to make a personal appearance before the Executive Committee, Claims/Coverage Committee or any other Committee of ASCIP to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## ARTICLE VIII

### FINANCE

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.
2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, payroll, vehicle counts, and property values.
    - (2) Loss experience of the member, developed through annual actuarial studies.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.
    - (6) The deductible and self-insured retention selected by the member.
    - (7) Cost of services.
  - b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive

Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.

3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance
  - c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
  - f. Workers' Compensation insurance
4. In making rating and retrospective calculations, K-8, K12, and community colleges will be treated separately for the first \$250,000 of each loss occurrence.
5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
6. In the event of the dissolution of ASCIP, the complete rescission or other final termination of the JPA by all agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all obligations, shall be returned to the districts that were members of ASCIP during its final three years based on their prorata share of premiums paid for such of the final three years as the district was a member of ASCIP.
7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

### **FUNDS**

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
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  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
  
2. The Executive Committee may establish a Claims Payment Fund(s) into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  
3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a member of ASCIP, effective upon the date of involuntary termination. The member



being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

## **ARTICLE XIII**

### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

## **ARTICLE XIV**

### **ARBITRATION**

1. In the event of a dispute between a Member and ASCIP, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s). All such disputes shall be subject to binding arbitration including, but not limited to, any disputes arising between ASCIP and any Member(s) concerning the Joint Powers Agreement, the Bylaws, any coverages or programs, or in any way involving or relating to the operations, management and activities of ASCIP and/or the right, duties or obligations of the Member(s).
2. ASCIP and the Member(s) may agree to use one arbitrator or three arbitrators. The arbitration shall be conducted by the American Arbitration Association (“AAA”) and, to the extent not inconsistent with the Bylaws and operative ASCIP – Member agreements, shall be governed by the AAA arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members. ASCIP and the Member(s) may agree to use an alternative arbitration service or to select privately an arbitrator or a three person arbitrator outside of AAA.
3. Regardless of the outcome of the arbitration, ASCIP and the Member(s) shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which fees and costs shall not be subject to reallocation based upon whether ASCIP or the Member(s) is the prevailing party.

4. The arbitrators shall consider this agreement an honorable engagement rather than merely a legal obligation. Local rules of law as to procedure and evidence will apply and arbitration shall take place in the County of Los Angeles. The decision of the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.
5. A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the Member(s) or ASCIP.

## **ARTICLE XV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.

## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property, liability and workers' compensation claims and losses against public educational agencies who are members thereof, and to provide for additional insurance and risk management programs and services, and a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for losses and other insurance and risk management programs and services.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property, liability and workers' compensation claims and losses, where ASCIP shall pay or provide insurance, subject to various deductibles and self-insured retentions, for such losses and

claims against members as set forth in the plan adopted by the Executive Committee, using funds provided by members for this purpose.

3. Pursue any member's right of subrogation when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
4. Establish and maintain a fund or funds to pay self-insured losses.
5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes and programs of ASCIP.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, provided that membership is contingent upon being a party to the Joint Powers Agreement and satisfaction of Article III, Section 3 requirements. A "public educational agency" is defined as a School District, a Community College District, a County Superintendent of Schools, a Regional Occupational Program, a Regional Occupational Center, a Charter School, or any other public educational agency as defined in the California Government Code.
2. Should any member reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member, provided that the member continue to be a public educational agency under California law.

3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of a completed ASCIP underwriting questionnaire;
  - b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
4. Upon admission to membership in ASCIP, each member agency shall become eligible to participate in the election of members of the Executive Committee according to the Procedures outlined in Article IV.

## **ARTICLE IV**

### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which shall hereafter be referred to as the "Committee" or "Executive Committee".
2. No one serving on the Executive Committee shall receive any salary or compensation from ASCIP.
3. There shall be an eleven (11) member Executive Committee.
4. As member terms expire, elections shall be held for the following three years term. There shall be no term limits. If, for any reason, a member is not able to complete a term, the remaining members may appoint a new member for the duration of the vacant member's term.
5. ASCIP shall distribute a ballot for election of Committee members with nominees appropriately grouped and categorized. A public educational agency which is a party to the Joint Powers Agreement shall be eligible to vote for members to the Committee in the same category as that into which the district falls. For separate joint powers authorities which are admitted to membership in ASCIP ("Member-JPA"), each agency member of the Member-JPA will have one vote for conducting general ASCIP business. For the

purpose of voting on representation to the Executive Committee, a Member-JPA will be defined as one ASCIP member with one collective vote per Member-JPA. Member-JPAs representation category will be based on the total average daily attendance of that Member-JPA.

Executive Committee member distribution will be as follows:

- a. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the county's P2 report for the current program year.
  - b. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance in excess of 15,000, as reported in the county's P2 report for the current program year.
  - c. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance between 1 and 5,000, as reported in the county's P2 report for the current program year.
  - d. One member and one alternate to be selected from nominees from K-8 member public educational agencies with an average daily attendance in excess of 5,000 as reported in the county's P2 report for the current program year.
  1. Two members and two alternates to be selected from nominees from member community college districts.
  - f. One member and two alternates to be selected from nominees from Member-JPAs.
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
7. Membership on the Committee may cease for any of the reasons stated below; however, the Executive Committee must take specific action to ratify the termination of any Executive Committee member:
- a. Voluntary resignation.
  - b. Failure to attend regular monthly Committee meetings for three consecutive months, unless a leave of absence is approved by a majority vote of the Executive Committee.
  - c. If the district represented by the Committee member ceases to be a member of ASCIP.

- d. If the Committee member's agency average daily attendance changes and results in a category representation change, the Committee member may serve through the remaining program year at the discretion of the Executive Committee.
8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Committee.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement. In addition, the Executive Committee is specifically empowered to:

1. Establish bylaws, rules, and regulations not inconsistent with applicable law or with the ASCIP Joint Powers Agreement, as may be necessary for the conduct of its business.
2. Provide for the management and administration of the ASCIP programs in a manner that is in the best interest of the members. This power shall include the power to employ and terminate a management firm for such purpose or to employ staff.
3. Determine annual premium or contribution rates and retrospective rating formulas and the method by which such contributions will be paid to the fund created pursuant to ASCIP's purpose.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums or excessive claims costs.
5. Determine whether, and by what method, new members shall be allowed into the program consistent with the terms of Article III of these Bylaws.
6. Appoint and dissolve working committees from its active membership or by contracting for such services consistent with the terms and purposes of ASCIP.
7. Insure that a complete and accurate system of accounting for all funds is maintained at all times.
8. Determine the manner in which the property, liability and workers' compensation programs shall be operated and assure full compliance with all applicable laws and regulations. This will include issuing to members a statement of the coverage provided by ASCIP.

9. Maintain, or cause to be maintained, accurate case records for all risks insured against and accurate records of all claims paid.
10. Provide for loss control services.
11. Enter into contracts consistent with the terms of the Joint Powers Agreement.
12. Make appropriate periodic reports to the membership on the status of ASCIP and its programs.
13. Adopt an annual budget for ASCIP.
14. Perform any and all other functions necessary or appropriate to accomplish the purpose of ASCIP.
15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Executive Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Executive Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.



2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.
3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.
4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
6. Conduct all necessary correspondence of ASCIP.
7. Prepare such notices and reports as may be requested by the Executive Committee.
8. Be an ex officio member of all committees.
9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
11. Be responsible for preparing any annual reports required by law or the Executive Committee.
12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
13. Be the official representative of ASCIP, unless otherwise designated.
14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
15. Be bonded in an amount determined by the Executive Committee.

b. The President shall:

1. Preside at all meetings of the Executive Committee.
2. Assist the Chief Executive Officer in the performance of duties.
3. Prepare a list of unfinished business for use by the Chief Executive Officer in the preparation of the agenda.

4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.
  5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

#### **ARTICLE VII**

## **MEETINGS**

1. The Executive Committee and the Claims/Coverage Committee shall meet regularly but not less than nine times per year. All other Committees shall meet on an as-needed basis.
2. The Executive Committee shall, at its June meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special Meetings of the Executive Committee, Claims/Coverage Committee or any other Committee may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee, of the Claims/Coverage Committee, and of any other Committee of ASCIP shall constitute a quorum for the transaction of business.
6. A majority of the total Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. Notwithstanding any other provision of the Bylaws, a minimum of five members of the Claims/Coverage Committee shall be sufficient, even in the absence of a quorum, to conduct the business of the Committee.
8. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled Committee meetings.
9. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and made available to each member of ASCIP. Minutes shall also be kept of all Open Session of the Claims/Coverage Committee and other Committees of ASCIP.
10. Items may be placed on the agenda, provided a written request is received by the Chief Executive Officer at least ten (10) working days prior to the regularly scheduled meeting of any Committee.
11. Any member of the public desiring to make a personal appearance before the Executive Committee, Claims/Coverage Committee or any other Committee of ASCIP to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## **ARTICLE VIII**

## FINANCE

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.
  
2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, payroll, vehicle counts, and property values.
    - (2) Loss experience of the member, developed through annual actuarial studies.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.
    - (6) The deductible and self-insured retention selected by the member.
    - (7) Cost of services.
  
  - b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of

Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.

