

Texas Schools Health Benefits Program Interlocal Agreement

Pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Texas Schools Health Benefits Program Interlocal Agreement (the "Agreement") is entered into by and between the Texas Schools Health Benefits Program ("Program") and the undersigned Local Government ("you" or "your"). The program is an administrative agency of Local Governments, as defined in Chapter 791 of the Texas Government Code, ("Members") that cooperate in discharging administrative and governmental functions primarily related to employee benefits.

WITNESSETH:

WHEREAS, the participating local governments are authorized by the Act to enter into cooperative agreements among themselves for the purpose of acting cooperatively through an administrative agent to fulfill and accomplish governmental functions and services, including without limitation, self-funding of employee benefit coverages; and

WHEREAS, each of the participating local governments is authorized by the Texas Political Subdivision Employees Uniform Group Benefits Act, Chapter 172 of the Texas Local Government Code (hereinafter the "Act"), Texas Revised Civil Statutes Annotated Article 715c (Vernon 1993), and Section 22.005 of the Texas Education Code, to provide a self-funded health plan to Member's employees and their dependents ("Benefits Plan"); and

WHEREAS, the Members desire to establish, by and through their cooperative agreement, the Texas Schools Health Benefits Program, to be governed by a Board of Directors (Board);

NOW, THEREFORE, the terms and conditions, and the rights and duties, agreed upon by and between the Members are as follows:

1. **Purpose.** The Members agree that it is a public purpose for public employers to provide benefits to their employees in order to attract and retain a competent workforce.
2. **Term.** The duration of the Interlocal Agreement shall continue in existence and renew annually as long as two or more Participants remain in the Program.
3. **Termination.** This Agreement may be terminated by either party on any successive renewal date by giving written notice no later than one hundred twenty (120) days before the renewal date or as provided by the Program Bylaws.
4. **Program Governance.**
 - a) **Program Bylaws.** You agree to adopt and abide by the Bylaws of the Program (the "Bylaws"), and any and all reasonable policies and procedures established by the Program, as may be amended during the term of this Agreement. By agreeing to adopt and abide by the Bylaws, You agree to become a Member of the Program. The Bylaws are incorporated into this Agreement by reference and are available from the Program upon request. The Program and Bylaws are subject to the Texas Interlocal Cooperation Act, Section 271.101, *et seq.*, of the Texas Local Government Code, and any other statute or law that may be applicable to this Agreement. The Bylaws shall be construed in harmony with this Agreement and, in the event of any inconsistency, the provisions of this Agreement shall control.
 - b) **Administration.** The Program may enter into contracts with other persons or entities, including nonprofit entities, for the administration, sponsorship or endorsement of services and programs offered by and through the Program.
5. **Program Responsibilities.** This Agreement enables You to participate in any or all of the programs and services the Program makes available to its Members from time to time.
 - a) The Program, through its designated administrator and other service providers, will make employee benefits available to the Members of the Program. Benefits are intended for employees of Members, including employees' dependents. Administrative services related to such benefits may also be offered. The Program will use the collective bargaining power of its Members to obtain these benefits

and services from qualified agents, brokers, consultants, carriers, third-party administrators, and other service providers.

- b) The Program will secure, catastrophic or excess loss coverage/reinsurance to cover the Program from loss exposure. The Member is bound by the terms and conditions of the coverage agreement. The Member shall be responsible for notifying the employees of any changes in coverage.
- c) The Program shall provide periodic management reports and information to the Member.
- d) The Program shall provide for an annual audit of its financial statements by a certified public accounting firm.
- e) The Program shall furnish Members with a Master Plan Document, detailing the services offered to the Members of the Program.

6. Member Responsibilities.

- a) You shall provide all necessary information to the Program or Servicing Contractor as may be needed or required for the administration of the Program.
- b) You authorize the Program to review any of your transactional records with the Program or its service providers.
- c) You acknowledge and agree that this Agreement does not by itself extend employee benefits or services to You. This Agreement only provides You access to the Program's designated service providers for the various benefits and services made available through the Program.
- d) You shall appoint a representative with the authority to serve as the coordinator for the programs and services in which You participate. The representative shall have the authority to represent and bind on Your behalf, and the Program is not required to contact any other individual. You reserve the right to change Your representative as desired by giving written notice to the Program.
- e) You acknowledge that any servicing contractor whom you choose to contract with under this Agreement shall provide all of the services as provided in the service contract entered into by and between the servicing contractor and the Program on behalf of the Member.

