

INTERGOVERNMENTAL AGREEMENT PROVIDING FOR RISK
MANAGEMENT AND AUTHORIZING MEMBERSHIP IN THE
LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL
COMBINATION (LIMRiCC)

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE I. THE UNEMPLOYMENT COMPENSATION CLAIM PROGRAM .	1
A. Findings and Authority	1
B. Definitions.	2
C. Agreements of Members.	4
D. Powers and Duties of LIMRiCC	6
E. Period of Coverage, Withdrawal and Termination.	8
F. Prior Coverage	9
 ARTICLE II. THE SELF INSURANCE PROGRAM	 9
A. Purpose.	9
B. Authority.	10
C. Definitions.	10
D. Insuring Agreement	11
E. Exclusions	12
F. Payments by Members - Assessments.	14
G. Powers and Duties of LIMRiCC	15
H. Conditions	16
1. Warranty Clause	16
2. Discovery Period.	16
3. Limits of Payments for Losses	16
4. Loss Provision.	16
5. Defense and Settlement.	17
6. Action Against LIMRiCC.	18

7. Subrogation	19
8. Changes.	19
9. Assignment	19
10. Authorization Clause and Notices	19
11. Acceptance.	20
12. Other Insurance.	20
I. Cancellation	20
J. Non-Renewal	21
K. Participation of Unexpended Funds.	21
1. Cancellation.	21
2. Membership for Five or More Years.	21
3. On Termination of the Program.	22
L. Disputes	22
M. Prior Coverage	22
ARTICLE III. JOINT PURCHASE OF HEALTH INSURANCE	23
A. Purpose	23
B. Authority	23
C. Assessments of Members	24
D. Renewal Meeting	24
E. Powers and Duties of LIMRiCC	24
F. Powers and Duties of Members	25
G. Term of the Program	26
H. Rights and Obligations of Members	26

I. Liability of LIMRiCC, Its Officers and Directors	28
J. By-Laws	29
K. Notices	30
ARTICLE IV. RIGHTS AND OBLIGATIONS OF MEMBERS	30
A. Obligations of Members	30
B. Rights of Members	31
ARTICLE V. LIABILITY TO LIMRiCC, ITS OFFICERS AND DIRECTORS	32
ARTICLE VI. BY-LAWS.	33
ARTICLE VII. NOTICES.. . . .	33
ARTICLE VIII. FORMER PARTICIPATION OF METROPOLITAN LIBRARY SYSTEM (FORMERLY SUBURBAN LIBRARY SYSTEM)	33
ARTICLE IX. AMENDMENTS	33

**INTERGOVERNMENTAL AGREEMENT PROVIDING FOR RISK MANAGEMENT
AND AUTHORIZING MEMBERSHIP IN THE LIBRARY INSURANCE
MANAGEMENT AND RISK CONTROL (LIMRiCC)**

In consideration of the agreements hereinafter provided, the Board of Trustees of the _____, hereinafter referred to as "Library" or "Member" and the Library Insurance Management and Risk Control Combination, hereinafter referred to as "LIMRiCC" (an intergovernmental entity voluntarily established by contracting Library Systems, Boards of Library Trustees and Library Districts), agree as follows:

The _____ Public Library agrees to participate in the following Programs (the Programs) with LIMRiCC:

The Unemployment Compensation Program (UCGA);

The Joint Self-Insurance Program (JSIP);

The Joint Purchase of Health Insurance Program

(PHIP).

ARTICLE I. THE UNEMPLOYMENT COMPENSATION CLAIM PROGRAM.

A. Findings and Authority

1. Unemployment claims against Library Districts, Boards of Library Trustees and Library Systems can be handled more economically and efficiently if claims are processed on a volume basis.
2. The centralization of administration of these claims is consistent with the goals of the Intergovernmental Cooperation Clause of

the Constitution of the State of Illinois (Article VII, Section 10) and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) and is further authorized by 820 ILCS 405/1405.

3. The members and LIMRiCC, therefore, agree to the Provisions hereinafter set forth for the centralized management of unemployment compensation claims.

B. Definitions - (Article I)

Unless otherwise indicated, terms used herein are defined as provided in "An Act in Relation to Unemployment insurance" approved June 30, 1937, as amended

"Claims" - The Unemployment Compensation Claims made against the Members.

"Final Rate" is defined as fifteen percent of the Rate. In other words, "Final Rate" = Rate/(1-.15).

"Investment Dividend" is defined as Investment Income, if greater than zero.

"Investment Income" is defined as the Total Dividend minus the Underwriting Dividend.

Where the term "LIMRiCC" is used, it shall include LIMRiCC and any private or public corporation it shall retain to assist in the administration and payment of claims unless the context indicates otherwise.

When the term "Member" is used, it shall refer to any entity participating in the Unemployment Compensation Program.

"Member employee" shall include each employee of the Member covered by the Unemployment Compensation Act.

"Member Experience" is defined as the sum of three years of claims divided by the sum of three years of taxable payroll for each Member. In other words, "Member Experience" = Sum ("3 years of claims") / Sum ("3 years of taxable payroll").

"Member Investment Dividend" is defined as the Investment Dividend multiplied by the Premium divided by the total premium. In other words, "Member Dividend" = Investment Dividend * Premium/Total Premium.

"Member Profit" is defined as premium minus claims, where premiums exceed claims.

"Pooled Account" - All assets of LIMRiCC devoted to the Unemployment Compensation Program.

"Pool Experience" is defined as the total of three years of claims divided by the total of three years of taxable payroll for the pool. In other words, "Pool Experience" = Total 3 years of claims / Total 3 years of taxable payroll.

"Pool Profit" is defined as the sum of "Member Profit."

"The Previous Agreement: - The Unemployment Compensation Agreement between the Member and Metropolitan Library System (formerly Suburban Library System).