3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance
  - c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
  - f. Workers' Compensation insurance
4. In making rating and retrospective calculations, K-8, K12, and community colleges will be treated separately for the first \$250,000 of each loss occurrence.
5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
6. In the event of the dissolution of ASCIP, the complete rescission or other final termination of the JPA by all agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all obligations, shall be returned to the districts that were members of ASCIP during its final three years based on their prorata share of premiums paid for such of the final three years as the district was a member of ASCIP.
7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

## FUNDS

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
  - (b) Claims management expense
  - (c) Costs of administration
  - (d) Safety and loss control
  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
  
2. The Executive Committee may establish a Claims Payment Fund(s) into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  
3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a member of ASCIP, effective upon the date of involuntary termination. The member

being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

## **ARTICLE XIII**

### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

## **ARTICLE XIV**

### **ARBITRATION**

1. In the event of a dispute between a Member and ASCIP, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s). All such disputes shall be subject to binding arbitration including, but not limited to, any disputes arising between ASCIP and any Member(s) concerning the Joint Powers Agreement, the Bylaws, any coverages or programs, or in any way involving or relating to the operations, management and activities of ASCIP and/or the right, duties or obligations of the Member(s).
2. ASCIP and the Member(s) may agree to use one arbitrator or three arbitrators. The arbitration shall be conducted by the American Arbitration Association (“AAA”) and, to the extent not inconsistent with the Bylaws and operative ASCIP – Member agreements, shall be governed by the AAA arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members. ASCIP and the Member(s) may agree to use an alternative arbitration service or to select privately an arbitrator or a three person arbitrator outside of AAA.
3. Regardless of the outcome of the arbitration, ASCIP and the Member(s) shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which fees and costs shall not be subject to reallocation based upon whether ASCIP or the Member(s) is the prevailing party.



4. The arbitrators shall consider this agreement an honorable engagement rather than merely a legal obligation. Local rules of law as to procedure and evidence will apply and arbitration shall take place in the County of Los Angeles. The decision of the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.
5. A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the Member(s) or ASCIP.

## **ARTICLE XV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.

## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property, liability and workers' compensation claims and losses against public educational agencies who are members thereof, and to provide for additional insurance and risk management programs and services, and a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for losses and other insurance and risk management programs and services.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property, liability and workers' compensation claims and losses, where ASCIP shall pay or provide insurance, subject to various deductibles and self-insured retentions, for such losses and

claims against members as set forth in the plan adopted by the Executive Committee, using funds provided by members for this purpose.

3. Pursue any member's right of subrogation when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
4. Establish and maintain a fund or funds to pay self-insured losses.
5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes and programs of ASCIP.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, provided that membership is contingent upon being a party to the Joint Powers Agreement and satisfaction of Article III, Section 3 requirements. A "public educational agency" is defined as a School District, a Community College District, a County Superintendent of Schools, a Regional Occupational Program, a Regional Occupational Center, a Charter School, or any other public educational agency as defined in the California Government Code.
2. Should any member reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member, provided that the member continue to be a public educational agency under California law.

3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of a completed ASCIP underwriting questionnaire;
  - b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
4. Upon admission to membership in ASCIP, each member agency shall become eligible to participate in the election of members of the Executive Committee according to the Procedures outlined in Article IV.

## **ARTICLE IV**

### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which shall hereafter be referred to as the "Committee" or "Executive Committee".
2. No one serving on the Executive Committee shall receive any salary or compensation from ASCIP.
3. There shall be a thirteen (13) member Executive Committee.
4. As member terms expire, elections shall be held for the following three years term. There shall be no term limits. If, for any reason, a member is not able to complete a term, the remaining members may appoint a new member for the duration of the vacant member's term.
5. ASCIP shall distribute a ballot for election of Committee members with nominees appropriately grouped and categorized. A public educational agency which is a party to the Joint Powers Agreement shall be eligible to vote for members to the Committee in the same category as that into which the district falls. For separate joint powers authorities which are admitted to membership in ASCIP ("Member-JPA"), each agency member of the Member-JPA will have one vote for conducting general ASCIP business. For the

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Executive Committee member distribution will be as follows:

- a. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the county's P2 report for the current program year.
  - b. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance in excess of 15,000, as reported in the county's P2 report for the current program year.
  - c. Two members and two alternates to be selected from nominees from K-8 member public educational agencies.
  - d. One member and one alternate to be selected from nominees from charter school member public educational agencies.
  - e. Two members and two alternates to be selected from nominees from member community college districts.
  - f. Two members, and one alternate from each remaining JPA to be selected from nominees from Member-JPAs
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
7. Membership on the Committee may cease for any of the reasons stated below; however, the Executive Committee must take specific action to ratify the termination of any Executive Committee member:
- a. Voluntary resignation.
  - b. Failure to attend regular monthly Committee meetings for three consecutive months, unless a leave of absence is approved by a majority vote of the Executive Committee.
  - c. If the district represented by the Committee member ceases to be a member of ASCIP.

- d. If the Committee member's agency average daily attendance changes and results in a category representation change, the Committee member may serve through the remaining program year at the discretion of the Executive Committee.
8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Committee.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement. In addition, the Executive Committee is specifically empowered to:

1. Establish bylaws, rules, and regulations not inconsistent with applicable law or with the ASCIP Joint Powers Agreement, as may be necessary for the conduct of its business.
2. Provide for the management and administration of the ASCIP programs in a manner that is in the best interest of the members. This power shall include the power to employ and terminate a management firm for such purpose or to employ staff.
3. Determine annual premium or contribution rates and retrospective rating formulas and the method by which such contributions will be paid to the fund created pursuant to ASCIP's purpose.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums or excessive claims costs.
5. Determine whether, and by what method, new members shall be allowed into the program consistent with the terms of Article III of these Bylaws.
6. Appoint and dissolve working committees from its active membership or by contracting for such services consistent with the terms and purposes of ASCIP.
7. Insure that a complete and accurate system of accounting for all funds is maintained at all times.
8. Determine the manner in which the property, liability and workers' compensation programs shall be operated and assure full compliance with all applicable laws and regulations. This will include issuing to members a statement of the coverage provided by ASCIP.

9. Maintain, or cause to be maintained, accurate case records for all risks insured against and accurate records of all claims paid.
10. Provide for loss control services.
11. Enter into contracts consistent with the terms of the Joint Powers Agreement.
12. Make appropriate periodic reports to the membership on the status of ASCIP and its programs.
13. Adopt an annual budget for ASCIP.
14. Perform any and all other functions necessary or appropriate to accomplish the purpose of ASCIP.
15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Executive Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Executive Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.
  2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.

3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.
4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
6. Conduct all necessary correspondence of ASCIP.
7. Prepare such notices and reports as may be requested by the Executive Committee.
8. Be an ex officio member of all committees.
9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
11. Be responsible for preparing any annual reports required by law or the Executive Committee.
12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
13. Be the official representative of ASCIP, unless otherwise designated.
14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
15. Be bonded in an amount determined by the Executive Committee.

b. The President shall:

1. Preside at all meetings of the Executive Committee.
2. Assist the Chief Executive Officer in the performance of duties.
3. Prepare a list of unfinished business for use by the Chief Executive Officer in the preparation of the agenda.
4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.



5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

## **ARTICLE VII**

## **MEETINGS**

1. The Executive Committee and the Claims/Coverage Committee shall meet regularly but not less than nine times per year. All other Committees shall meet on an as-needed basis.
2. The Executive Committee shall, at its June meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special Meetings of the Executive Committee, Claims/Coverage Committee or any other Committee may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee, of the Claims/Coverage Committee, and of any other Committee of ASCIP shall constitute a quorum for the transaction of business.
6. A majority of the total Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. Notwithstanding any other provision of the Bylaws, a minimum of five members of the Claims/Coverage Committee shall be sufficient, even in the absence of a quorum, to conduct the business of the Committee.
8. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled Committee meetings.
9. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and made available to each member of ASCIP. Minutes shall also be kept of all Open Session of the Claims/Coverage Committee and other Committees of ASCIP.
10. Items may be placed on the agenda, provided a written request is received by the Chief Executive Officer at least ten (10) working days prior to the regularly scheduled meeting of any Committee.
11. Any member of the public desiring to make a personal appearance before the Executive Committee, Claims/Coverage Committee or any other Committee of ASCIP to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## **ARTICLE VIII**

## FINANCE

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.
2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, payroll, vehicle counts, and property values.
    - (2) Loss experience of the member, developed through annual actuarial studies.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.
    - (6) The deductible and self-insured retention selected by the member.
    - (7) Cost of services.
  - b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of

Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.

