
Subject: WITHDRAWAL/EXPULSION FROM BOCES SELF-INSURANCE POOL

Withdrawal

1. A participating member district may withdraw from the Rocky Mountain Risk Insurance Group self-insurance pool ("Pool") effective as of July 1 of any year provided:
 - 1.1 The participating member district gives written notice to the Board and Pool Administrator of its intention to withdraw on or before January 1 of the same; and
 - 1.2 The participating district formally approves a resolution authorizing such withdrawal and directing the member board to provide notice of withdrawal, which resolution shall be certified and accompany the notice required in paragraph 1.1.

Treatment of Expenses and Contributions Upon Withdrawal

Prior to Withdrawal Notice

2. The Pool Administrator, upon request from a participating member district exploring withdrawal from the Pool, will provide 5 years of loss runs, pursuant to industry practice, regarding the requesting member district. However, should the member district request additional information beyond such loss runs, any administrative, personnel, legal, accounting, or audit costs and expenses incurred by the Pool or Rocky Mountain Risk Insurance Group in providing such information beyond those incurred in the ordinary course of administering the operations of the Pool shall be reimbursed by the member district. Such costs and expenses will be assessed to the member district by the Pool and payable within thirty (30) days of receipt of the assessment.
3. In the event a member district requests information that the Pool Administrator or Board deem proprietary or confidential, such information may be provided to the member district only pursuant to a confidential non-disclosure agreement entered into between the Rocky Mountain Risk Insurance Group and member district.

After Notice of Withdrawal

4. After notice of withdrawal is given by the member district, the withdrawing member's share of any unearned operating expenses, claims contributions, withdrawal-related expenses, return of paid-in capital, and any other terms and conditions shall be set forth in a written agreement between, and approved by, the Board and the withdrawing member's board. The terms and conditions of such agreement will include, but not be limited to, the following:

- 4.1 Payment by the member district of legal, accounting, auditing, and administrative/personnel costs and expenses relating to the withdrawal of the member district incurred by the Pool;
- 4.2 Costs relating to payment of claims/runoff tail claims, including determination of the level of surplus that may be required to pay such claims, and administrative expenses; and
- 4.3 Costs relating to existing third-party contracts, including third-party administration, insurance brokerage, accounting, auditing, and legal expenses. Determination of increased costs to the Pool for excess insurance EAP pricing and life insurance shall also be addressed in the agreement.

Should any withdrawn member have made any written contractual obligations for or on behalf of the Pool to any third parties, including commercial lenders, such contractual obligations shall not be released by such withdrawal.

5. The agreement identified in paragraph 4, above, shall provide for return to the withdrawing member of paid-in surplus as follows:

- 5.1 Prior to returning any paid-in surplus, the Board shall make a determination as to what amount of aggregate surplus it should maintain in accordance with sound industry practice.
- 5.2 The withdrawing member shall only be entitled to the return of its share of paid-in surplus to the extent the aggregate surplus exceeds the amount so determined to be maintained, and only after the Pool has received the prior written approval of the Commissioner of Insurance, if required. Any sums remaining unpaid shall be paid in one or more installments on terms and condition as the Board determines following the procedure set forth in this paragraph 5.

6. The members of the Rocky Mountain Risk Insurance Group may, by a majority of the members present at a meeting, adopt or amend this policy establishing additional conditions applicable to a member that withdraw.

Expulsion of Member District

7. The Board shall have the power to terminate a membership in the Pool for:
 - 7.1 A member's failure to comply with the provisions of the Pool Agreement and all other documents relating to the Pool;
 - 7.2 The member's refusal or failure to follow the loss control or risk management programs approved by the Board;
 - 7.3 The member's refusal or failure to give prompt notification to the Administrator of losses; or
 - 7.4 The member's ceasing to be a duly authorized and existing public school district or eligible public entity in the State of Colorado.
8. In case of termination for non-payment of Annual or Periodic Contributions as provided in the Pool Agreement, termination shall be as of the renewal date for which such contribution was required to be paid. In the event there exists any other cause for termination, the Board shall give thirty (30) days prior notice to the member of the date, place and time when the Board will consider terminating the member's membership in the Pool, and the member shall be entitled to be present at that meeting and to present evidence and reasons why it should not be terminated. The decision of the Board shall be final, and any termination shall be effective as of the date and upon the terms and condition specified by the Board.
9. The determination of the expelled member's costs, expenses, unearned contributions, and return of paid-in capital shall be governed pursuant to a written agreement as set forth in paragraphs 4 and 5, above.
10. The members of the Rocky Mountain Risk Insurance Group may, by a majority of the members present at a meeting, adopt or amend this policy establishing additional conditions applicable to a member that withdraw.

Miscellaneous

11. Nothing herein contained shall be construed to require the Pool to pay any claims, make any settlements or incur any expenses for claims incurred after withdrawal or termination from the Pool, or to relieve the member from the requirement of making additional Periodic Contributions to the Pool in amounts calculated in accordance with the Pool Agreement. Sums due hereunder from a withdrawn or terminated member shall be due and payable upon receipt of a statement or statements therefore from the Administrator or the Board.

12. In the event any provision of this Policy conflicts with any provision, term or condition of the Pool Agreement in effect at the time of a member's withdrawal or termination, the Pool Agreement shall govern.