"Profitable Members" - means those Members whose premiums exceed claims made.

"Program" - The Unemployment Compensation Program pursuant to this Agreement.

"Rate" is defined as fifty percent of the Member Experience plus fifty percent of the Pool Experience. In other words, "Rate" = $\frac{1}{2}$ x Member Experience + $\frac{1}{2}$ x Pool Experience.

"Reserve Account" - An account to be maintained at \$1,000,000 subject to temporary reductions for payment of mandated claims, and not available for refunding except on the termination of the Unemployment Compensation Program.

"Underwriting Dividend" is defined as the Underwriting Income, if greater than zero.

"Underwriting Income" is defined as the total premiums subtracting the total claims.

C. AGREEMENTS OF MEMBERS

1. To designate LIMRiCC to process the claims of the Member.
2. That LIMRiCC may contract with private or public corporations for assistance in the processing of claims and the member will share in the cost of administering and paying the claims as provided in this contract.
3. That each year this Agreement is in effect, each Member shall pay to LIMRiCC:
 - (a) The Rate multiplied by the wage base set by the State of Illinois; and
 - (b) The Final Rate, as defined herein.

The Member shall make these payments in equal quarterly installments due on the 15th day of April, July, October and January of each year.

4. At such time as merit rating is established for the Member, as hereinafter provided, the above payments shall be adjusted accordingly.
5. To elect to be a reimbursing employer during the term of this Agreement.
6. That appropriate personnel of the Member will attend meetings conducted by LIMRiCC regarding procedures to reduce claims and that the Member will utilize these procedures.
7. To cooperate in all respects with LIMRiCC so that it can exercise the rights, duties and obligations of the Member as an employer concerning claims.

8. To provide LIMRiCC with information regarding the facts and circumstances of the termination of any of the Member employees within one working day from termination.
9. To furnish LIMRiCC with copies of all reports of Member employees required by the State pursuant to the Unemployment Compensation Act.
10. To permit inspection and audit of Member payroll records by LIMRiCC at such times as the inspection or audit does not interfere with the conduct of business. The Member will provide LIMRiCC with a copy of the quarterly report of Member employees.
11. To comply with such other reasonable rules and regulations as may be established by LIMRiCC for the administration of the Agreement.
12. To permit LIMRiCC to elect not to protest or object to claims or file appeals for allowed claims, provided that the Member shall have the option to defend the claims itself if LIMRiCC elects not to defend. The Member must notify LIMRiCC within two (2) working days of the receipt of the claims, but not later than the due date of any protests, objections or appeals to such claims, if the Member wishes to exercise its option to defend the claims. If the Member has timely notified LIMRiCC of the Member's exercise of this option, LIMRiCC will advise the Member within two (2) working days of the receipt of the claim by LIMRiCC, but not later than the due date of protests, objections, or appeals to such claims, if LIMRiCC elects not to defend.
13. To furnish LIMRiCC, or its designee, notice of claims within two working days of the receipt of the claims by the Member, but not later than the due date of any protests, objections or appeals to such claims. In addition, the Member will furnish LIMRiCC

such information regarding the claims as LIMRiCC may require.

14. To furnish a power of attorney or similar authority to the agent processing claims on behalf of LIMRiCC.

D. Powers and Duties of LIMRiCC

The powers and duties of LIMRiCC are as follows:

1. To act as the designated agent of the Member in the processing and defending of claims subject to the right of LIMRiCC to delegate these responsibilities as provided herein, and to deposit all payments received pursuant to this Agreement in a separate and distinct bank account to be held, administered and paid over as herein provided. Where funds are available for investment they will be deposited in interest bearing accounts or otherwise lawfully invested.
2. To pay allowed claims against Member employers.
3. To file in the name of and in behalf of Member, protests, objections or appeals to claims that, in the judgment of LIMRiCC, are filed by claimants who are not eligible or who are disqualified pursuant to the Unemployment Compensation Act. LIMRiCC, in its determination, shall exercise that judgment usually exercised by responsible private employers under similar circumstances.
4. To cause an evaluation to be conducted for appropriate Member personnel.
5. To cause training programs concerning the Unemployment Compensation Act to be conducted for appropriate Member personnel.
6. To prepare and file claims for refund where appropriate.
7. To maintain a separate record of the contributions made and the claims paid

attributable to each Member, that shall be deducted from the credit balance.

8. To pay the reasonable charges attributable to the services rendered pursuant to this Program from first, the interest earned, and if this is insufficient, from the principal of the fund. These charges shall include, but not be limited to, contract payments for the services for audit expenses, attorneys fees, equipment, supplies, reimbursement to LIMRiCC for its services and use of its facilities as provided in the BY-Laws of LIMRiCC.

LIMRiCC may designate Metropolitan Library System (formerly Suburban Library System) to manage this Program, provided the annual compensation for these services shall not exceed the Final Rate without the consent of fifty percent (50%) of the Members.

9. To set the Rate for each Member as based on the experience of the Pool ("Pool Experience") and the experience of the individual Member ("Member Experience"). The Rate is calculated by adding $\frac{1}{2}$ multiplied by the Member Experience to $\frac{1}{2}$ multiplied by the Pool Experience. For new members, defined as those with less than three years experience in the Program, the Rate is calculated using the Pool Experience only.
10. To set forth as in the same manner as in Paragraph 9, if the evaluation establishes that the Member has a deficit balance, a merit rating may be established in excess of 2% but no more than 5%.
11. To authorize LIMRiCC at its option purchase insurance from the Pooled Account to cover claims.
12. To pay for Members who have participated in the Unemployment Compensation Program for ten (10) or more years [including the Program of Metropolitan Library system (formerly Suburban Library System)], LIMRiCC shall make refunds of funds on

hand in the Pooled Account in excess of \$1,000,000 as follows:

- a. Underwriting Dividends and Member Investment Dividends shall be calculated based on audited, fiscal year-end figures.
- b. Annually by the end of the second quarter of the fiscal year, Underwriting Dividends shall be paid to those Profitable Members based on the amount of underwriting profit generated by Profitable Members as long as the Pooled Account has funds in excess of \$1,000,000. Underwriting Dividends shall be calculated based on the Underwriting Income for Profitable Members. Each Profitable Member's underwriting is calculated by multiplying the Underwriting Dividend by the Member Profit divided by the Pool Profit. This dividend will count towards the Member's account balance.
- c. Annually by the end of the second quarter of the fiscal year, Member Investment Dividends shall be paid to all Members as long as the Pooled Account has funds in excess of \$1,000,000. Each Member's Investment Dividend shall be calculated by multiplying the Investment Dividend by the premium divided by total premium. This dividend will not count towards the Member's account balance.

E. Period of Coverage, Withdrawal and Termination

1. The initial coverage provided by LIMRiCC shall include all claims by members for persons whose employment is terminated by such Member during the period from July 1, 1993, through December 31, 1993. Coverage shall be continued from year to year thereafter, on a calendar year basis, unless terminated as provided herein. In the event of termination by a Member, assets remaining in the Member's account and reserve account shall not be refunded. Members terminating with a deficit balance shall reimburse

LIMRiCC for the deficit. Either party may terminate its participation in the Pooled Account pursuant to this Agreement by giving written notice at least ninety (90) days prior to December 31 of any year this Agreement is in effect and the withdrawal will then be effective as of December 31 of the year of withdrawal.

2. LIMRiCC shall continue to cover all claims of the Member's employees whose employment was terminated by the Member during the period this Agreement is in effect, provided the member is not in default; and provided further the Member shall pay any deficit in its account in the Pooled Account. A default in payment by the Member shall be deemed termination by the Member and LIMRiCC shall not cover claims made after the default.

F. Prior Coverage - The Previous Agreement

Members account balances and merit ratings in the previous agreement with Metropolitan Library System (formerly Suburban Library System), shall be transferred to LIMRiCC and credited to the member's account balance in this LIMRiCC program. There will be no interruption of coverage in the transition from the Previous Agreement.

The coverage for Members with account balances and merit ratings pursuant to the previous Agreement with Metropolitan (formerly Suburban Library System) shall include all claims of such Members for persons whose employment with such Member or with any other employer is terminated prior to June 1, 1993.

ARTICLE II. THE SELF-INSURANCE PROGRAM.

A. Purpose.

It is the purpose of this Self-Insurance Program to create an intergovernmental joint self-insurance program (the "Program") with LIMRiCC, Library Districts, Boards of Library Trustees and other Library Systems (the "Members") under the terms and conditions hereinafter set forth, with LIMRiCC as the administrative entity to operate the Program. It is the purpose of the Member to contract with

LIMRiCC and to assume joint liability under a joint self-insurance program as a Member.

B. Authority.

The agreements between LIMRiCC, and the Members are authorized by the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution Act; 5 ILCS 220/1; and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act. (745 ILCS 10/1-101 et seq.)

C. Definitions (Article II)

1. "Member" shall mean any Library District or Board of Library Trustees or Library System which has executed an agreement which is accepted by LIMRiCC for joint self-Insurance on substantially the same terms as this Agreement.
2. "Insured" shall mean a Member and all persons who were, now are, or shall be elected or appointed officials of such Member. The term "Insured" shall include the personnel of any commissions, boards or other units operating by and under the jurisdiction of such Member. The term "Insured" shall not include independent contractors.
3. The term "insured" shall also include the estates, heirs, legal representatives or assigns of deceased persons who are already defined as an Insured.
4. "Wrongful Act" shall mean any actual or alleged error or misstatement, or misleading statement, or act or omission or neglect or breach of duty, including misfeasance, malfeasance and nonfeasance, by an Insured, as a public official, employee or volunteer of the Member.
5. "Loss" shall mean any amount which an Insured is legally obligated to pay or which the Member shall be required by law to pay

as indemnity for any claim or claims made against an Insured for Wrongful Act and shall include but not be limited to damages, judgments, settlements, costs of investigation and defense of legal actions (excluding from such costs the salaries of officials or employees of the Member of any governmental body), claims or proceedings and appeals therefrom, costs of attachment or similar bonds; provided always, however, such amount of Loss shall not include fines or penalties imposed by law or the cost of investigation or defense in connection therewith or matters which may be deemed uninsurable under the law pursuant to which this Agreement shall be construed.

Subject to Article II, E, punitive damages, to the extent permitted by law, shall be insured as a Loss.

6. The "Term of the Agreement" shall mean the term of coverage provided in the Prior Self-Insurance Agreement. If there is no Prior Self-Insurance Agreement, then the Term of Agreement shall be the period of one (1) year following effective date of this Agreement. The Term of the Agreement shall be extended for additional 12 month periods unless terminated by 60 days notice prior to the expiration date by either party provided payment has been made by the member prior to the commencement of the extended term.
7. The "Prior Self-Insurance Agreement" shall mean the previous self insurance agreement with the Metropolitan Library System (formerly Suburban Library System) and the Pool. There shall be no interruption of coverage in the transition from the Prior Self-Insurance Agreement.

D. Insuring Agreement

1. LIMRiCC will pay (solely from the proceeds of payments from the members) on behalf of the Member all Loss which the Insured shall

be legally obligated to pay for any civil claim or claims first made against the Insured because of a Wrongful Act, provided that the claim is first made during the Term of the Agreement and written notice of said claim is received by LIMRiCC during the Term of the Agreement or within thirty (30) days thereafter.