3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance
  - c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
  - f. Workers' Compensation insurance
4. In making rating and retrospective calculations, K-8, K12, and community colleges will be treated separately for the first \$250,000 of each loss occurrence.
5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
6. In the event of the dissolution of ASCIP, the complete rescission or other final termination of the JPA by all agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all obligations, shall be returned to the districts that were members of ASCIP during its final three years based on their prorata share of premiums paid for such of the final three years as the district was a member of ASCIP.
7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

## FUNDS

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
  - (b) Claims management expense
  - (c) Costs of administration
  - (d) Safety and loss control
  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
  
2. The Executive Committee may establish a Claims Payment Fund(s) into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  
3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a member of ASCIP, effective upon the date of involuntary termination. The member

being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

## **ARTICLE XIII**

### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

## **ARTICLE XIV**

### **ARBITRATION**

1. In the event of a dispute between a Member and ASCIP, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s). All such disputes shall be subject to binding arbitration including, but not limited to, any disputes arising between ASCIP and any Member(s) concerning the Joint Powers Agreement, the Bylaws, any coverages or programs, or in any way involving or relating to the operations, management and activities of ASCIP and/or the right, duties or obligations of the Member(s).
2. ASCIP and the Member(s) may agree to use one arbitrator or three arbitrators. The arbitration shall be conducted by the American Arbitration Association (“AAA”) and, to the extent not inconsistent with the Bylaws and operative ASCIP – Member agreements, shall be governed by the AAA arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members. ASCIP and the Member(s) may agree to use an alternative arbitration service or to select privately an arbitrator or a three person arbitrator outside of AAA.
3. Regardless of the outcome of the arbitration, ASCIP and the Member(s) shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which fees and costs shall not be subject to reallocation based upon whether ASCIP or the Member(s) is the prevailing party.

4. The arbitrators shall consider this agreement an honorable engagement rather than merely a legal obligation. Local rules of law as to procedure and evidence will apply and arbitration shall take place in the County of Los Angeles. The decision of the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.
5. A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the Member(s) or ASCIP.

## **ARTICLE XV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.



## **BYLAWS**

### **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS (ASCIP)**

#### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs is established for the purpose of providing the services, facilities and items necessary and appropriate for the establishment, operation, and maintenance of a self insurance system for property, liability and workers' compensation claims and losses against public educational agencies who are members thereof, and to provide for additional insurance and risk management programs and services, and a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding self insurance for losses and other insurance and risk management programs and services.

#### **ARTICLE I**

##### **NAME**

The name of this organization is the Alliance of Schools for Cooperative Insurance Programs.

#### **ARTICLE II**

##### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities under California law, and any power common to the public educational agencies which are parties to this Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of this Authority, and in the manner that such powers could be exercised by public educational agencies and joint power authorities of the State of California.
2. Provide member agencies with a plan and system of self-funding for property, liability and workers' compensation claims and losses, where ASCIP shall pay or provide insurance, subject to various deductibles and self-insured retentions, for such losses and

claims against members as set forth in the plan adopted by the Executive Committee, using funds provided by members for this purpose.

3. Pursue any member's right of subrogation when, in the discretion of the Executive Committee, such subrogation may inure to the benefit of the member incurring the loss and/or ASCIP.
4. Establish and maintain a fund or funds to pay self-insured losses.
5. Acquire, hold, and dispose of property, real or personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of the self-funded insurance program or programs, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any member or their representatives or agents; to receive, accept, and utilize property, real or personal, from any member or its agents or representatives; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the Authority which funds may be provided by any member or their agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes and programs of ASCIP.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, provided that membership is contingent upon being a party to the Joint Powers Agreement and satisfaction of Article III, Section 3 requirements. A "public educational agency" is defined as a School District, a Community College District, a County Superintendent of Schools, a Regional Occupational Program, a Regional Occupational Center, a Charter School, or any other public educational agency as defined in the California Government Code.
2. Should any member reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member, provided that the member continue to be a public educational agency under California law.

3. Public educational agencies and Member-JPAs applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of a completed ASCIP underwriting questionnaire;
  - b. Review of applicant public educational agency's and Member-JPA's past appropriate insurance and claims experience by ASCIP;
  - c. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership;
  - d. Execution of the Joint Powers Agreement together with a resolution formally adopted by the applicant Board of Trustees or appropriate Governing Body;
  - e. The applicant shall become a member of ASCIP upon approval of the Executive Committee.
4. Upon admission to membership in ASCIP, each member agency shall become eligible to participate in the election of members of the Executive Committee according to the Procedures outlined in Article IV.

## **ARTICLE IV**

### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which shall hereafter be referred to as the "Committee" or "Executive Committee".
2. No one serving on the Executive Committee shall receive any salary or compensation from ASCIP.
3. There shall be a thirteen (13) member Executive Committee.
4. As member terms expire, elections shall be held for the following three years term. There shall be no term limits. If, for any reason, a member is not able to complete a term, the remaining members may appoint a new member for the duration of the vacant member's term.
5. ASCIP shall distribute a ballot for election of Committee members with nominees appropriately grouped and categorized. A public educational agency which is a party to the Joint Powers Agreement shall be eligible to vote for members to the Committee in the same category as that into which the district falls. For separate joint powers authorities which are admitted to membership in ASCIP ("Member-JPA"), each agency member of the Member-JPA will have one vote for conducting general ASCIP business. For the

purpose of voting on representation to the Executive Committee, a Member-JPA will be defined as one ASCIP member with one collective vote per Member-JPA. Member-JPAs representation category will be based on the total average daily attendance of that Member-JPA.

Executive Committee member distribution will be as follows:

- a. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the county's P2 report for the current program year.
  - b. Three members and three alternates to be selected from nominees from K-12 and High School District member public educational agencies with an average daily attendance in excess of 15,000, as reported in the county's P2 report for the current program year.
  - c. Two members and two alternates to be selected from nominees from K-8 member public educational agencies.
  - d. One member and one alternate to be selected from nominees from charter school member public educational agencies.
  - e. Two members and two alternates to be selected from nominees from member community college districts.
  - f. Two members, and two alternates from each remaining JPA to be selected from nominees from Member-JPAs
6. The alternate members shall have the authority to attend, participate in, and vote at any meeting of the Committee, when the regular member is absent from such meeting. Alternates shall also be eligible to assume membership on the Committee in the event of a vacancy occurring in their respective category to complete the unexpired term of the regular member.
7. Membership on the Committee may cease for any of the reasons stated below; however, the Executive Committee must take specific action to ratify the termination of any Executive Committee member:
- a. Voluntary resignation.
  - b. Failure to attend regular monthly Committee meetings for three consecutive months, unless a leave of absence is approved by a majority vote of the Executive Committee.
  - c. If the district represented by the Committee member ceases to be a member of ASCIP.

- d. If the Committee member's agency average daily attendance changes and results in a category representation change, the Committee member may serve through the remaining program year at the discretion of the Executive Committee.
8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Committee.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement. In addition, the Executive Committee is specifically empowered to:

1. Establish bylaws, rules, and regulations not inconsistent with applicable law or with the ASCIP Joint Powers Agreement, as may be necessary for the conduct of its business.
2. Provide for the management and administration of the ASCIP programs in a manner that is in the best interest of the members. This power shall include the power to employ and terminate a management firm for such purpose or to employ staff.
3. Determine annual premium or contribution rates and retrospective rating formulas and the method by which such contributions will be paid to the fund created pursuant to ASCIP's purpose.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums or excessive claims costs.
5. Determine whether, and by what method, new members shall be allowed into the program consistent with the terms of Article III of these Bylaws.
6. Appoint and dissolve working committees from its active membership or by contracting for such services consistent with the terms and purposes of ASCIP.
7. Insure that a complete and accurate system of accounting for all funds is maintained at all times.
8. Determine the manner in which the property, liability and workers' compensation programs shall be operated and assure full compliance with all applicable laws and regulations. This will include issuing to members a statement of the coverage provided by ASCIP.

9. Maintain, or cause to be maintained, accurate case records for all risks insured against and accurate records of all claims paid.
10. Provide for loss control services.
11. Enter into contracts consistent with the terms of the Joint Powers Agreement.
12. Make appropriate periodic reports to the membership on the status of ASCIP and its programs.
13. Adopt an annual budget for ASCIP.
14. Perform any and all other functions necessary or appropriate to accomplish the purpose of ASCIP.
15. Annually evaluate, or cause to be evaluated the performance of the ASCIP Staff.

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The officers of ASCIP shall be a President, Vice President, and Treasurer.
- b. The Chief Executive Officer shall, subject to the supervision of the Executive Committee, serve as the administrator for ASCIP, the Executive Committee, and its officers.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Committee shall fill vacancies for the unexpired term by election at any regular or specifically called meeting.

#### **2. Duties**

- a. The Chief Executive Officer, directly and through ASCIP staff, shall have the following responsibilities:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted.
  2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP and the Executive Committee.

3. Make such records of the proceedings available to the Executive Committee members for their approval at each meeting.
4. Keep member districts and agencies informed of meeting proceedings and activities of ASCIP.
5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
6. Conduct all necessary correspondence of ASCIP.
7. Prepare such notices and reports as may be requested by the Executive Committee.
8. Be an ex officio member of all committees.
9. Appoint such ad hoc committees as may be desirable, subject to the approval of the Executive Committee.
10. Be an approved joint signatory on warrant orders drawn upon the ASCIP funds, as well as on all legal or formal documents of ASCIP.
11. Be responsible for preparing any annual reports required by law or the Executive Committee.
12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
13. Be the official representative of ASCIP, unless otherwise designated.
14. Perform such other duties as may be prescribed in these Bylaws or as may be assigned by ASCIP.
15. Be bonded in an amount determined by the Executive Committee.

b. The President shall:

1. Preside at all meetings of the Executive Committee.
2. Assist the Chief Executive Officer in the performance of duties.
3. Prepare a list of unfinished business for use by the Chief Executive Officer in the preparation of the agenda.
4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.

5. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  6. Be bonded in an amount determined by the Executive Committee.
- c. The Vice President shall:
1. Perform the duties of the President in the absence or disability of that officer.
  2. Be an authorized joint signatory on warrant orders drawn upon ASCIP funds, as well as on all legal or formal documents of ASCIP.
  3. Be bonded in an amount determined by the Executive Committee.
- d. The Treasurer or his/her designee shall:
1. Keep, or cause to be kept, such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts, and disbursements of ASCIP, including specifically the status of member districts' premium participation, the monies paid out in claims settlement, costs of reinsurance coverages, the costs for administration of claims, earned credits or dividends, earned interest, and the current financial status of ASCIP.
  2. Pay all bills as authorized by the Executive Committee.
  3. Establish, or cause to be established, such funds as may be necessary for the safekeeping and accounting of ASCIP monies.
  4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed regarding the investment of reserve funds and strive to achieve optimum interest earnings.
  6. Be responsible to have a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders upon all ASCIP funds.
  8. Be bonded in an amount determined by the Executive Committee.

## **ARTICLE VII**



## **MEETINGS**

1. The Executive Committee and the Claims/Coverage Committee shall meet regularly but not less than nine times per year. All other Committees shall meet on an as-needed basis.
2. The Executive Committee shall, at its June meeting, approve the date and time for its regular meetings. All members, member districts, and agencies shall be properly notified of the meeting schedule.
3. Special Meetings of the Executive Committee, Claims/Coverage Committee or any other Committee may be called as necessary, provided 24-hour advance notice is given.
4. All meetings of the Executive 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).
5. A majority of the total membership of the Executive Committee, of the Claims/Coverage Committee, and of any other Committee of ASCIP shall constitute a quorum for the transaction of business.
6. A majority of the total Committee members shall be required to transact business. No proxy or absentee votes shall be permitted. Each member shall have one vote.
7. Notwithstanding any other provision of the Bylaws, a minimum of five members of the Claims/Coverage Committee shall be sufficient, even in the absence of a quorum, to conduct the business of the Committee.
8. An agenda of items to be discussed shall be prepared for all meetings and shall be made available to all ASCIP members at least three (3) working days prior to regularly scheduled Committee meetings.
9. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and made available to each member of ASCIP. Minutes shall also be kept of all Open Session of the Claims/Coverage Committee and other Committees of ASCIP.
10. Items may be placed on the agenda, provided a written request is received by the Chief Executive Officer at least ten (10) working days prior to the regularly scheduled meeting of any Committee.
11. Any member of the public desiring to make a personal appearance before the Executive Committee, Claims/Coverage Committee or any other Committee of ASCIP to discuss an item of interest shall be limited to a maximum of five (5) minutes, unless otherwise provided for by the Executive Committee.

## **ARTICLE VIII**

## FINANCE

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by good accounting practices or by any provision of law or any resolution of ASCIP. The Treasurer of the County of Los Angeles may be the depository and custodian of ASCIP funds, from whatever source, except that a separate trust fund may be established for payment of claims for a thirty (30) day period, as authorized by Education Code Sections 39602 and 81602. Funds placed with the County Treasurer shall be handled in accordance with Education Code Section 39602 and 81602 and Government Code Section 6505.5. The County Treasurer shall be reimbursed by ASCIP for actual costs of handling said funds. Funds deposited with the Treasurer of the County of Los Angeles shall be subject to the same audit control as other monies handled by the Los Angeles County Superintendent of Schools. Books and records of the Authority shall be open to inspection at all reasonable times by representatives of the parties to this Agreement. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the members.
  
2. Each member shall pay the Authority each fiscal year the annual deposit premium calculated pursuant to subparagraph "a" of this paragraph. The Executive Committee shall inform members of the anticipated deposit premiums for the coming fiscal year no later than twenty (20) days prior to the beginning of the fiscal year.
  - a. The yearly deposit premium for each member shall be determined by factors normally used to compute yearly insurance premiums. These factors may include, but are not limited to:
    - (1) Average daily attendance, payroll, vehicle counts, and property values.
    - (2) Loss experience of the member, developed through annual actuarial studies.
    - (3) Cost of insurance or reinsurance.
    - (4) Level of self-insured retention established by ASCIP.
    - (5) Level of reserves desired by ASCIP.
    - (6) The deductible and self-insured retention selected by the member.
    - (7) Cost of services.
  
  - b. The deposit premium shall be paid to ASCIP within twenty (20) days of the beginning of the fiscal year or such later time as may be adopted by the Executive Committee. Each member within Los Angeles County hereby authorizes the Los Angeles County Superintendent of Schools and/or the Treasurer of the County of

Los Angeles to transfer to ASCIP from its (the member's) funds, amounts sufficient to pay the required deposit premiums.

3. The Executive Committee will establish the rules to be followed in making retrospective adjustments to the deposit premium. The retrospective rating adjustments will consider both losses and exposures by line of coverage. The lines of coverage to be provided are:
  - a. General liability insurance
  - b. Automobile liability insurance
  - c. Property insurance
  - d. Automobile physical damage insurance
  - e. Crime insurance
  - f. Workers' Compensation insurance
4. In making rating and retrospective calculations, K-8, K12, and community colleges will be treated separately for the risk exposures retained by ASCIP.
5. The retrospective premium for each year will be recalculated at annual intervals until all claims are closed or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.

Each program year of ASCIP shall operate separately from every other program year in regard to its assets and obligations. Those assets and obligations are pooled assets and obligations of the members who participate in each distinct and separate program year.

Should the total obligations for a program year of ASCIP exceed the total assets of that year, that year's members may be assessed a pro rata share of the additional contribution required as determined by a financial study commissioned and approved by the Executive Committee. The assessments shall apply to both active members and withdrawing/terminated members.

Should the total assets of a program year exceed the obligations of that year, that year's members may receive a pro rata share return of contribution as determined by a financial study commissioned and approved by the Executive Committee. The return of contributions shall apply to both active members and withdrawing/terminated members.

The Executive Committee shall review ASCIP's capital target each year by June 30. The capital target must be met before any assets may be returned to the members, as in the preceding paragraph. The amount of the capital target will be approved by the Executive Committee based upon the recommendation of a financial study commissioned by the Executive Committee.

All contributions, revenues, obligations, expenditures and disbursements of ASCIP that can be separately and distinctly identified by program year shall be accounted for separately by each program year. All contributions, revenues, obligations, expenditures and disbursements of ASCIP that cannot be separately and distinctly identified by program year shall be allocated to each program year in a logical and consistent manner, as determined by the Executive Committee.

6. In the event of dissolution, complete rescission or other final termination of ASCIP, the Board of Directors shall determine ASCIP's financial condition on the date of the dissolution, complete rescission or other final termination. The Executive Committee shall compute each member's equity or deficit using the same method pursuant to Paragraph 5 above. Within 180 days after computing each member's equity or deficit, the Executive Committee will assess members in deficit positions and return contributions to members with equity.
7. In the event a member withdraws from this Agreement, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing member was a member of the Authority.
8. The Executive Committee shall contract with a Certified Public Accountant, or a Public Accountant, to make an annual audit of the accounts and records of ASCIP. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a Certified Public Accountant, or Public Accountant, a report thereof shall be filed as public record with each of the parties hereto,. Such report shall be filed within six (6) months of the end of the fiscal year under examination.

## **ARTICLE IX**

### **FUNDS**

1. An Operating Fund shall be established and maintained by ASCIP out of the member contributions and shall be for the purpose of paying for the following:
  - (a) Insurance premiums
  - (b) Claims management expense
  - (c) Costs of administration
  - (d) Safety and loss control
  - (e) Data processing costs
  - (f) Investigative costs
  - (g) Legal costs
  - (h) Transfer as needed to other funds (i.e., Trust and Claims Funds)
  - (i) Miscellaneous expenses
  
2. The Executive Committee may establish a Claims Payment Fund(s) into which may be deposited a sum not greater than the amount determined by the Executive Committee to be sufficient to provide for the settlement of claims for a thirty (30) day period. A service company or management firm contracted to administer the self-funded program may issue checks drawn on such account in payment of such claims. A monthly accounting of all checks drawn on such account shall be provided to ASCIP by such service company.
  
3. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Payment Fund in such securities as allowed by Section 53601 of the California Government Code. The level of cash to be retained in the Operating Fund or Claims Payment Fund shall be determined by the Executive Committee.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the Articles by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the provision of the Joint Powers Agreement for ASCIP.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL**

1. Any member may withdraw from its status as a member of ASCIP and party to the Joint Powers Agreement at the end of any coverage year by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of the ASCIP insurance coverage year that it will withdraw from membership at the end of the current insurance coverage year.
2. Upon any withdrawal, or involuntary termination of a member, the withdrawing or terminated member shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs incurred while the withdrawing or terminating member was a member of ASCIP.
3. A member may be involuntarily terminated from ASCIP, provided the Executive Committee so recommends and two-thirds (2/3) of the members agree. Should a member be involuntarily terminated, it shall be paid its prorata share of total tangible assets less obligations in the same manner as if it were a withdrawing member. Involuntary termination shall have the effect of eliminating the party as a signator of the JPA and as a member of ASCIP, effective upon the date of involuntary termination. The member

being terminated shall be so notified at least ninety (90) days prior to the end of the coverage year with termination becoming effective on the last day of the coverage year.

