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**RESOLUTION NO. 005-2012 - ADOPTION OF POLICY FOR THE PROCESS OF APPLYING
FOR MEMBERSHIP TO THE CONSORTIUM**

MOVED by Ms. Drake, seconded by Ms. Sumner, and unanimously adopted by voice vote by members present.

Whereas, the Greater Tompkins County Municipal Health Insurance Consortium (hereinafter referred to as the "Consortium") is a Certified Municipal Cooperative Health Benefits Plan organized and operated pursuant to the terms and conditions found in Article 47 of the New York State Insurance Law, and

Whereas, the Consortium conducts its business in accordance with its Municipal Cooperative Agreement which grants certain authorities, responsibilities, and requirements upon the Board of Directors, and

Whereas, the current Municipal Cooperative Agreement includes Section A, Paragraph 5 which states the following:

The Board, by a two-thirds (2/3) vote of the entire Board, may elect to permit a municipal corporation which is not located in the geographical or political boundaries of the County of Tompkins to become a Participant subject to satisfactory proof, as determined by the Board, of such municipal corporation's financial responsibility. Such municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon entry.

Whereas, the Consortium Board of Directors appointed a New Member Committee to develop a process for entry of a new Participant into the Consortium in accordance with the Municipal Cooperative Agreement, and

Whereas, that New Member Committee has met and has forwarded its recommendation to the Board of Directors, now therefore be it,

Resolved, That the above recitals are true and accurate and are incorporated herein,

Resolved, further, That for any municipal corporation as defined in Article 47 of the New York State Insurance Law which applies for membership in the Consortium and which resides within the borders of the County of Tompkins or a contiguous County, the GTCMHIC Board of Directors adopts the following policy:

1. The municipal corporation must pass an official resolution of its governing body authorizing the municipal corporation to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement.
2. The Consortium must receive a copy of the official resolution and a signed copy of the municipal cooperative agreement.

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3. The applicant must submit a copy of its annual audit or financial report for the last three years that would be reviewed and recommended by the Consortium's Treasurer, Chief Financial Officer, and/or the Consortium's Auditor; further documents regarding claims history may be requested and the Board may consider any factors it deems pertinent to its decision.
4. Upon the Board of Director's approval of membership into the Consortium, the municipal corporation must pay their share of the "Surplus Account" as defined in §4706(a)(5)(A) which states the following:

"(5) a surplus account, established and maintained for the sole purpose of satisfying unexpected obligations of the municipal cooperative health benefit plan in the event of termination or abandonment of the plan, which shall not be less than:

(A) five percent of the annualized earned premium equivalents during the current fiscal year of a municipal cooperative health benefit plan which consists of five or more participating municipal corporations and covers two thousand or more employees and retirees; or"

Said payment must be received by the Consortium 30 days prior to the effective date of the municipal corporation's entry into the Consortium.

5. At the time of acceptance of the applicant by Board resolution, the Board of Directors will determine the terms of payback to the municipal corporation of their investment into the "Surplus Account" along with any applicable earned interest based on the appropriated Fund Balance of the Consortium.
6. At the time of acceptance of the applicant by Board resolution, the Board of Directors will determine the terms of assessing the pro-rata share of any surplus or deficit to the applicant at the time the applicant leaves the Consortium or upon dissolution of the Consortium. Said terms could include, but may not be limited to:
 - a. The applicant contributing their pro-rata share of the existing fund balance on their effective date to bring them "on par" with the founding members' equity.
 - b. The applicant paying their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly.

I hereby certify that the foregoing is a true and correct transcript of a motion adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors at the regularly scheduled meeting on August 23, 2012.



Michelle A. Pottorff, Administrative Clerk,
Greater Tompkins County Municipal Health Insurance Consortium