2. LIMRiCC (solely from the proceeds of payments from the Members) will pay the Insured's defense costs arising out of claims, demands or actions seeking relief or redress from Wrongful Acts in any form other than money damages. The maximum amount of recovery under this extension is One Hundred Thousand Dollars (\$100,000.00) for any such claim, less the One Thousand Dollar deductible, provided that the claim is first made during the Term of the Agreement and written notice of said claim is received by LIMRiCC during the Term of the Agreement or within thirty (30) days thereafter.
3. Extensions. This Agreement shall cover Loss arising from any civil claim or claims made against the estates, heirs, legal representatives or assigns of deceased persons who were Insured at the time of the Wrongful Act upon which such civil claim or claims are based.

E. Exclusions

Subject to Article II-H.5

LIMRiCC shall not make payment for Loss in connection with any claims made against the Insured allegedly based upon or arising out of one or more of the following:

1. Gaining any personal profit or advantage to which the Insured was not legally entitled;
2. The return by an Insured of any remuneration in fact paid to the Insured if payment of

such remuneration shall be held by the court to be in violation of law;

3. Brought about or contributed to by the dishonest acts of the Insured, which were committed by the Insured with actual dishonest purpose and intent and were material to the cause of action.
4. (a) Any damages, whether direct, indirect or consequential, arising from, or caused by bodily injury, sickness, disease or death;

(b) loss or criminal abstraction of, damage to or destruction of any tangible property or the loss of use of such property by reason of the foregoing;
5. (a) false arrest, assault, battery, detention or imprisonment, or malicious prosecution;

(b) defamation, including, but not limited to, libel or slander;

(c) a publication or utterance in the course of or related to advertising, broadcasting or telecasting activities by or on behalf of the Member;

(d) wrongful entry or eviction or other invasion of the right of private occupancy;
6. "Willful and wanton conduct," meaning a course of action which shows an actual or deliberate intention to cause harm or that, if not intentional, shows an utter indifference to or conscious disregard for the rights of others;
7. The discharge, dispersal, release or escape or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, asbestos or other irritants, contaminants or pollutants into or upon land, the atmosphere or any

watercourse or body of water, or any object, whether sudden or not;

8. (a) asbestos or any asbestos-related injury or damage; or
(b) any alleged act, error, omission or duty involving asbestos, its use, exposure, presence, existence, detection, removal, elimination or avoidance; or
(c) the use, exposure, presence, existence, detection, removal, elimination or avoidance of asbestos in any environment, building or structure;
9. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving actual, alleged or threatened nuclear reaction, radiation, contamination, materials or waste, regardless of the cause;
10. Prior to pending litigation as of the effective date of this Agreement and excluding as well, all future claims or suits based upon, arising out of or attributable to said prior or pending litigation;
11. A violation of the Americans With Disabilities Act of 1990 as amended from time to time.

The Wrongful Act of any Insured shall not be imputed to any other insured for the purpose of determining the applicability of the foregoing exclusions.

F. Payments by Members - Assessments.

Each Member shall pay LIMRiCC One Thousand Two Hundred Dollars (\$1,200) for the first year of coverage and One Thousand Dollars (\$1,000) for each year of coverage thereafter. Payments are made prior to the term of coverage. Each Member shall receive credit for payments made and coverage pursuant to the Prior Self-Insurance Agreement.

If funds of the Program are insufficient in the judgment of LIMRiCC, then LIMRiCC may assess the Members for additional payments. Each Member shall be assessed an equal amount.

If a 12-month discovery period is elected by the Member pursuant to paragraph H-2, such Member shall pay LIMRiCC Eight Hundred Dollars (\$800.00).

The Members shall pay the first One Thousand Dollars (\$1,000.00) of each Loss.

G. Powers and Duties of LIMRiCC.

LIMRiCC shall have the following powers and duties in the administration of the Program:

- (1) To employ agents, employees and independent contractors including legal counsel;
- (2) To purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the Program;
- (3) To carry out educational and other programs relating to risk reductions;
- (4) To collect the funds and administer the Program;
- (5) To provide risk management services;
- (6) To carry out such other activities as are necessarily implied or required to carry out the purposes of the Program; and
- (7) To contract with Metropolitan Library System (formerly Suburban Library System) to manage the Program as provided in the By-Laws, provided the annual compensation for these services shall not exceed TWELVE THOUSAND DOLLARS (\$12,000.00)

H. Conditions.

1. Warranty Clause.

It is represented and warranted that the particulars and statements contained in application of the Member included in the prior Self-Insurance Agreement, a copy of which is attached hereto, is reaffirmed as of the inception date of this Agreement and is the basis of this Agreement and is considered as incorporated in and constituting part of this Agreement.

A new application shall be made in the form attached hereto and is subject to review and approval by LIMRiCC.

2. Discovery Period.

If LIMRiCC shall cancel or refuse to renew this Agreement, the Member shall have the right to an automatic extended discovery period upon payment of the additional premium set forth in paragraph F in respect of any claim or claims which may be made against the Insured during the period of twelve (12) months after the date of such cancellation or non-renewal, but only in respect of any Wrongful Act committed during the Term of the Agreement and before the date of such cancellation or non-renewal, provided, however, that written application to LIMRiCC for such extension and payment of the premium therefore must be made within thirty (30) days following such cancellation or non-renewal.

3. Limits of Payment for Losses.

Payment for Losses under Article II, D.1 shall be limited to One Million Dollars (\$1,000,000.00) per occurrence. Pursuant to Article II, F, the One Thousand Dollars (\$1,000.00) to be paid by the Member shall be deducted by LIMRiCC for each loss occurring from separate claim.