## **ARTICLE XIII**

### **LIABILITY**

Except as otherwise provided by individual contract, pursuant to the provisions of Section 895, et seq., of the Government Code of the State of California, each member of ASCIP shall be liable for its prorata share of all debts and liabilities of ASCIP and its prorata share of all debts and liabilities for liability claims and property losses against members of ASCIP arising out of facts occurring while a member of ASCIP. A member's prorata share shall be determined in the same manner as withdrawing member's prorata share of assets is determined. To achieve such purpose, each member indemnifies and holds harmless the other members for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such prorata liability. (The rules therefore, as set forth in Civil Code Section 2778, are hereby made a part of these Bylaws.)

## **ARTICLE XIV**

### **ARBITRATION**

1. In the event of a dispute between a Member and ASCIP, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s). All such disputes shall be subject to binding arbitration including, but not limited to, any disputes arising between ASCIP and any Member(s) concerning the Joint Powers Agreement, the Bylaws, any coverages or programs, or in any way involving or relating to the operations, management and activities of ASCIP and/or the right, duties or obligations of the Member(s).
2. ASCIP and the Member(s) may agree to use one arbitrator or three arbitrators. The arbitration shall be conducted by the American Arbitration Association (“AAA”) and, to the extent not inconsistent with the Bylaws and operative ASCIP – Member agreements, shall be governed by the AAA arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members. ASCIP and the Member(s) may agree to use an alternative arbitration service or to select privately an arbitrator or a three person arbitrator outside of AAA.
3. Regardless of the outcome of the arbitration, ASCIP and the Member(s) shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which fees and costs shall not be subject to reallocation based upon whether ASCIP or the Member(s) is the prevailing party.

4. The arbitrators shall consider this agreement an honorable engagement rather than merely a legal obligation. Local rules of law as to procedure and evidence will apply and arbitration shall take place in the County of Los Angeles. The decision of the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.
5. A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the Member(s) or ASCIP.

## **ARTICLE XV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any member. The proposed amendment shall be referred to the Executive Committee for consideration and recommendation. A copy of the proposed amendment, with the Committee's recommendations and reasons, therefore, shall be forwarded to each member.
2. All amendments must be approved by two thirds (2/3) of the Executive Committee before the amendment shall become effective.



# **BYLAWS**

## **ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS**

### **PREAMBLE**

The Alliance of Schools for Cooperative Insurance Programs was created and exists for the purpose of providing services, facilities, programs and other items necessary and appropriate for the establishment, operation, and maintenance of a member-governed comprehensive pooling and self-insurance program for property, liability, workers' compensation, crime loss, automobile physical damage, health benefits, boiler and machinery, and ancillary or other coverages involving claims and losses involving member public educational agencies as permitted under California law, and to provide for additional insurance, risk management, loss control and needed public agency programs and support services, and to also offer a forum for discussion, study, development, and implementation of recommendations of mutual interest among public agency members regarding self-insurance for losses and other programs and services.

### **ARTICLE I**

#### **NAME**

The name of the joint powers authority is the Alliance of Schools for Cooperative Insurance Programs ("ASCIP" or the "Authority").

### **ARTICLE II**

#### **POWERS**

ASCIP shall have the power to:

1. Exercise any power available to joint power authorities and public entities under California law, including any power of or common to the public educational agencies which are parties to the Joint Powers Agreement, provided that such powers are exercised in the furtherance of the purposes and functions of ASCIP, and in the manner that such powers may be exercised by public educational agencies and joint power authorities in the State of California.
2. Provide member agencies ("Member Agencies" or "Member Agency") with a plan and system of self-funding for property, liability, workers' compensation, crime loss, boiler and machinery, automobile physical damage, health benefits (including but not limited to, medical, dental and vision) claims and losses, and any other coverage as well as ancillary and related programs and services responsive to the needs of ASCIP's members and permitted by California law, where ASCIP shall pay or provide insurance or other

programs, subject to various deductibles and retentions, for such losses and claims against members as set forth in the plan(s) adopted by the Executive Committee using funds provided by member agencies.

3. Appropriately and timely pursue a Member Agency's right of subrogation when, at the discretion of the Executive Committee, subrogation may be cost-effectively undertaken and benefit the member incurring the loss and ASCIP.
4. Establish and maintain funds to pay self-insured losses, claims, for programs and for ancillary and related services.
5. Acquire, hold, and dispose of property, real and personal, for the purpose of providing the member agencies with the necessary education, study, development, and implementation of the self-funded insurance and other programs as well as ancillary and related services, including, but not limited to, the acquisition of necessary facilities and equipment; the hiring and retention of staff; the making and entering into contracts including inter-agency agreements and programs of benefit to member agencies and ASCIP; the operations and maintenance of a system for the handling of the self-funded plan or plans; and the incurring of debts, liabilities, or obligations.
6. Receive, accept, and utilize the services of personnel offered by any Member Agency or its representatives or agents; to receive, accept, and utilize property, real or personal, from any Member Agency or its agents or representatives; to enter into joint programs with member agencies to assist in the development of programs, services and emerging technologies and processes supportive of public educational agencies; to receive, hold, dispose of, to construct, operate, and maintain buildings and other improvements; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the purposes and authority of ASCIP which funds may be provided by any Member Agency or its agents or representatives.
7. Perform such other functions as may be necessary or appropriate to carry out the purposes of ASCIP consistent with the Joint Powers Agreement, these Bylaws and California law.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Public educational agencies located within the State of California are eligible for membership in ASCIP, referred to as "Member Agency" or "Member Agencies" in these Bylaws", provided that membership is contingent upon being a signatory to the Joint Powers Agreement and satisfaction of the requirements of Article III, Section 2 of these Bylaws. A "public educational agency" is defined as a school district, a community college district, a county superintendent of schools, regional occupational program, a regional occupational center, a charter school, a SELPA, or other public entity whose principal purpose is providing educational programs or services to the community, or such joint

powers agencies/authorities consisting of one or more of the foregoing and serving the interests of the public entities detailed in this Agreement (“JPA Members”.)

2. Public educational agencies applying for membership in ASCIP shall be subject to the following conditions for review and approval:
  - a. Submission of, and ASCIP’s review and evaluation of, a completed ASCIP application and provision to ASCIP of requested information, including, but not limited to, their current insurance program information and claim and loss experience per ASCIP’s specifications;
  - b. Determination of eligibility by ASCIP and the conditions and terms under which the applicant may be admitted to membership, and applicant’s acceptance of those terms and conditions;
  - c. Execution of the Joint Powers Agreement and such other program agreements and documents as requested by ASCIP, providing to ASCIP a Resolution formally adopted by the applicant’s governing body approving and authorizing execution of the Joint Powers Agreement, and applicant’s receipt, review and agreement to comply with the Bylaws, policies and program-related instruments and memoranda of ASCIP.
  - d. The applicant shall become a Member Agency in ASCIP upon formal approval of the Executive Committee and execution by both parties of the Joint Powers Agreement.
3. Upon admission to membership in ASCIP, and subject to being in good standing and compliance with the Joint Powers Agreement, Bylaws and ASCIP program instruments and policies, each Member Agency shall become eligible to participate in the programs and services of ASCIP, and participate in the election of members of the Executive Committee in accordance with the procedures in Article IV.
4. Should any Member Agency reorganize in accordance with state statutes, the successor-in-interest or successors-in-interest to the obligation of any such reorganized member shall be substituted as a member subject to approval by the Executive Committee and provided that the reorganized member continues to be a public educational agency under California law as defined in Article III, Section 1 of the Bylaws and a signatory to the Joint Powers Agreement, is in good standing as a member of ASCIP, and subject to compliance with Article III, Section 3 of these Bylaws.
5. To the extent a Member Agency dissolves or ceases to exist in the capacity of an admitted member, or is not in good standing as to premium or other obligations to ASCIP, the Executive Committee shall take action to confirm termination of any member status and further benefits under any ASCIP program shall also terminate.
6. ASCIP may provide access to its programs and services to non-member California public educational agencies through the use of interagency participation agreements consistent

with the Joint Powers Agreement, these Bylaws and California law. These agreements do not provide for rights and privileges of membership (including, but not limited to voting rights and eligibility to be nominated to the Executive Committee). The Executive Committee shall determine the manner, form and eligibility for the use of non-member interagency participation agreements.

