

**BAY AREA SCHOOLS
INSURANCE COOPERATIVE**

ADDENDUM I

**PROPERTY/LIABILITY
PROGRAM**

BAY AREA SCHOOLS INSURANCE COOPERATIVE

Joint Exercise of Powers Agreement

Addendum I

Property/Liability Program

WITNESSETH

WHEREAS, there exists a Joint Powers Authority known as the Bay Area Schools Insurance Cooperative (B.A.S.I.C.), a public entity, separate and apart from the parties hereto, established pursuant to Title I, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, which was established for the purpose of establishing, operating and maintaining self-insurance and/or group insurance programs; and

WHEREAS, there exists a Joint Exercise of Powers Agreement and Bylaws which governs the operations of B.A.S.I.C. and its Members; and

WHEREAS, the parties signatory to this Property/Liability Addendum are Members of B.A.S.I.C. and have determined that there is a need for self-insurance and/or group insurance program(s) for property/liability protection, for their mutual advantage and concern; and

WHEREAS, it is the desire of the signatories hereto to operate under the Joint Exercise of Powers Agreement and Bylaws of B.A.S.I.C., except as modified or specified in the Addendum;

NOW, THEREFORE, the parties hereto agree as follows:

BAY AREA SCHOOLS INSURANCE COOPERATIVE

Addendum I

Property/Liability Program

By enactment of the Joint Powers Agreement, B.A.S.I.C. hereby establishes a group purchase Property/Liability Program subject to the following operational procedures and conditions, which Program shall become effective July 1, 1998.

1. Property/Liability Fund

A fund shall be established and maintained from Member contributions, which shall be for the payment of one or more of the following expenses, without limitation thereto:

- A. Insurance premiums
- B. B.A.S.I.C. operating expenses
- C. Audit costs
- D. Actuarial costs
- E. Broker fees
- F. Miscellaneous expenses, as approved by the Board of Directors

2. Annual Premiums

Each Member of the Property/Liability Program shall make an annual contribution in an amount that shall be determined by the Board of Directors. Said contributions shall be based upon: premiums charged to B.A.S.I.C. by outside insurers and/or re-insurers based on the Member's pro-rata share of the total B.A.S.I.C. average daily attendance (ADA) and total insured value (TIV) for buildings and contents for each Member, and B.A.S.I.C. costs of operation.

3. Investment of Property/Liability Funds

The Board of Directors shall establish an investment policy in compliance with Government Code Section 53601 which includes investment instruments that are prudent and legal for public agencies. A sufficient level of funds shall be retained for the immediate operation of the Property/Liability Program.

4. Withdrawal of Membership

- A. Any Member that has completed three (3) complete consecutive years as a Member of the Authority may withdraw from its status as a Member and as a party to this Agreement or, after having completed three (3) consecutive years in this Program, may withdraw from the Program at the end of any fiscal year, by notifying the Board of Directors of the Authority of its intention to withdraw in writing by December 31st preceding the end of the fiscal year at the close of which the Member plans to withdraw. Written notice of intent to terminate shall take the form of a copy of the official action taken, i.e. copy of the minutes, by the Member's governing board. Final notice of termination shall be provided in writing no later than March 1st. Such notice must be given in the same form as the notice of intent to terminate.

- B. Any Member who has voluntarily terminated in accordance with the provisions set forth in the B.A.S.I.C. By laws, shall not be eligible for readmission for a period of three (3) years from the date of termination; however, any Member who has terminated membership, either voluntarily or involuntarily, may return prior to the expiration of the three (3) year term set forth above, upon approval of 2/3 of the Board of Directors, by paying a 20% surcharge on the first year's premium upon re-admittance.

- C. The Board of Directors shall, by majority vote, determine re-admittance of a previous Member in accordance with the provisions wet forth hereinabove.

5. Amendments

Any amendments to this Addendum shall be in accordance with the existing Joint Exercise of Powers Agreement and Bylaws, and shall require a majority vote of those present at a duly constituted meeting of the Board of Directors.

IN WITNESS WHEREOF,

These Public Education Agencies, as defined in Article I of the Bylaws, are signatory to this Addendum indicating their participation in the B.A.S.I.C. Excess Property/Liability Program.

Member Entity: _____

Date: _____

By: _____

Title: _____