4. Loss Provision

If during the Term of the Agreement or extended discovery period:

- (a) the Member or the Insured shall receive written or oral notice from any person that it is the intention of such person to hold the Insured responsible for the

results of any specified Wrongful Act done or alleged to have been done by the Insured while acting in the capacity aforementioned; or

- (b) the Member or the Insured shall become aware of any occurrence which may subsequently give rise to a claim being made against the Insured in respect of any such alleged Wrongful Act;

then Member or the Insured shall, as soon as practicable, give written notice to LIMRiCC of the receipt of such written or oral notice under Clause 4(a) or of such occurrence under Clause 4(b). Upon LIMRiCC's receipt of such notice, any claim which may subsequently be made against the Insured arising out of such alleged Wrongful Act shall, for the purposes of this Agreement, be treated as a claim made during the Term of the Agreement in which such notice was given, or if given during the extended discovery period as a claim made during such discovery period.

The Member or the Insured shall, as further condition precedent to the Insured's right to be indemnified under this Agreement, give LIMRiCC any information and all such cooperation as LIMRiCC may reasonably require and as shall be in the Insured's power.

5. Defense, Settlement and Selection of Counsel

In the event of a claim, the Insured shall take reasonable measure to protect their interests and shall promptly advise LIMRiCC in the event of a claim. If defense of a suit shall be required, LIMRiCC shall consult with the Insured regarding the appointment of counsel. If there is no agreement on the selection, then LIMRiCC shall appoint counsel.

In the event a claim shall be made that is insured under this Agreement and the claim is combined with another claim arising out of the same occurrence that is excluded under Article II-E, then the insured may select independent counsel for the insured's defense for the excluded claim and LIMRiCC will reimburse the insured for the reasonable expenses of independent counsel.

Subject to the foregoing, no cost of expenses shall be incurred on behalf of LIMRiCC under any circumstances without its consent. In the event the Insured and LIMRiCC cannot agree on the allocation or apportionment of counsel's fees and expenses, then under such circumstances the Insured's right of indemnity for such expenses and fees shall not mature until the claim giving rise thereto has been finally and completely adjudicated and-or settled.

LIMRiCC shall not commit the Member to any settlement without the Member's consent. However, if the Insured shall refuse to consent to any settlement recommended by LIMRiCC and shall elect to contest the claim or continue any legal proceedings in connection with such claim, then subject to the provisions of connection with such claim, then subject to the provisions of Article II, H.3, LIMRiCC's liability for the claim shall not exceed the amount for which the claim could have been settled including costs, charges and expenses incurred with its consent up to date of such refusal.

6. Action Against LIMRiCC.

No action shall lie against LIMRiCC unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Agreement, and until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and LIMRiCC.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Agreement to the extent of the insurance afforded by this Agreement. No person or organization shall have any right under this Agreement to join LIMRiCC as a party to any action against the Insured, to determine the Insured's liability, nor shall the Pool be impleaded by the Insured or the legal representative of the Insured.

The bankruptcy or insolvency of the Insured or the Insured's estate shall not relieve LIMRiCC of any of its obligations hereunder.

The liability of LIMRiCC shall be limited to the proceeds of payments and assessments of the Members made pursuant to this Article II - Self Insurance pursuant to prior self-insurance Agreement.

7. Subrogation.

In the event of any payment under the Agreement, LIMRiCC shall be subrogated to all the Insured's rights of recovery therefore against any person or organization, and the Insured shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after Loss to prejudice such rights.

8. Changes.

The terms of this Agreement shall not be waived or changed except by written endorsement issued to for a part of this Agreement.

9. Assignment.

There shall be no assignment of interest under this Agreement.

10. Authorization Clause and Notices.

By acceptance of this Agreement, all Insured agree that the Member shall act on behalf of all Insured, officers and employees of the Member with respect to the giving and receiving of notice of claim or cancellation or non-renewal, the payment of premiums and the receiving of any return premiums that may become due under this Agreement. Notice to that individual named in the Application at the address of the member shall also constitute notice to all Insured.

All notices of claims or any other notice required to be given to LIMRiCC under this Agreement shall be in writing and shall be addressed to:

LIMRiCC
125 Tower Drive
Burr Ridge, Illinois 60527
Attn: Executive Director

11. Acceptance.

By acceptance of this Agreement, the Member and the Insured agree that this Agreement embodies all agreements existing between themselves and LIMRiCC relating to joint self-insurance.

12. Other Insurance.

If the Member or any Insured has other valid and collectible insurance insuring against a Loss covered by this Agreement, the insurance provided by this Agreement shall be secondary to and shall apply in excess of such other insurance.

I. Cancellation.

This Agreement may be canceled by the Member for itself and its Insured by mailing to LIMRiCC written notice stating when thereafter the cancellation shall be effective.

Subject to Article II, H.2, LIMRiCC may cancel this Agreement and shall thereupon mail to the Member notice stating when not less than sixty (60) days thereafter such cancellation shall be effective. Prior to the effective date of such cancellation, the member shall be given an opportunity to be heard by LIMRiCC. After the hearing, LIMRiCC shall determine whether to affirm or rescind the cancellation. Notwithstanding the foregoing, this Agreement may also be canceled by LIMRiCC upon not less than ten (10) days notice when the cancellation is being effected by reason of the Member's non-payment of premium.

The mailing of notice as aforesaid shall be sufficient proof of notice.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Agreement period.

Cancellation shall be subject to the liability of the Member for assessments pursuant to paragraph F, where the assessment results from a claim made prior to the effective date of cancellation. Cancellation by LIMRiCC shall be subject to LIMRiCC's liability, if any, for claims made prior to the effective date of cancellation.

J. Non-Renewal

If LIMRiCC refuses to renew the Agreement for any additional one-year period, it shall so notify the Member at least sixty (60) days prior to the termination date of the current Agreement. In the absence of such notice, the Member may renew the Agreement each year for an additional one-year period by paying the annual premium prior to the termination date of the current Agreement.