## **ARTICLE IV**

### **FORMATION OF THE EXECUTIVE COMMITTEE**

1. ASCIP shall be under the direction and control of, and shall be governed by, an Executive Committee, which may be referred to as the Board of Directors.
2. No one serving on the Executive Committee shall receive any salary, compensation or other consideration from ASCIP. An individual serving on the Executive Committee must be full-time employee of a Member Agency.
3. There shall be a thirteen (13) member Executive Committee, with each member being a full-time employee of a Member Agency in good standing at all times which has not provided written notice of withdrawal.
4. The terms for each member of the Executive Committee shall be three years, and the terms shall be staggered so that approximately one-third of Committee members' terms expire each year. There shall be no term limits.
5. As member terms expire, elections shall be held for the following three-year term per procedures established by the Executive Committee. ASCIP may conduct voting through online systems in lieu of written ballots.
6. ASCIP shall notify Member Agencies of the annual election process and provide each Member Agency with a means to nominate candidates. Nominated candidates are required to complete a Declaration of Candidacy statement, the form of which is to be determined by the Executive Committee. Nominations shall be through completion of the ASCIP Declaration of Candidacy statement for positions within the categories described, and may be by either an individual seeking a position within one of the categories with Member Agency approval within that Member Agency's category, or by a Member Agency nominating an individual within that Member Agency's category.
7. ASCIP shall distribute a ballot for election of Executive Committee members with nominees appropriately grouped and categorized. A Member Agency shall be eligible to vote for members to the Executive Committee in the same category as that into which the Member Agency falls. Executive Committee categories are:

- a. K-12 Small. There will be three members from this category on the Executive Committee. Members in this category are K-12 and High School District member public educational agencies with an average daily attendance between 1 and 15,000, as reported in the District's most recent P2 report,
  - b. K-12 Large. There will be three members from this category on the Executive Committee. Member Agencies in this category are K-12 and High School District member public educational agencies with an average daily attendance greater than 15,000, as reported in the District's most recent P2 report,
  - c. K-8. There will be two members from this category on the Executive Committee. Member Agencies in this category are K-8 member public educational agencies.
  - d. Charter Schools. There will be one member from this category on the Executive Committee.
  - e. Community College Districts. There will be two members from this category on the Executive Committee.
  - f. JPA Members. There will be two members from this category on the Executive Committee. Candidates may be either a full-time employee of the Member JPA or a full-time employee of a member public educational agency in the Member JPA. For the purpose of voting on representation to the Executive Committee, a Member-JPA will be defined as one ASCIP member with one collective vote per Member-JPA.
8. Each Executive Committee member shall have one vote. No proxy or absentee votes shall be permitted. A vote of the majority of a quorum present at a meeting shall be sufficient to constitute action, except actions concerning adoption or amendment of Bylaws and membership in ASCIP, which requires a two-thirds vote of the total membership of the Executive Committee, or as otherwise expressly recited in the Bylaws
  9. The Executive Committee shall appoint no less than thirteen (13) alternate members to the Executive Committee. Alternate members are required to meet the same eligibility requirements as Executive Committee members, and will serve "at-large" for one year terms subject to the discretion of the Executive Committee to extend the terms of any at-large alternate. Alternate members shall have the authority to attend, participate in and, when regular members are absent, and at the direction of the Executive Committee President, to vote at any meeting of the Executive Committee.
  10. Membership on the Executive Committee may cease for any of the reasons stated below, subject to the Executive Committee taking formal action to terminate or ratify the termination of any Executive Committee member as to Sections 7(b), (f) and (g):
    - a. Voluntary resignation.

- b. Failure to attend regular monthly Executive Committee meetings for three consecutive meetings, unless a leave of absence is approved by the CEO or by a majority vote of the Executive Committee, provided that the Executive Committee shall also have discretion to appoint one of the alternates to fill the member's term, with the member to be designated by the Executive Committee in its discretion as an alternate.
  - c. If the Member Agency represented by the Executive Committee member ceases to be a member of ASCIP or has given written notice of withdrawal from membership in ASCIP.
  - d. If the Executive Committee member's agency's average daily attendance changes and results in a category change, provided that the Executive Committee member may serve through the remaining program year at the discretion of the Executive Committee.
  - e. If the Executive Committee member ceases to be a full-time employee of a member public educational agency, charter school member public educational agency, member community college district, SELPA, or Member-JPA or member of public educational agency in the Member-JPA.
  - f. For a violation of ASCIP policies, procedures and codes of conduct.
  - g. By a two-thirds vote of the full Executive Committee without cause or by a unanimous vote of all elected members in attendance (and excluding the subject member being terminated).
11. If, for any reason, a member is not able to complete a term, the remaining members of the Executive Committee shall appoint a new member for the duration of the term. Consideration and preference shall first be given to qualified candidates willing to serve who are candidates from the category. If the Executive Committee is unable to identify or appoint qualified and available candidates from the category, qualified candidates from other categories may be considered and appointed to fill the remaining term of the vacated seat.

## **ARTICLE V**

### **DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have the authority to exercise the powers of ASCIP as set forth in the Joint Powers Agreement and in these Bylaws, and in accordance with California law, including enforcement of ASCIP policies, procedures, codes and program instruments. In addition, the Executive Committee is specifically empowered to:

1. Establish and amend the Bylaws, and adopt and enforce policies, program instruments and agreements, codes of conduct, rules, and regulations not inconsistent with applicable law or with the Joint Powers Agreement as may be necessary for, or of assistance in the conduct of ASCIP business and the functions of the Executive Committee.
2. Provide for the management and administration of ASCIP and ASCIP-related programs and services in a manner that is in the best interest of ASCIP and its member agencies. This power shall include (but not be limited to) the power to employ and terminate a management firm or third party, to employ staff, to acquire or contract for facilities and vendor support, and to engage in such activities and transactions as permitted under the Joint Powers Agreement, Bylaws, California law and such policies as adopted by the Executive Committee.
3. Determine annual premium or contribution rates and retrospective rating or other formulas and the method or methods by which such contributions shall be paid by member agencies.
4. Provide for additional assessments during the year, if necessary, to allow for increased cost due to increases in insurance premiums, excessive claims costs or other factors as determined by the Executive Committee
5. Determine whether, and by what method, new member agencies shall be allowed into the program consistent with Article III of the Bylaws, including adoption of amendments to Article III requirements.
6. Assure that a complete and accurate system of accounting for all funds is maintained at all times.
7. Determine the manner in which the self-funded and other programs shall be operated, and assure full compliance with all applicable laws and regulations. This will include issuing to member agencies a statement of the coverages provided by ASCIP.
8. Maintain, or cause to be maintained, accurate records of risks insured and accurate records of claims paid.
9. Provide for risk management, loss control and ancillary and related services.
10. Enter into contracts consistent with the terms of the Joint Powers Agreement and Bylaws, and in accordance with California law.
11. Make appropriate periodic reports to the member agencies on the status of ASCIP and its programs.
12. Cause to be prepared, review and approve financial statements for ASCIP, and adopt an annual budget for ASCIP.
13. Oversee the activities of all other ASCIP committees.

14. Annually evaluate, or cause to be evaluated, the performance of the ASCIP CEO.
15. Establish and annually approve an employee compensation plans including (but not limited to) salary ranges and benefit plans as well as authorize annual budgetary expenditures for such., including formal approval and publication of a salary schedule as required by California law.
16. Perform any and all other functions necessary and appropriate to accomplish the purpose of ASCIP in the discretion of the Executive Committee

## **ARTICLE VI**

### **ADMINISTRATION OF ASCIP**

#### **1. Officers**

- a. The Officers of the ASCIP Executive Committee shall be the President, Vice President, and Treasurer.
- b. ASCIP shall employ a Chief Executive Officer (“CEO”). The CEO shall be appointed by, and be subject to, the supervision of the Executive Committee and shall be responsible for the day-to-day operation of ASCIP.
- c. The Executive Committee shall, at the first regular meeting of each program year, elect from its membership a President, Vice President, and Treasurer to serve as officers of the Executive Committee for a term of one year. In the event of a vacancy, the Executive Committee shall fill vacancies for the unexpired term by election at any regular or special meeting.

#### **2. Duties**

- a. The Chief Executive Officer shall, subject to the direction and approval of the Executive Committee:
  1. Coordinate the work of ASCIP in order that ASCIP's purposes may be promoted and advanced.
  2. Keep, or cause to be kept, accurate records of the proceedings of all meetings of ASCIP, the Executive Committee and such other committees.
  3. Report to the Executive Committee on ASCIP matters and make such records of the proceedings available to the Executive Committee members for their approval at each meeting and on request.



4. Keep, or cause to be kept, member agencies informed of meetings and of the activities of ASCIP.
5. Keep, or cause to be kept, a record of member districts' statistics pertinent to the operation of ASCIP.
6. Conduct or direct all necessary correspondence of ASCIP.
7. Prepare or cause to be prepared such notices and reports as may be requested by the Executive Committee or otherwise required.
8. Be an ex officio member of all committees.
9. Appoint Ad Hoc Committees subject to the approval of the Executive Committee.
10. Be an approved signatory on warrant orders, checks and other instruments drawn upon the ASCIP funds, as well as an authorized signatory on legal or formal documents of ASCIP.
11. Be responsible for preparing any annual reports required by law or by the Executive Committee.
12. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, and agendas.
13. Be the official representative of ASCIP, unless otherwise designated.
14. Be responsible for the hiring, supervision and direction of ASCIP staff, and oversight of ASCIP vendors, consultants and third-party administrators and others providing services to or for ASCIP and ASCIP's member agencies.
15. Be bonded and/or insured in an amount determined by the Executive Committee.
16. Perform such other duties and responsibilities as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.

b. The President shall:

1. Preside at all meetings of the Executive Committee.
2. Assist the Chief Executive Officer in the performance of duties where needed.