7. Authorization to Participate. You represent that your governing body has duly authorized your entity's participation in the Program and that you will comply with state and local laws and policies pertaining to the procurement of employee benefits and related services through your membership in the Program.

8. Fiscal Responsibility.

- a) Contributions Fees. The Member shall pay contributions to the Program based on rates approved by the Program. All contributions are payable monthly by the tenth (10th) of the month for that month.
- b) Services Purchased. A payment obligation will arise under the terms of a separate contractual agreement or transaction for products or services under this Agreement.
- c) You hereby acknowledge and represent that all payments, fees, and disbursement required for products or services obtained through this Agreement shall be made from Your available current revenues.

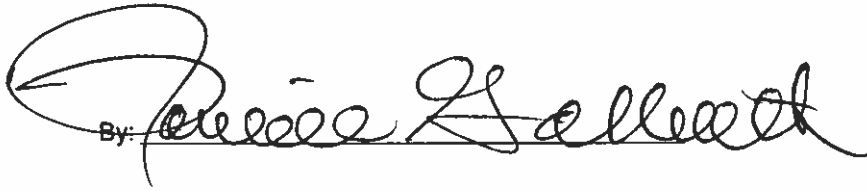
9. Representation. The Program may initiate, defend against, or participate in any judicial, administrative, or other legal proceeding, including arbitration, mediation, or other forms of alternative dispute resolution, concerning the Program as an entity. Nothing in this Agreement creates a legal duty of the Program to provide a defense or prosecute a claim; rather, the Program may exercise this right in its sole discretion and to the extent permitted or authorized by law. Furthermore, nothing herein shall limit Your right to preclude You from pursuing, either independently or in conjunction with the Program, a claim against any service provider or employee benefits or related services.

10. **Disclaimer.** To the fullest extent authorized by law, it is agreed that the Program (i) is not a guarantor of a third-party service provider's performance, claims, determinations, or solvency; (ii) bears no risk for the employee benefits obtained through this Agreement; and (iii) is not liable for any actions or failures on the part of any insurance carrier, agent, broker, or other insurance providers.
11. **Liability.** The parties agree as follows:
- a) Neither party waives any immunity from liability afforded under the law.
 - b) In regard to any lawsuit or formal adjudication arising out of or relating to this Agreement, neither party shall be liable to the other under any circumstances for special, incidental, consequential, or exemplary damages.
 - c) In the event of a lawsuit or formal adjudication, the prevailing party will be entitled to recover reasonable attorney's fees that are equitable and just.
12. **Notice.** Unless otherwise provided in this Agreement, any notice required or provided under this Agreement by either party to the other will be in writing and sent by: (i) first-class mail, postage prepaid; (ii) overnight courier service; or (iii) email, fax, or other electronic delivery.
- a) Notice to the Program shall be addressed as follows:
 - By Mail: Texas Schools Health Benefits Program
 - Attn: Chairman of the Board
 - 2175 N Glenville Dr.
 - Richardson, TX 75082
 - b) Notice to You shall be addressed to the address on file with Program.
13. **Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas unless otherwise mandated by law. This provision does not govern or control the governing law or venue requirements applicable to your contractual arrangement with any provider of products or services obtained through the Program.
14. **Entire Agreement.** This Interlocal Agreement represents the complete understanding of the Program and the Participant. The terms of this Agreement shall control and take precedence over all prior agreements. However, the terms of a prior agreement between You and the Program will govern Your participation in any existing contract for employee benefits.
15. **Amendment.** This Agreement may not be amended or altered without the written consent of both parties attached to and made a part of this Agreement.
16. **Severability.** If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other terms, provisions, and conditions of this Agreement shall nevertheless remain in full force and effect.
17. **Counterparts.** The parties may execute this Agreement in counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The delivery of an executed counterpart signature page by facsimile or PDF is as effective as delivering this Agreement in the presence of the other party to this Agreement. This Agreement is effective as of the date of the last signature to this Agreement.

This space left intentionally blank.

Signature page to follow.

IN WITNESS WHEREOF, the undersigned shall become Members to the Interlocal Agreement.

By: 

Its Duly Authorized: Board President

Date: 12/20/2021

Texas Schools Health Benefits Program

By: Monty Hysinger

Chairman
Texas Schools Health Benefits Program

Date: June 18, 2022