K. Participation In Unexpended Funds.

1. Cancellation.

In the event LIMRiCC cancels the Agreement with a Member, the Member shall receive a pro-rata refund of the amount it has paid for coverage for the period of time that it does not receive coverage. The Member shall also participate in the first five-year distribution after its cancellation of coverage under the Agreement, to the extent of ten percent (10%) of a five-year Member's distribution for each full year of coverage.

2. Membership for Five or More Years.

Members who have participated for five (5) years shall receive a distribution of unexpended funds within four (4) months after the end of the fifth (5th) year as follows:

$$\frac{\text{Member's Payment to the Fund}}{\text{Total Payments to the fund}} \times \text{Unexpended Balance} \times 40\%$$

(Less Refunds)

After each additional five years of membership, Members who have participated for additional five years of Membership shall receive a distribution of unexpended funds within four (4) months after the end of each fifth year period as follows:

$$\frac{\text{Member's payment to the Fund}}{\text{Total payments to the fund}} \times \text{Unexpended Balance in excess of } \$2,000,000 \times 40\%$$

(Less Refunds)

The Member shall be credited for the time of its participation in the Prior Self-Insurance Agreement.

3. On Termination of the Program.

On termination of the Program, all Members participating at that time shall receive a distribution of unexpended funds based on the following formula:

$$\frac{\text{Payments to the Fund (Less Refunds)}}{\text{Payments to all participating Members (at that time) (less refunds)}} \times \text{Unexpended Funds}$$

Provided, however, distribution will be deferred until all contingent liabilities have been resolved by LIMRiCC.

LIMRiCC reserves the right to establish reserves necessary in its judgment for specific outstanding claims. These reserves shall be deducted from unexpended funds prior to any distribution thereof pursuant to this Paragraph K.

L. Disputes.

Any dispute not resolved by the efforts of the parties shall be adjudicated by filing of a declaratory judgment action in the Circuit Court of Cook County, Illinois. All parties hereto agree that, should such a need arise, every effort will be made to proceed as expeditiously as possible and, further, all parties hereto will submit to jurisdiction and venue in said forum.

M. Prior Coverage.

There shall be no interruption of coverage as a result of the transition from the Prior Self-Insurance Agreement.

The Member's share of unexpended funds in the prior self-insurance agreement as of May 31, 1993, will be transferred by Metropolitan Library System (formerly Suburban Library System) to the Member's share under this LIMRiCC agreement.

The period of time of the member's participation in the prior Self-Insurance Agreement shall be credited to the Member under this LIMRiCC agreement. (Article II-k.2)

ARTICLE III. JOINT PURCHASE OF HEALTH INSURANCE.

A. PURPOSE

It is the purpose of this Agreement to create a new Program of LIMRiCC, namely, the Purchase of Health Insurance Program, providing for the purchase, on behalf of its Members, of health insurance coverage for employees, spouses and dependents ("Insured Participants") of Members, under the terms and conditions set forth herein and in the By-Laws of LIMRiCC as in effect from time to time. The Purchase of Health Insurance Program will arrange for the purchase on behalf of Members of group health insurance (hereinafter, referred to collectively as "health insurance"), which may include, but is not limited to, the following:

Comprehensive Health Insurance,
Life Insurance Benefits,
Accidental Death and Dismemberment Benefits,
Dental Insurance,
Vision Insurance,
Prescription Drug Coverage.

The health insurance will be purchased by LIMRiCC on behalf of the Members.

By arranging for the purchase of health insurance on behalf of all Members, LIMRiCC can achieve savings in premiums.

It is the purpose of the Members to purchase health insurance through LIMRiCC under this Program. Each member must submit a written Application to LIMRiCC for participation in this Program.

B. AUTHORITY

This agreement is authorized by the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois; by 5 ILCS 220/6 et seq.; and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.)

C. ASSESSMENTS OF MEMBERS

Each Member shall pay LIMRiCC \$4.00 per month for each Insured Participant, for the administrative services provided by LIMRiCC under the Purchase of Health Insurance Program, together with the premium cost of the health insurance purchased by the Member. Each Member shall remit its payment to LIMRiCC with 30 days after the receipt of LIMRiCC's invoice. The fee for administrative services provided by LIMRiCC may be increased at the annual renewal meeting, if at least fifty percent (50%) of the Members in attendance consent to the increase.

D. RENEWAL MEETING

On or before May 31st of each year, a Renewal Meeting will be held to evaluate operation of the Purchase of Health Insurance Program and to determine the plan/policy that will be purchased by LIMRiCC on behalf of the Members for the next policy period. Representatives from each Member (Library Director/Administrator, other administrators, or his/her designees) may attend the Renewal Meeting. The Executive Director or his/her designee shall attend the Renewal Meeting. At the Renewal Meeting, a final decision shall be made regarding the purchase of a plan/policy by LIMRiCC by a majority vote of those Members in attendance. Each Member may have more than one representative attend. Each Member, however, may only vote once regarding the approval of the plan/policy. Also at the Renewal Meeting, the annual fee may be increased by a majority vote of the Members.

E. POWERS AND DUTIES OF LIMRiCC

The powers of LIMRiCC to perform and accomplish the purposes set forth in this Agreement shall be the following and shall be exercised through the Board of Directors:

1. To purchase health insurance on behalf of the Members;
2. To employ agents, employees and independent contractors, including legal counsel;
3. To collect from the Members the actual cost of the health insurance purchased on the Members' behalf, together with such additional sums as may be

necessary to cover the cost of LIMRiCC's administration of this Program;

4. LIMRiCC may designate Metropolitan Library System (formerly Suburban Library System) to manage this Program; provided the annual fee for these services shall not exceed \$4.00 per month for each Insured Participant without the consent of fifty percent (50%) of the Members; and
5. LIMRiCC shall not be responsible for the validity of any health insurance policy issued hereunder, nor for the failure of the insurance company to make the payments provided for under any health insurance policy, or for the action of any person which may delay, or render null and void or unenforceable, in whole or in part, any health insurance policy issued under this Program.

