

Liability Program Participation Agreement

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
(CSRMA)**

We, Nevada County Sanitation District #1, signatory to the California Sanitation Risk Management Authority ("CSRMA") Joint Exercise of Powers Agreement, have agreed by action of our Board of Directors on _____, 20____, to participate in the CSRMA Auto and General Liability Program, hereinafter referred to as "Pooled Liability Program." As evidenced by the authorized signatures on page 4 of this document, we agree to become a participant in the Pooled Liability Program and be referred to as a "Program Participant."

It is understood that this Participation Agreement pertains only to the Pooled Liability Program and not to any other program operated by CSRMA.

We understand that provided the following requirements are met, Liability Insurance coverage shall begin on September 1, 2021, following approval by the CSRMA Board of Directors:

- 1) We have paid the Underwriting Fee, and, if applicable, the inspection fee per the established fee schedule;
 - 2) We have received an underwriting/loss evaluation for qualification purposes and Deposit Premium calculation;
 - 3) We have qualified and been recommended to the Executive Committee for approval by the CSRMA Underwriting Committee;
 - 4) We have been recommended by the Executive Committee for acceptance by the existing Liability Program Members, and have received such acceptance;
 - 5) We have executed this Pooled Liability Insurance Program Participation Agreement; and
 - 6) We are a member of the Joint Powers Authority. This means we:
 - a) have been approved for Joint Powers Authority membership by the Executive Committee;
 - b) have executed the Joint Exercise of Powers Agreement;
 - c) have executed a "Resolution to Join" in accordance with the Joint Exercise of Powers Agreement; and
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- d) have paid the initial membership fee.

MINIMUM PARTICIPATION PERIOD FOR POOLED LIABILITY PROGRAM:

It is understood that the CSRMA Pooled Liability Program requires an initial full three-year commitment in order to participate in the program. Withdrawal from the Pooled Liability Program cannot occur until three full years of participation have occurred, that is, from the coverage inception date until the end of the third consecutive full program year, and only then if a six-month prior notice is provided.

Our initial commitment to the Pooled Liability Program will expire on December 31, 20²⁴, unless the program renewal date is modified by the Liability Program Participants. After the initial three-year participation commitment has been met, withdrawal can occur at the end of a program year provided a six-month prior notice of intent to withdraw is provided to the Authority, as noted above.

Program Participants remain subject to the "Termination" provision of the CSRMA Joint Exercise of Powers Agreement, despite the three-year participation commitment.

RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant, we are obliged to do the following:

- ◆ take such action, including providing the Pooled Liability Program with such statistical and loss experience data and other information, as is necessary to carry out the CSRMA Pooled Liability Program required by the CSRMA Joint Exercise of Powers Agreement, Bylaws and the policies established by the Executive Committee and/or the Board of Directors;
- ◆ pay the Liability Insurance Program when due any and all Deposit Premiums and Retrospective Premium Adjustments (assessments) for each program year. Withdrawal or termination does not relieve a Program Participant from liability for such retrospective adjustments;
- ◆ fully cooperate with the Pooled Liability Program staff and/or representatives in determining the cause of losses and in the investigation, adjudication and settlement of claims; and
- ◆ comply with all provisions, policies and procedures of the CSRMA Pooled Liability Insurance Program as set out in the CSRMA Joint Exercise of Powers Agreement.

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RESPONSIBILITY FOR POOLED LIABILITY PROGRAM EXPENSES:

It is also understood that Pooled Liability Insurance Program Participants are responsible for their share of all Pooled Liability Program expenses:

For the self-funded layer: projected losses; margin for contingency; claims adjusting and legal fees, loss control services, general administration and costs for any other services as identified by the Board of Directors and Executive Committee per authority vested by the CSRMA Joint Exercise of Powers Agreement and/or Bylaws;

For the excess layer(s) expenses: excess insurance premium cost (first layer: excess of the Authority's Self Insured Retention) and premium costs for any other layer(s) of excess insurance which may be purchased.

A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Deposit Premium which is based upon the Pooled Liability Program's budgetary needs, prior claims experience, actuarial projections for future years' losses and any other expenses deemed necessary by the Board of Directors. The cost allocation formula may be subject to change by the Board of Directors.

The withdrawal or termination of any Program Participant from the Pooled Liability Program shall not terminate the responsibility to continue to contribute to its share of assessment on prior Program Years or other financial obligations incurred by reason of its previous participation.

RETROSPECTIVE PREMIUM ADJUSTMENT

It is understood further that in accordance with the above section, a financial reconciliation or audit of each Program Year will occur in order to determine if Deposit Premiums collected were adequate to cover all costs.

In general, any deficiency or surplus in the Deposit Premium amounts shall be adjusted by a Retrospective Premium Adjustment. If Deposit Premiums were not adequate to meet costs of all expenses, an assessment to make up the difference will be made. If there is a surplus, a refund or a credit against Deposit Premiums for the following year will be made.

The Retrospective Premium Adjustment for the self-funded layer for each Program Year shall be calculated for each Program Participant in accordance with the formula found in the CSRMA Manual. Retrospective Premium Adjustment formulas are subject to change by the Board of Directors.

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We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the CSRMA Joint Exercise of Powers Agreement or Bylaws, which affect the conditions of participation in the Pooled Liability Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the Liability Program Participants.

In recognition of the above, this Participation Agreement is executed on _____, 20 ____.

Nevada County Sanitation District #1
Program Participant

Signed

Name

Title

ATTEST:

Signed

Name

Title