3. Coordinate on items for use by the Chief Executive Officer in the preparation of agendas or in the conducting of ASCIP business and operations.
4. Perform such duties as may be prescribed in these Bylaws or as may be assigned by the Executive Committee.
5. Be an authorized signatory on warrant orders, checks and other instruments drawn upon ASCIP funds, as well as a signatory on legal or formal documents of ASCIP.
6. Be bonded and/or insured in an amount determined by the Executive Committee.
7. Work with the Chief Executive Officer on matters as directed by the Executive Committee or as reasonably necessary for the purposes of ASCIP and functions of the Executive Committee.

c. The Vice President shall:

1. Perform the duties of the President in the absence or disability of that officer, or as requested by the President or the Executive Committee.
2. Assist the President, as needed, in carrying out his or her duties.
3. Be an authorized signatory on warrant orders, checks and other instruments drawn upon ASCIP funds, as well as a signatory on all legal or formal documents of ASCIP.
4. Be bonded and/or insured in an amount determined by the Executive Committee.

d. The Treasurer or his/her designee shall:

1. Keep, or cause to be kept, such permanent books of account and records as shall be statutorily required under California law or otherwise required under the Joint Powers Agreement and these Bylaws.
2. Oversee and report, or cause to be overseen and reported, as to approval and payment of all bills and obligations of ASCIP.
3. Establish, or cause to be established, such funds and segregated accounts as may be necessary for the safekeeping and accounting of ASCIP monies as well as for ASCIP programs.

4. Prepare, or cause to be prepared, periodic reports of the financial status of ASCIP.
  5. Keep the Executive Committee informed, directly or through others, regarding investments, and undertake to achieve earnings and investment returns consistent with California law and the ASCIP Investment Policy.
  6. Be responsible to have, or cause to have, a formal independent audit of all financial transactions of ASCIP at least once a year.
  7. Be authorized as signatory on warrant orders, checks and other instruments drawn upon ASCIP funds.
  8. Undertake such additional duties and responsibilities as may be requested by the Executive Committee or the President or Vice-President.
  9. Be bonded and/or insured in an amount determined by the Executive Committee.
3. The President, Vice-President and Treasurer serve at the pleasure of the Executive Committee. On a two-thirds vote of the Executive Committee, excluding the member-officer, without cause, the Executive Committee may remove a member from an officer position and appoint a new member of the Executive Committee to the officer position.

## **ARTICLE VII**

### **COMMITTEE MEETINGS**

1. ASCIP shall have the following Standing Committees, unless otherwise directed by the Executive Committee:
  - a. Claims & Coverage Committee
  - b. Finance Committee
  - c. Health Benefits Committee
  - d. Nominating Committee
  - e. Personnel & Compensation Committee
  - f. Risk Control Committee

The Executive Committee may form other Standing Committees, and the Executive Committee or the CEO may form other Ad Hoc Committees, for specific matters of interest to the Executive Committee, the Standing Committees, ASCIP, or ASCIP Member Agencies.

2. Standing Committees shall be responsible for matters delegated to them by the Executive Committee.
3. Standing and Ad Hoc Committee members are required to be employees of ASCIP Member Agencies in good standing. Standing Committees are required to have at least one Executive Committee member.
4. The Executive Committee shall meet regularly but not less than nine times per year unless otherwise determined by the Executive Committee. ASCIP's Standing Committees shall meet as often as directed by the Executive Committee or more frequently, as needed by the CEO.
5. The Executive Committee shall, at its June meeting or prior to or at its last meeting of each fiscal year, approve the date and time for its regular meetings. All members and member agencies shall be notified of the meeting schedule.
6. Special and Emergency Meetings of the Executive Committee or Standing Committees may be called as necessary, provided that notice is given in compliance with the Brown Act, where required, and under California law.
7. All meetings of the Executive Committee and Standing Committees shall be called, noticed, held, and conducted in accordance with the provisions of the Brown Act and California law.
8. A majority of the total membership of the Executive Committee, and any Standing Committee shall constitute a quorum for the transaction of business.
9. A majority of the total members of the Executive Committee or Standing Committee shall be required for a quorum to transact business unless otherwise provided in these Bylaws or the Policies of ASCIP as adopted by the Executive Committee. No proxy or absentee votes shall be permitted. Each member shall have one vote.
10. An agenda of items to be discussed shall be prepared for all meetings and shall be made available at least three (3) working days prior to regularly scheduled meetings, where required under the Brown Act and California law. Agendas for Special Meetings and Emergency Meetings will be made available in accordance with the provisions of the Brown Act and California law.
11. Minutes shall be kept of all Open Sessions of meetings held by the Executive Committee and Standing Committees.

12. Items may be placed on the agendas for meetings of the Executive Committee and Standing Committees, provided a written request is received by the Chief Executive Officer from a member of that committee at least ten (10) business days prior to the regularly scheduled meeting, absent circumstances precluding earlier notice and request.
13. Any member of the public desiring to make a personal appearance before the Executive Committee or a Standing Committee to discuss an item of interest shall be limited to a maximum of five (5) minutes, and all public comments shall be limited to fifteen (15) minutes and allocated equally to each member of the public making an appearance, unless otherwise allowed by the Executive Committee in its discretion.

## **ARTICLE VIII**

### **FINANCE**

1. ASCIP is strictly accountable for all funds received and disbursed by it, and to that end, ASCIP shall establish and maintain such funds and accounts as may be required by acceptable and applicable Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), other applicable accounting practices, and by any provision of law or any resolution or policy of ASCIP, and as consistent with the Joint Powers Agreement, these Bylaws and California law. As permitted under the Joint Powers Agreement, the Bylaws and California law, the Executive Committee shall identify and designate a depository and custodian of ASCIP funds. Funds placed with the County Treasurer shall be handled in accordance with applicable statutory requirements. Books and records of ASCIP shall be open to inspection at all reasonable times by authorized representatives of the member agencies. The Executive Committee, as soon as practical after the close of each fiscal year, shall give a report of all financial activities for such fiscal year to its member agencies.
2. Each Member Agency shall pay ASCIP each program year and as invoiced by ASCIP the annual deposit premium, program billing or other applicable annual program charges as established by the Executive Committee.
  - a. The yearly deposit premium, program billing or other applicable charges shall be determined by factors normally used to compute yearly insurance premiums and program costs as identified by the Executive Committee on a program by program basis and in accordance with actuarial and accounting standards.
  - b. The deposit premium shall be paid to ASCIP within thirty (30) days of the invoice date or such other time as may be adopted by the Executive Committee.
3. The Executive Committee shall establish the rules to be followed in making retrospective adjustments to the deposit premium, including (but not limited to) rating and retrospective calculations, rating classes and other factors as determined by the Executive Committee.

The retrospective rating adjustments will consider both losses and exposures on a program by program basis.

4. The retrospective premium and charges for each year will be recalculated at annual intervals until all claims are closed and the net assets of the year total \$Nil or until the Executive Committee determines that sufficient facts are known so that no additional calculations should be made.
5. Each program year of ASCIP shall operate separately from every other program year in regard to its assets and obligations. Those assets and obligations are pooled assets and obligations of the member agencies which participate in each distinct and separate program year. ASCIP shall undertake to account for, and look at each program on a year to year basis, including determination of loss experience and available program surplus for review and consideration by the Executive Committee for distribution, in whole or in part, to member agencies participating in a program, subject to appropriate review and actuarial considerations. ASCIP shall be entitled to offset premium obligations or sums due ASCIP for and in any one program from rebates or sums to otherwise be returned to a Member Agency.
6. Should the total liabilities for a program year of ASCIP exceed the total assets of that year, that year's members may be assessed a pro rata share of the additional contribution required as determined by a financial study commissioned and approved by the Executive Committee, or other appropriate and sufficient information. The assessments shall apply to both active member agencies and withdrawing/terminated member agencies.
7. Should the total assets of a program year exceed the liabilities of that year, that year's members may receive a pro rata share return of contribution as determined and approved by the Executive Committee, which may in its discretion instead provide premium rebates for a succeeding program year or later program years. The return of contributions shall apply to both active member agencies and withdrawing/terminated member agencies provided that, and on the condition that, the Member Agency has been in the program for a minimum of three consecutive program years. Any Member Agency not remaining in a program for a minimum of three years shall not be eligible for any distributions associated with that program. To the extent any rebate is due on any program where the Member Agency owes premiums or other program charges, ASCIP may retain the rebate from any and all programs to offset, reduce or eliminate the Member Agency's outstanding obligation in any one or more programs. ASCIP may, in the alternative, elect to apply any distribution to premium obligations for renewal of the program or other program in which the Member Agency is participating.
8. The Executive Committee shall review and approve ASCIP's capital target each year as soon as practicable following the close of, and ASCIP's receipt of, the annual audit. The capital target must be met before any distributions may occur or assets returned to eligible member agencies, unless otherwise determined by the Executive Committee in its sole discretion.

