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DATE: September 18, 2026

TO: RAILS Board of Directors

FROM: Monica Harris, Executive Director

SUBJECT: 9.2 Amendments to Intergovernmental Agreement and Bylaws for LIMRiCC Membership

The LIMRiCC (Library Insurance Management and Risk Control Combination) Board recently voted to allow WIN member libraries to join the pool as of January 1, 2027. LIMRiCC provides conventional health insurance coverage through pooled coverage for member libraries.

In order to accommodate this change, LIMRiCC must revise its Bylaws and Intergovernmental Agreement. The attorneys of each group have carefully reviewed the changes.

RAILS Associate Executive Director Joe Filapek currently serves as a trustee on the LIMRiCC Board, and Finance Director Sharon Swanson served on the Board in past years.

Each member of LIMRiCC (including RAILS) must:

- Approve the Resolution to Amend the Intergovernmental Agreement
- Approve the Resolution to Amend the Bylaws
- Approve the Resolution to join LIMRiCC
- Sign the Intergovernmental Agreement for LIMRiCC

LIMRiCC has stated that they do not anticipate revising the IGA or Bylaws again for a substantial amount of time. We will request action votes on these items at our September meeting.

RESOLUTION __________

AMENDING THE AMENDED BY-LAWS OF THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRICC) ORGANIZATION TO ALLOW FOR SUBSTANTIVE AMENDMENTS TO THE BY-LAWS OF THE ORGANIZATION

WHEREAS, the By-Laws governing the organization of the Library Insurance Management and Risk Control Combination ("LIMRiCC") has been amended from time to time by the Members of LIMRiCC to adhere to the changing needs of the Members of LIMRiCC, the organization itself, and to reflect the current policies and practice; and

Whereas, the Board of the Library of the Insurance Manage and Risk Control Combination desires to now propose substantive changes to the By-Laws that will update the LIMRiCC By-Laws; and

Whereas, the Board of the Library of the Insurance Management and Risk Control Combination believes it is in the best interest of LIMRiCC to make such changes.

NOW THEREFORE, BE IT RESOLVED by the President and the Board of the Library and Insurance Management and Risk Control Combination ("LIMRiCC"), as follows:

Section 1: That the recitals set forth above are incorporate as Section 1 of this Resolution.

Section 2: It is proposed that in Article I, "Change of Name," that the entity's name **remain** Library Insurance Management and Risk Control Combination that is "voluntarily established by contracting Library Systems, ~~including the Metropolitan Library System,~~ Boards of Library Trustees, **Public Libraries,** Library Districts, and Intergovernmental Entities that provide services to Public Libraries, Library Districts, and Library Systems (Members)."

Section 3: It is proposed that Article II "The Previous Programs" be renamed to "Purpose-Limitation of Participation".

Section 4: It is proposed that the first paragraph of Article II "Purpose –Limitation of Participation" be amended to read (**Bolded is added text)**: "The purpose of LIMRiCC is to provide conventional insurance coverage and/or self-insurance for claims against its Members, including any one or more of the following types of insurance coverage: **Health; Life; Accidental Death and Dismemberment; Employee Assistance Program; Dental; Vision; certain ancillary voluntary products; Unemployment Compensation. Furthermore, long-term disability will be offered to current members of the Wellness Insurance Network (WIN) as of September 1, 2026."**

~~Building and Contents General~~

~~Liability~~

~~Automobile Liability~~

~~Errors and Omissions~~

~~Worker's Compensation~~

~~Boiler and machinery~~

<u>Section 5.</u> It is proposed to eliminate outdated language in Article II "Purpose-Limitation of Participation" regarding previous programs: "~~The following programs have previously been established by agreement between the Suburban Library System, Metropolitan Library System, and participating Libraries:~~

~~A. The Unemployment Compensation Pool~~
~~B. The Program providing Joint Self Insurance~~

~~These Programs established by LIMRiCC are referred to herein as the "Previous Programs."~~

~~It is the intent that the Previous Programs be continued through the agreements with LIMRiCC without interruption of coverage and providing credits where indicated from the prior coverage.~~

~~All credit balances in Member's accounts under the Previous Programs shall be transferred to the Member's accounts under the LIMRiCC Program. There shall be no interruption of coverage from the Previous Program."~~

<u>Section 6:</u> It is proposed that Article IV "Directors and Officers," paragraph A, be amended. Text that is **bolded** is added. "There is hereby established a Board of Directors of LIMRiCC. The Board of Directors of LIMRiCC **currently** ~~shall~~ consists of **five** Board members at Large. **Effective January 1, 2027, four (4) current members of WIN will join the Board thereby creating a Board of nine (9) members. At the first Board meeting in January 2027, Board Officer Elections shall take place as provided in paragraph E below."**

