

MID JERSEY MUNICIPAL JOINT INSURANCE FUND

INDEMNITY AND TRUST AGREEMENT

AGREEMENT made this ___ day of _____ 20___, between the Mid Jersey Municipal Joint Insurance Fund, hereinafter referred to as the "Fund", with an address c/o Risk and Loss Managers, Inc., 51 Everett Drive, Suite B-40, West Windsor, NJ 08550 and the _____, hereinafter referred to as "Local Unit of Government", located at _____.

WHEREAS, the Mid Jersey Municipal Joint Insurance Fund seeks to provide its members with insurance coverage; and

WHEREAS, two or more local units have collectively formed a Joint Insurance Fund as is authorized and described in *N.J.S.A. 40A:10-36 et. seq.*; and

WHEREAS, the local unit has agreed to become a member of the Fund in accordance with and to the extent provided for in the Bylaws of the Fund and in consideration of such obligations and benefits to be shared by the membership of the Fund; and

WHEREAS, *N.J.S.A. 40A:10-36 et seq.* and the regulations implemented thereunder in *N.J.A.C. 11:15-2.3 et seq.* require a written agreement between the individual Units of Government and the Fund.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties, they agree as follows:

1. The Local Unit of Government agrees to participate as a member of the Fund and contribute such sums and pay such assessments into the Fund that are required for the administrative costs and claims for the following types of exposures:
 - A. Workers' Compensation;
 - B. Crime and fidelity including excess public official's statutory bond;
 - C. Liability - auto, general and employee benefits;
 - D. Non-owned aircraft liability;
 - E. Police professional liability;
 - F. Property damage including automobile physical damage and boiler and machinery.
 - G. Cyber Liability
2. The Local Unit of Government affirms that it has not been in default on any insurance premium due any insurance carrier in the preceding two (2) years, or on any claim due under any self-insurance program.
3. The Local Unit of Government hereby accepts the By-Laws of the Fund, as approved by the Commissioner of the Department of Banking and Insurance and the Commissioner of the Department of Community Affairs of the State of New Jersey and agrees to be bound by same.

4. The Local Unit of Government agrees to participate in the Fund to the extent designated in Paragraph 1 above for an initial period from January 1, 20__ until and including January 1, 20__, 12:01 A.M.. After the expiration of the initial period, participation may be canceled or extended in accordance with the By-Laws.
5. The Fund agrees to operate the insurance pool established by the parties, and administer all monies contributed to the Fund in compliance with the provisions of the Local Fiscal Affair Law (*N.J.S.A. 40A:5-1 et seq.*), the Local Public Contracts Law (*N.J.S.A. 40A:11-1 et seq.*), the enabling legislation authorizing the Fund, and such other rules and regulations as govern the custody, investment, and expenditures of public funds by local units. In furtherance thereof, Fund agrees to employ an individual qualified as a Municipal Finance Officer or Municipal Treasurer to administer the funds of the Fund.
6. The Local Unit of Government agrees to be jointly and severally liable for the assumption and discharge of the liabilities of each and every other member of the Fund, arising from each and every member's participation in the Fund, including its participation in the coverage designated in Paragraph 1 above.
7. To further the intent and purpose of Paragraph 6 above, Fund agrees that all assessments payments made by the Local Unit of Government shall be held in trust for the benefit of the Local Unit of Government. Separate trust accounts must be established by the Fund pursuant to *N.J.A.C. 11:15-2.13*. The monies from said Fund shall be disbursed solely for the payment of claims, allocated claims expense, and excess insurance or reinsurance premiums for the exposures specified in Paragraph 1 above. The funds on deposit in one trust account for a specific type of exposure or coverage may not be expended, assessed or attached for use by the Fund for that Local Unit of Government or any other Local Unit of Government's obligations or liabilities for any other type of exposure or coverage in which it may be participating in the Fund.
8. The Local Unit of Government acknowledges that upon payment of its assessment into the trust account, it shall not have any further right to said funds except as deemed surplus and returnable by the Fund in accordance with the Fund's By-Laws, laws, and regulations of the State of New Jersey or in the event of termination of the Fund and then only to the extent authorized by its By-Laws and regulations of the Fund and the laws, and regulations of the State of New Jersey.
9. The Local Unit of Government agrees that if it fails to promptly pay any such assessment charged to it, or to comply with the By-Laws and regulations of the Fund, that it shall indemnify the Fund, its officers, commissioners, and agencies for any loss or damage resulting from such failure.
10. This Agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ATTEST: _____

BY: _____

ATTEST: _____

Secretary

BY: _____

Chairperson
MID JERSEY MUNICIPAL
JOINT INSURANCE FUND