F. POWERS AND DUTIES OF MEMBERS

It is the responsibility of the Member to select suitable health insurance coverage for its employees and their respective spouses and dependents from the coverages available under the Purchase of Health Insurance Program. The rights and conditions with respect to coverage and benefits under such health insurance shall be determined by the respective insurance policies, which policies shall be incorporated herein by reference; and LIMRiCC shall have no liability for health insurance benefits under this Program. Any claim for benefits under a health insurance policy shall be made to the insurance company; and if this claim is denied, any appeal therefrom shall follow the insurance company's claims review policy.

In the event of a conflict between the terms of this Program and in the terms of a health insurance policy which is then being used in conjunction with this Program, the terms of said insurance policy shall control as to those Members whose employees, and their respective spouses and dependents are receiving health insurance coverage and benefits under such insurance policy. For this purpose, the insurance policy shall control in defining:

1. The persons eligible for insurance coverage;
2. The dates of their eligibility;

3. The conditions which must be satisfied to become insured, if any;
4. The benefits to be provided; and
5. The circumstances under which such health insurance terminates.

G. TERM OF THE PROGRAM

1. This Program shall become effective on the 1st day of April, 1994, provided that by such date there are no less than 20 members of LIMRiCC who have elected in writing to participate in this Program, and shall continue in effect thereafter until terminated.
2. Each Member shall have the right to cancel its participation in the Program by March 31, which shall be effective on June 30. LIMRiCC shall have the right to cancel the participation of any Member, except in the event of non-payment of premiums by the Member. In the event of non-payment of premiums by the Member, LIMRiCC shall have the right to cancel the participation of such Member on thirty (30) days' written notice, unless the non-payment is remedied during the thirty-day period.

H. RIGHTS AND OBLIGATIONS OF MEMBERS

1. The rights of each Member of LIMRiCC shall include the following:
 - (a) To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the Obligations imposed herewith shall be based upon the mutual promises and agreements of the Members set forth herein.
 - (b) No member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for the purchase of health insurance within the scope herein set forth, and have not

created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.

2. (a) The initial Members of this Program, that is, those Members who join this program effective April 1, 1994, shall deposit with LIMRiCC a Special Reserve Fund which shall be held by LIMRiCC without the payment of interest, and shall be used by LIMRiCC as a cash reserve for the payment of premiums for the health insurance coverages selected by the initial Members.

(b) Any of the initial Members which cancels its participation in this Program (as set forth in Paragraph No. 7(B) above) shall have the right to request a withdrawal of that percentage of the Special Reserve Fund, valued as of April 1, 1994, determined as follows:

The percentage of the April 1, 1994 value of the Special Reserve Fund to which an initial Member is entitled upon cancellation of participation in this Program shall be equal to the April 1, 1994 value of the Special Reserve Fund, multiplied by a fraction, the numerator of which is the total number of Insured Participants enrolled by the canceling initial Member on April 1, 1994, and the denominator of which is the total number of Insured Participants enrolled by **all** initial Members on April 1, 1994.

(c) On termination of this Program by LIMRiCC (as set forth in Paragraph No. 7(B) above), LIMRiCC shall pay to each initial Member that has not previously canceled its participation in the Program, and has not previously been canceled by LIMRiCC, such initial Member's respective percentage of the Special Reserve Fund, determined as set forth in Subparagraph (b) above.

(d) Each payment by LIMRiCC under this Paragraph shall be due within 90 days after the cancellation of participation or, as appropriate, the termination of the Program, and shall be made by LIMRiCC without interest.

3. The obligations of each Member of LIMRiCC shall include the following:

(a) To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to claims and the financial obligations of the Member to LIMRiCC.

(b) To furnish full cooperation with LIMRiCC's attorneys, Executive Director and any agent, employee, officer or independent contractor of LIMRiCC relating to the purposes and powers of LIMRiCC.

(c) To follow in the operations of the Member all procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.

(d) In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under this Agreement or its By-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.

e) To make other payments to LIMRiCC as established in its By-Laws.

(f) To appropriate or budget annually its liabilities under the LIMRiCC Program or Programs in which the Member participates.

I. LIABILITY OF LIMRiCC, ITS OFFICERS AND DIRECTORS

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of

LIMRiCC funds or failure to invest. They may participate in indemnification and self insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members. The funds of each insurance program, i.e. those established under Articles I, II and III and the Purchase of Health Insurance Program are kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of them:

1. appear and defend against the claim or action; and

2. pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and

3. pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term "Director, officer or employee" shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts.

J. BY-LAWS

This Agreement is subject to the current By-Laws of LIMRiCC. A certified copy of the current By-Laws of LIMRiCC has been furnished to the Member.

K. NOTICES

All notices of claims or any other notice required to be given pursuant to this Agreement, shall be sent by certified mail and shall be addressed to:

LIMRiCC
125 Tower Drive
Burr Ridge, Illinois 60527
Attention: Executive Director

and to:

ARTICLE IV. RIGHTS AND OBLIGATIONS OF MEMBERS.

- A.** The obligations of each Member of LIMRiCC shall include the following:
1. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to claims and the financial obligations of the Member to LIMRiCC.
 2. To furnish full cooperation with LIMRiCC's attorneys, claims administrator with any agent, employee, officer or independent contractor LIMRiCC relating to the purposes and powers of LIMRiCC.
 3. To follow in the operations of the Member all loss reduction and prevention procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.
 4. In the event that LIMRiCC shall be required to expend funds for administrative, legal or

other operating costs, or to take other actions required under this Agreement or its BY-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.

5. To make other payments to LIMRiCC as established in the By-Laws.
6. To appropriate or budget annually its liabilities under the LIMRiCC Programs.

