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99 JUN 29 AM 11:00 IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION
GOVERNMENTAL COOPERATION AGREEMENT

WHEREAS, Iowa Code Chapter 28E enables public and private agencies to enter into cooperation agreements, to make efficient use of their powers by enabling them to provide joint services with other agencies and to cooperate in other ways of mutual advantage; and

WHEREAS, certain public and private agencies have determined that they will benefit by joining together to establish and operate a cooperative program to provide employee benefits, including but not limited to, medical, dental, vision and prescription drug insurance; and

WHEREAS, the operation of such a program is of such magnitude that it is necessary for the parties to this Agreement to join together to accomplish the purposes set forth in it; and

WHEREAS, each agency which is a party to this Agreement has the power and authority to establish, operate, and participate in a cooperative program to provide employee benefits; and

WHEREAS, the governing body of each agency which is a party to this Agreement has duly authorized execution, delivery and performance of this Agreement; and

WHEREAS, each agency which is a party to this Agreement desires to join together with other agencies which are parties for the purpose of providing employee benefits; and

WHEREAS, the initial purpose of this Agreement is for the joining agencies to convert a fully funded medical insurance program to self funded medical insurance program.

NOW, THEREFORE, in consideration of the mutual advantage to be derived from entering into this Agreement and in consideration of the execution of this Agreement by participating agencies, each of the parties does hereby agree as follows:

ARTICLE I

Definitions

The following definitions shall apply to the provisions of this Agreement:

- (a) "Agency" shall mean any public or private agency including, but not limited to a school district, community college, area education agency, the Iowa Association of School Boards or the Iowa State Education Association enabled to enter into Governmental Cooperation Agreements under Iowa Code Chapter 28E.
- (b) "ISEBA" shall mean the Iowa Schools Employee Benefits Association created by this Agreement.

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- (c) "ISEBA Board" shall mean the ISEBA Board as more fully described in this Agreement.
- (d) "Bylaws" shall mean those rules and regulations that address the government and management of ISEBA as adopted and amended from time to time by the ISEBA Board.
- (e) "Coverage Terms" shall mean those provisions and conditions that define the coverage to be provided to Member's employees in a Program. The Coverage Terms may be modified or altered from time to time with respect to all Members within the applicable notice and procedural requirements as set forth in the Bylaws or any other rules and regulations adopted by the ISEBA Board.
- (f) "Noncompliance" means any failure to comply with the terms of this Agreement, the Bylaws, Coverage Terms or any rules and regulations that may be adopted by the ISEBA Board, but only to the extent that such noncompliance is deemed material by and within the sole discretion of the ISEBA Board.
- (g) "Member" shall mean any Agency which has duly executed this Agreement according to the procedures contained herein and otherwise complied with all of the provisions hereof and which thereafter is entitled to all the rights and benefits conferred and subject to all the conditions and obligations imposed herein or in the Bylaws, Coverage Terms or any rules and regulations which may be adopted by the ISEBA Board.
- (h) "ISEBA Program" or "Program" shall mean any program of employee benefits adopted from time to time by the ISEBA Board.
- (i) "Periodic Contribution" or "Contribution" shall mean any assessment, charge or other consideration imposed or collected by ISEBA with respect to a Program on or from the Member participating in such Program. All Periodic Contributions shall be determined and set by the ISEBA Board based on factors adopted from time to time by the ISEBA Board. Periodic Contributions may be determined and set with respect to all Members participating in the Program, any Member or otherwise.
- (j) "Third Party Administrator" shall mean an individual or organization which is well experienced in insurance claims management and currently in the business of providing insurance claims management services to organizations similar to ISEBA.

ARTICLE II.

Association Name

The full legal name of the entity established by this Governmental Cooperation Agreement shall be the Iowa Schools Employee Benefits Association, and the entity may be referred to herein and otherwise as "ISEBA".

ARTICLE III.

Location

The principal office of ISEBA shall be located in the State of Iowa.

ARTICLE IV.

Purpose

ISEBA is established for the purpose of delivering the finest comprehensive, accessible, user friendly and affordable employee benefits program for Iowa school employees.

ARTICLE V.

Association Powers

ISEBA is hereby granted all of the power and authority which is necessary to accomplish the aforementioned purposes, including, but not limited to, the following:

- (a) The power to adopt any Program the Board deems necessary to carry out the purpose of ISEBA.
- (b) The power and authority to fix and require of its Members, Contributions with respect to the Program in which a Member is participating, to the extent such Contributions are deemed necessary or appropriate to facilitate the general purposes stated herein, which power and authority shall include the power and authority to adjust any Contribution with respect to any individual Member.
- (c) The power and authority to establish and maintain such funds and accounts as ISEBA shall deem necessary and appropriate including but not limited to a general fund, an Incurred but Unreported Reserve Fund and a Premium Stabilization Reserve Fund for the self funded medical insurance Program.
- (d) The power and authority to make, enter into and arrange for insurance and re-assurance contracts for excess, catastrophic, stop loss or any other such coverage as deemed necessary and appropriate.
- (e) The power and authority to establish and operate a system for claims management with respect to any Program, which power and authority shall include the power and authority to engage the services of a Third Party Administrator and any other third party deemed necessary for the operation of a Program.
- (f) The power and authority to pay or approve the payment of any fees and expenses associated with the operation of ISEBA.