9. All contributions, revenues, obligations, expenditures and disbursements of ASCIP that can be separately and distinctly identified by program year shall be accounted for separately by each program year. All contributions, revenues, obligations, expenditures and disbursements of ASCIP that cannot be separately and distinctly identified by program year shall be allocated to each program year in a manner as determined by the Executive Committee.
10. In the event of the dissolution of ASCIP, the complete rescission or other final termination of ASCIP by all member agencies then a party hereto, any property interest remaining in ASCIP following a discharge of all of ASCIP's existing obligations and establishment of reserves for existing and anticipated expenses, including but not limited to reserves for all anticipated expenses and obligations of ASCIP, operating expenses, losses, claims IBNR, dissolution-related expenses and administrating and winding up expenses, shall be returned to the Member Agencies. The amounts returned to each member shall be in accordance with the Member Agency's portion of net assets (i.e., "equity") as determined by the Executive Committee. Only active member agencies in good standing at the time of dissolution shall be entitled to an allocation of any remaining equity, unless otherwise determined by the Executive Committee or required by the Joint Powers Agreement, these Bylaws or California law.
11. In the event a member withdraws from or is terminated from membership in ASCIP, retrospective premium adjustments will continue to be made for the year(s) in which the withdrawing Member Agency was a member of ASCIP
12. The Executive Committee shall contract or cause ASCIP to enter into a contract with a Certified Public Accountant for an annual audit of the accounts and records of ASCIP. The audit shall be conducted in full compliance with all requirements under the California Government Code applicable to joint power authorities, and shall conform to generally accepted auditing standards. On completion, the audit report shall be provided to or otherwise filed with each Member Agency within six (6) months of the end of the fiscal year under examination, unless otherwise extended by the Executive Committee

## **ARTICLE IX**

### **FUNDS**

1. ASCIP shall establish and separately account for funds received, expended or otherwise obligated or reserved on a program by program basis. ASCIP shall also be entitled to establish such funds as determined to be necessary by the Executive Committee for ASCIP operations. All fund accounts shall be separately tracked, accounting for and reported by ASCIP on a program or other account basis. No funds shall be used from one program to pay for a claim or obligation of another program except as that provided by Article IX, paragraph 3.

2. The Executive Committee shall have the power to invest, or cause to be invested, in compliance with the California Government Code, such funds reserves as are not necessary for the immediate operation of ASCIP in such securities or other instruments as allowed under the Government Code and California law, and as authorized under an Investment Policy as adopted and determined by the Executive Committee.
3. ASCIP shall have the authority, subject to approval by the Executive Committee, to loan funds between programs of ASCIP subject to appropriate documentation, payment provisions and interest calculated on the basis of ASCIP's investment or other return, or on such other terms as determined by the Executive Committee as being fair and reasonable.

## **ARTICLE X**

### **BYLAWS**

1. These Bylaws shall be deemed the instrument by which this Authority is governed.
2. These Bylaws shall not be inconsistent with the Joint Powers Agreement or California law.

## **ARTICLE XI**

### **FISCAL YEAR**

The fiscal year of the Authority shall begin July 1 and end June 30.

## **ARTICLE XII**

### **WITHDRAWAL AND TERMINATION OF MEMBERSHIP**

1. Any Member Agency may withdraw from ASCIP and terminate its status as a signatory to the Joint Powers Agreement effective at the end of any fiscal year of ASCIP by notifying the ASCIP Executive Committee in writing at least ninety (90) days prior to the close of ASCIP's fiscal year. Written notice shall include an adopted Resolution by the Board or governing body of the Member Agency formally approving withdrawal and termination from membership in ASCIP in order to be effective. Such termination as a Member Agency in ASCIP shall also result in a termination of the Member Agency's participation in any ASCIP coverage, program or service as of the end of ASCIP's fiscal year. In addition, such written notice shall, when given, result in any employee or representative of the withdrawing Member Agency being terminated from ASCIP's Executive Committee,



Claims/Coverage Committee or any other Standing Committee effective immediately, unless otherwise directed by the applicable committee.

2. Notwithstanding the foregoing, any Member Agency may rescind its withdrawal notice from ASCIP, inclusive of its withdrawal from ASCIP coverage, programs or services, by written notice with an accompanying resolution from the Board or governing body of the member to be received by ASCIP no later than June 30 of the then existing fiscal year of ASCIP and program participation.
3. A Member Agency may be involuntarily terminated from ASCIP by a two-thirds (2/3rds) vote of the Executive Committee. The member being terminated shall be so notified at least sixty (60) days prior to the effective date of the termination. The Executive Committee may vote to terminate membership and coverage with less than sixty (60) days' notice if the Member Agency becomes financially insolvent, files for bankruptcy, is placed under the control of another agency, individual, or third-party, or for such other circumstances as determined by the Executive Committee. Should a Member Agency withdraw or be involuntarily terminated, it shall have the effect of eliminating the Member Agency as a signatory to the Joint Powers Agreement and as a member of ASCIP, effective upon the date of involuntary termination, with no right of participating in the assets of ASCIP except as required under the Joint Powers Agreement, these Bylaws or California law.
4. Upon any withdrawal, or involuntary termination of a Member Agency, ASCIP shall be responsible for returning a pro rata amount, if any, of the Member Agency's premium paid to ASCIP for the coverage period. The withdrawing or terminated Member Agency shall continue to be responsible for the amount of any additional assessments or contingencies required because of costs, obligations or sums incurred while the withdrawing or terminating Member Agency was a member of ASCIP and a participant in any program of ASCIP.
5. A Member Agency in ASCIP shall be entitled to withdraw from any ASCIP coverage program based upon the earlier of ninety (90) days prior to the end of the coverage or program year or in compliance with the terms of the specific program agreements. Written notice shall be provided by the Member Agency to ASCIP in accordance with the program agreements or otherwise pursuant to this provision in order to be effective. A withdrawal from the ASCIP Property/Liability program shall require a withdrawal from membership in ASCIP, per Article XII, paragraph 1. If applicable, withdrawing members may execute an interagency participation agreement for continuation of coverage under one of ASCIP's other program offerings subject to Executive Committee approval.

## **ARTICLE XIII**

### **LIABILITY AND INDEMNIFICATION**

Except as otherwise provided by individual contract, pursuant to the provisions of the Government Code of the State of California, each Member Agency of ASCIP shall be liable for its pro rata share of all debts and liabilities of ASCIP and its pro rata share of all debts and liabilities of all self-funded programs against members of ASCIP while a member of ASCIP. Notwithstanding the foregoing, all liabilities and equity shall be determined on a program by program basis, with all participants in a given program liable pro rata for all liabilities of a program. A Member Agency's pro rata share shall be determined in the same manner as withdrawing member's pro rata share of assets is determined. To achieve such purpose, each Member Agency indemnifies and holds harmless the other members and ASCIP, including all past and present ASCIP staff, Executive Committee and Claims/Coverage Committee members and all members of other Standing Committees, including all past and present officers for any liability, loss, cost, or expense that may be imposed upon such other member in excess of such pro rata liability.

ASCIP shall defend, indemnify and hold harmless to the maximum extent permitted by California law all ASCIP staff, employees, officers and members of the Executive Committee and any other committee of ASCIP for any claims, liabilities or losses arising out of their performance of, and within the course and scope of their duties and responsibilities for ASCIP.

## **ARTICLE XIV**

### **ARBITRATION**

1. In the event of a dispute between a Member Agency and ASCIP, including all past and present ASCIP staff, Executive Committee and Claims/Coverage Committee members and all members of other Standing Committees, the dispute shall be subject to binding arbitration and all parties shall be bound by the findings and decision of the Arbitrator(s). All disputes shall be subject to binding arbitration including, but not limited to, any disputes arising between ASCIP and any Member Agency concerning the Joint Powers Agreement, the Bylaws, any coverages or programs, or in any way involving or relating to the operations, management and activities of ASCIP and/or the right, duties or obligations of the Member Agency.
2. The binding arbitration shall be conducted by JAMS, before a single arbitrator from JAMS, unless otherwise agreed between ASCIP and the Member Agency, and shall be conducted by and under the operative rules and procedures of JAMS.
3. Regardless of the outcome of the arbitration, ASCIP and the Member Agency shall share equally in the costs of the arbitration and in the compensation of the arbitrator, provided that the arbitrator shall have discretion to award fees and costs to the extent

the arbitrator finds any claim or defense to have been presented without an objective and reasonable basis, or to the extent the arbitrator determines that a party engaged in conduct which resulted in unnecessary legal fees and costs.

4. The arbitrator shall consider ASCIP as a governmental agency and risk sharing organization, and not as insurance or an insurance carrier, and the parties relationship as an honorable one and neither a contract of adhesion or otherwise as an agreement between parties with adverse interests. The arbitrator shall seek to enforce the terms of the parties' agreements and the intentions of the parties at the time of entering into those agreements, in a fair and objective manner.
5. A judgment based on the decision of the arbitrator may be entered in any court having jurisdiction upon the request of the Member Agency or ASCIP.

## **ARTICLE XV**

### **AMENDMENT**

1. Amendment to these Bylaws may be proposed by any Member Agency or by any member of the Executive Committee, and the Executive Committee shall be empowered to revise and amend these Bylaws. Once amended, the revised Bylaws shall be distributed to all member agencies.
2. All amendments must be approved by two thirds (2/3) of the full Executive Committee before the amendment shall become effective.