B. Rights of Members

Rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the members set forth herein.
2. Except as provided in Article II-F, no Member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for joint risk management only within the scope herein set forth and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.
3. Where rights of Members to participate in benefits are dependent on the length of time of participation, the Member shall be credited for its participation in the predecessor programs of the Metropolitan Library System (formerly Suburban Library System).

ARTICLE V. LIABILITY OF LIMRiCC, ITS OFFICERS AND DIRECTORS

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self-insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members and proceeds of any insurance provided by LIMRiCC. The funds of each insurance program, i.e. those established under Articles I, II, and III are to be kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of the Director, officer or employee:

- (a) appear and defend against the claim or action; and
- (b) Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
- (c) pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term Director, officer or employee shall include former Directors, officers and employees. This

indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal misconduct. In such case, the action to be taken by the Board of Directors will be determined after an investigation of the facts.

ARTICLE VI. **BY-LAWS.**

A certified copy of the By-Laws of LIMRiCC has been furnished to the Member.

ARTICLE VII. **NOTICES.**

All notices of claims or any other notice required to be given pursuant to this agreement, shall be sent by certified mail and shall be addressed to:

LIMRiCC
125 Tower Drive
Burr Ridge, Illinois 60527
Attention: Executive Director

And to:

ARTICLE VIII. **FORMER PARTICIPATION OF METROPOLITAN LIBRARY SYSTEM (FORMERLY SUBURBAN LIBRARY SYSTEM)**

LIMRiCC is the successor in interest to Metropolitan Library System (formerly Suburban Library System) as the contracting party under the Unemployment Compensation Program and the Joint Self-Insurance Program. Rights and liabilities of Metropolitan Library System (formerly Suburban Library System) is not a contractual participant under the programs.

ARTICLE IX. **AMENDMENTS**

The Board of Directors may, in the following manner, amend the "By-Laws of the Library Insurance Management And Risk Control Combination (LIMRiCC)" at any time and from time to time to add a new provision or change or remove an existing provision:

(a) The Board of Directors shall adopt a Resolution setting forth the proposed amendment and the date on which the amendment is to become effective, and directing that

the proposed amendment be submitted to each LIMRiCC Member that will be affected by the proposed amendment.

(b) LIMRiCC shall give to each LIMRiCC Member that will be affected by the proposed amendment written notice of the proposed amendment, including the text of the proposed amendment and the date on which the amendment is to become effective, together with a ballot for voting to approve or disapprove the proposed amendment. Such notice shall be given not less than 60 days and not more than 90 days before the proposed effective date of the amendment, either via electronic mail or U.S. mail. If mailed, such notice shall be deemed to have been delivered on the second day after the day on which it is deposited in the United States mail, addressed to the Member at its address on the records of LIMRiCC, with postage prepaid.

(c) Each LIMRiCC Member must return its ballot to LIMRiCC on or before 5:00 PM on the proposed effective date of the amendment.

(d) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the LIMRiCC Members entitled to vote on such amendment.

(e) Any number of amendments may be submitted to the LIMRiCC Members and voted upon by them at one time.

(f) A LIMRiCC Member that has timely voted against the adoption of a proposed amendment may, within 60 days after the effective date of the proposed amendment, elect to withdraw from the LIMRiCC Program(s) affected by the new amendment, but only if the amendment materially and adversely affects the Member.

(g) Any LIMRiCC Member that is entitled to elect to withdraw from the LIMRiCC Program(s) in question is precluded from challenging the new amendment that creates the right of withdrawal, unless the adoption of the amendment is fraudulent with respect to the Member or with respect to LIMRiCC, or constitutes a breach of a fiduciary duty owed to the Member.

(h) A LIMRiCC Member that is entitled to elect to withdraw may do so only if the Member deliver its written election to LIMRiCC within the said 60-day period.

(i) Notwithstanding anything to the contrary in this Article, the withdrawal of a Member shall not affect any existing claim(s) in favor of LIMRiCC against the withdrawing Member, or in favor of the withdrawing Member and against LIMRiCC.

#239400

Dated this _____ day of _____ , _____

By: _____

President

(to be signed by the LIMRiCC Board President)

LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION
(LIMRiCC)

Dated this _____ day of _____ , _____

By: _____

President

**RESOLUTION PROVIDING FOR THE EXECUTION OF AN
INTERGOVERNMENTAL AGREEMENT WITH THE LIBRARY INSURANCE
MANAGEMENT AND RISK CONTROL COMBINATION ("LIMRICC")**

BE IT RESOLVED by the Board of _____
(hereinafter referred to as the "Library") as follows:

1. **AUTHORITY:** This Resolution is adopted pursuant to the Intergovernmental Cooperation clause of the Constitution of the State of Illinois, the Intergovernmental Cooperation Act, the Library Systems Act, and the Illinois Public Library District Act (or the Illinois Local Library Act where applicable).

2. **FINDINGS:**

A. The Library Insurance Management and Risk Control combination (LIMRiCC) has heretofore been established by Intergovernmental Agreement among existing public libraries and library systems to provide the following programs:

- ___ 1. The unemployment compensation program;
- ___ 2. The joint self-insurance program;
- ___ 3. The joint purchase of health insurance program;

A copy of the Intergovernmental Agreement providing for these programs is attached hereto as Exhibit A.

B. It is in the best interests of the Library to participate in such of the above programs as are indicated by a checkmark in the appropriate box.

3. **AUTHORIZATION:** That the President and Secretary of this Library are, therefore, authorized and directed to execute an Intergovernmental Agreement providing for risk management and authorizing Membership in LIMRiCC for the programs hereinabove indicated, the Intergovernmental Agreement to conform substantially to the Intergovernmental Agreement attached hereto as Exhibit A.

Adopted this _____ day of _____, _____
pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

(Enter Name of Library)

Its President

Attest:

Its Secretary