- (g) The power and authority to indemnify and hold harmless any member of the ISEBA Board, any officer of ISEBA or any person acting on behalf of ISEBA, to the extent such indemnification is not prohibited by applicable law.

ARTICLE VI.

Investments

ISEBA shall invest funds which are at any time in its custody in compliance with Iowa Code Chapters 12B and 12C and as authorized by any other law as it is constituted or hereafter amended.

ARTICLE VII.

Member

In order to become and retain its status as a Member, a school district, area education association, community college or other public or private agency shall duly execute this Agreement and shall comply in all respects with the following:

- (a) Each Agency wishing to become a Member shall elect to join ISEBA and evidence this election by execution of required documentation.
- (b) Each Member shall execute the documents required to join a Program and shall remit to ISEBA any Contribution that is applicable to Members in a Program.
- (c) Each Member hereby agrees to allocate each year or otherwise provide for, through its power under applicable enabling law or otherwise, a sum of money sufficient to pay all amounts due to ISEBA for a Program.
- (d) Each Member hereby agrees to comply with the Coverage Terms and any rules and regulations which from time to time may be adopted by the ISEBA Board and which are applicable to the Program in which the Member participates.
- (e) Each Member hereby agrees to waive any claim it may have against any other Member and against ISEBA based on the insolvency of ISEBA or an ISEBA Program; however, such waiver shall not include the waiver of any claim which the Members of ISEBA may have with respect to any Member's nonpayment of its Contributions.

ARTICLE VIII.

Governance and the ISEBA Board

The ISEBA Board shall be the governing body of ISEBA and shall possess all of the power and authority which is established to facilitate the purposes for which ISEBA was established, including, but not limited to, the following:

- (a) The power and authority to adopt or amend any Bylaws, rules and regulations that it deems appropriate, to adopt or amend any Program, to establish specific procedures pursuant to which a Member may elect to participate in a Program, to impose any additional qualifications for membership or to institute any Contributions with respect to any Member.
- (b) The power and authority to declare and pay as it deems appropriate nonliquidating distributions to the Members participating in a Program out of funds of such Program in a fair and equitable manner which is lawful.
- (c) The power and authority to terminate and facilitate the final settlement of claims with respect to a Program or to terminate and wind up the affairs of a Program, including the power and authority to make as it deems appropriate liquidating distributions out of the funds of any Program to the Members participating in such Program at its termination in a fair and equitable manner which is lawful.
- (d) The power and authority to establish any committees it deems necessary and appropriate, the members of which may, but are not required to be, ISEBA Board members.
- (e) The ISEBA Board shall be comprised of not less than five nor more than nine members. The initial Board, for the 1999-2000 year, shall consist of Don Williams, Larry Struck, Dennis Jeter, Bill Thompson and Don Friedrichsen. Thereafter, the ISEBA Board members shall be appointed to three (3) year staggered terms at the annual Board meeting as set out in the Bylaws. Beginning with the 2000-2001 year, the ISEBA Board members shall be divided into three (3) classes, each comprised of two to three ISEBA Board members. The term of office of at least one (1) ISEBA Board member in each class shall expire at the next annual meeting; the term of office of at least one (1) ISEBA Board member in each class shall expire one (1) year thereafter; and the term of office of at least one (1) ISEBA Board member in each class shall expire two (2) years thereafter. In each of the foregoing instances, each individual ISEBA Board member shall hold office until the expiration of his or her term and further until his or her successor is elected and qualified or until his or her earlier resignation, removal from office or death. At each annual meeting held thereafter, ISEBA Board members shall be appointed to full three (3) year terms, and each shall hold office until the annual meeting corresponding with the expiration of his or her three (3) year term and further until his or her successor is elected and qualified or until his or her earlier resignation, removal from office or death.
- (f) Notwithstanding any provision of this Article, beginning with the 2000-2001 year, the ISEBA Board shall consist of three members which shall be appointed by the Iowa Association of School Boards ("Class I"), three members which shall be appointed by the Iowa State Education Association ("Class II"), and one superintendent, one teacher, one business manager or board secretary each of which shall be appointed jointly by the Iowa Association of School Boards and the Iowa State Education Association ("Class III"). In the event that there is no representative qualified, elected or willing to serve on the ISEBA Board so as to satisfy the foregoing requirements, the then existing ISEBA Board, in filling the

vacancy, shall determine whether such ISEBA Board position should be left vacant or should be filled with another individual who does not satisfy the requirements set forth herein; in either case, such vacancy or filling a position shall be effective only until the next annual meeting.

ARTICLE IX.

Members Compliance

Upon Noncompliance by any Member, ISEBA shall have the power and authority to do any one or any combination of the following:

- (a) Expel the Member from membership, thereby excluding such Member from any indemnification and financial protection provided in connection with a Program, subject to the applicable notice and procedural requirements as adopted by the Coverage Terms or any Bylaws, rules and regulations adopted by the ISEBA Board.
- (b) Offset amounts which the Member owes to ISEBA with respect to a Program, against any amounts due from ISEBA to or payable on behalf of the Member with respect to a Program, based on claims made or any distributions which may be declared from time to time by the ISEBA Board.
- (c) Impose any reasonable penalties, but only to the extent that any financial penalty imposed approximates the actual monetary loss suffered by ISEBA as a result of the noncompliance by the Member within the Program in which the Member participates.

ARTICLE X.

Coverage Terms

ISEBA shall indemnify and financially protect each Member against any risk of loss as may be agreed upon by the Member and ISEBA and which is embodied in written Coverage Terms issued to the Member. Such indemnification and financial protection shall not exist and ISEBA shall make no payment on any claim with respect to any risk of loss to the extent the Member has any existing insurance coverage or other protection applicable to such risk of loss.

It is the intention of all Members that neither this Agreement, the Coverage Terms nor any insurance or reinsurance procured on behalf of ISEBA shall extend to or provide coverage for any liability from which a Member is immune under applicable Iowa law, including but not limited to the provisions of the Tort Liability of Governmental Subdivision Act, 1999, Code of Iowa, as it is now constituted or hereafter amended.

ARTICLE XI.

Prohibition Against Assignment

No Member may assign any right, claim or interest it may have under the terms of this Agreement, or any Coverage Term, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, funds or assets of ISEBA, except as specifically may be agreed to by ISEBA.

ARTICLE XII.

Choice of Law

This Agreement shall be construed pursuant to and governed by the laws of the State of Iowa without regard to principles or conflicts of law.

ARTICLE XIII.

Invalidity

Should any term, condition or provision of this Agreement, the Coverage Terms or any Bylaws, rules and regulations adopted by the ISEBA Board be determined by a court of competent jurisdiction to be invalid under any law of the State of Iowa or otherwise be rendered unenforceable or ineffectual, the validity of the remaining terms, conditions, and provisions of this Agreement, the Coverage Terms, or any Bylaws, rules and regulations adopted by the ISEBA Board shall not be affected thereby.

ARTICLE XIV.

Term of Agreement

This Agreement shall continue in affect until it is rescinded by the ISEBA Board or otherwise terminated by law.

ARTICLE XV.

Amendment

This Agreement may be amended only by the affirmative vote or consent of at least a majority of the total number of ISEBA Board members who are eligible to vote on the amendment.

ARTICLE XVI.

Contract Complete

The foregoing, including the Coverage Terms and any applicable Bylaws, rules and regulations which may be adopted or amended from time to time by the ISEBA Board, constitute the full and complete terms of the Agreement among the Members and ISEBA. There are no oral understandings or Agreements not set forth in writing herein or in the Coverage Terms or any applicable Bylaws, rules and regulations. This Agreement is binding on each Member of ISEBA and may be executed in multiple counterparts by each Member and ISEBA executing a full and complete copy of this Agreement; all such counterparts shall be deemed originals and together shall constitute one and the same Agreement among the Members and ISEBA.

ARTICLE XVII.

Effective Date

This Agreement shall be effective upon its execution by the Denison Community School District and the Villisca Community School District, its filing with the Iowa Secretary of State and its recording in the respective counties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on June 14, 1999.

Denison Community School District
AGENCY

By: [Signature]
PRESIDENT, BOARD OF DIRECTORS

By: [Signature]
SECRETARY, BOARD OF DIRECTORS

STATE OF IOWA)
) SS
COUNTY OF Crawford

On this 14th day of June, 1999, before me, a Notary Public in and for said County in the State of Iowa, personally appeared Bob Bradley and Ruth Frazier, to me personally known to be the President and Secretary, respectively of the Board of Directors of the Denison Comm School, described in and which executed the within and foregoing instrument to which this is attached; that Denison Comm School has no seal, and that this instrument was executed and signed on behalf of Denison Comm School by authority of its board of directors; and that the officers acknowledged the execution of this instrument to be the voluntary act and deed of Denison Comm School by it and by them voluntarily executed.

Barbara L. Ballantini
Notary Public

**ISEBA Board of Directors
2011**

Chair: J. Alan Fink
Oskaloosa Community Schools
Home Address: 302 Sheriff Ave
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Term:

Vice-Chair: Doug Nefzger
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Treasurer: Harry Heiligenthal
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Member: Susan McDermott
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Term: 3/2008 – 3/2011