<u>Section 7:</u> It is proposed that in Article IV, (B) "Directors and Officers", the paragraph be modified as followed. **Bolded** text is additional text: "**In Spring 2027 and each Board election thereafter,** the call for **Board** candidates will be conducted from January 1 to January 31 with the electronic voting to be held from February 15 through March 31. Each Member will have one (1) vote for each slated position. ~~No individual will serve more than two (2) consecutive terms as Board Member at Large.~~ **Unless otherwise specified in Paragraph C, the term for the Board Member at Large is three (3) years."**

<u>Section 8</u>: It is proposed that in Article IV (C) "Directors and Officers" that the paragraph be modified as follows. **Bolded** text is additional text: ~~The first term for Board Members shall begin on April 1, 2010.~~ For the, **Spring 2027 elected** term, the ~~three~~ **seven** Board members who receive the most votes shall serve for **three** ~~two~~ years, **the candidate with the eighth highest vote will serve for two years, and the candidate with the ninth highest vote will serve for one year.** In the event of a tie, the Board members that will serve for two years will be determined by a lottery. **The intent is for the Board to be comprised of nine (9) for the 2027 term, eight (8) for the 2028 term, and seven (7) for the 2029 term and thereafter.** […] Thereafter all Board Members shall serve for ~~two~~ **three** year terms."

<u>Section 9:</u> It is proposed that in Article IV (E) "Directors and Officers" that the paragraph be modified as follows. **Bolded** text is additional text: "The Board of Directors of LIMRiCC shall **elect** ~~appoint~~ from among their number a ~~Chairman~~, **President,** a Vice-President, Secetary, and Treasurer. The Board of Directors may also appoint additional officers and assign duties to them. **At the first**

Board meeting in January 2027, Board Officer elections shall take place. Officer elections shall again take place in June/July 2027 once the newly elected board is seated."

Section 10: It is proposed that in wherever in the bylaws the text uses the term *Chairman,* it should be now be replaced with the term **President.** It is further proposed that wherever the text uses the term *Vice-Chairman,* it should be replaced with the term **Vice-President.**

Section 11: It is proposed that in Article IV (K) "Directors and Officers" that the following **bolded** print be added: "[…] At least four (4) prior written notice of regular of special meetings shall be given to all Directors and an Agenda specifying the subject of any special meeting shall accompany any such notice. Such notice may be given by electronic mail or US mail. **Remote attendance is permitted subject to the in-person attendance of a quorum."**

Section 12: It is proposed that in Article V (A)(1) "Power of the Board of Directors" that following bolded print be added: ""LIMRiCC staff **and agents** are designated to managed the LIMRiCC programs, provided the annual compensation for these services shall not exceed the following without the consent of fifty percent (50%) of the Members."

Section 13: It is proposed that in Article VI(C) "Liability of LIMRiCC, Its Officers and Directors" that language be added saying: **"The Board will obtain standard Director and Officers and Errors and Omissions coverage policies for the Board Members."**

Section 14: It is proposed that in Article IX that the LIMRiCC address be modified to the current address: 668 N. River Rd, Naperville, IL 60563.

Section 15: The proposed effective date of the amendments is December 16, 2026.

Section 16: That each Member that will be affected by these proposed amendments shall receive written notice of proposed amendments and the date on which the amendment is to become effective, together with a ballot for voting to approve or disapprove the proposed amendments. The notice shall be given not more than 90 days before the proposed effective date of the amendment, either by electronic mail or the US mail.

Section 17: That the proposed amendments set forth in this Resolution shall be adopted upon receiving the affirmative vote of at least two-thirds (2/3) of the Members entitled to vote on such amendment.

Section 18: That the President of the Board is authorized and directed to sign and the Secretary is authorized and directed to attest to this Resolution.

Section 19: This Resolution shall be in full force and effect immediately upon its adoption.

Adopted by the Library Insurance and Risk Control Combination this 16th Day of September, 2026.

Adopted by the ___________________________ (Library Name) this ________________ Day of

_____________________(Month), 2026.

By:____________________________________

President

Attest:

____

RESOLUTION __________

AMENDING THE AMENDED INTERGOVERNMENTAL AGREEMENT PROVIDING FOR RISK MANAGEMENT AND AUTHORIZING MEMBERSHIP IN THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRICC) TO ALLOW FOR SUBSTANTIVE AMENDMENTS TO THE INTERGOVERNMENTAL AGREEMENT

WHEREAS, the Intergovernmental Agreement providing for Risk Management and authorizing membership in the Library Insurance Management and Risk Control ("LIMRiCC") (hereinafter referred to as "Agreement") has been amended from time to time by the Members of LIMRiCC to adhere to the changing needs of the Members of LIMRiCC and to reflect the current policies and practice; and

Whereas, the Board of the Library of the Insurance Manage and Risk Control Combination desires to now propose substantive changes to the IGA that will update the LIMRiCC Intergovernmental Agreement; and

Whereas, the Board of the Library of the Insurance Management and Risk Control Combination believes it is in the best interest of LIMRiCC to make such changes.

NOW THEREFORE, BE IT RESOLVED by the President and the Board of the Library and Insurance Management and Risk Control Combination ("LIMRiCC"), as follows:

<u>Section 1:</u> That the recitals set forth above are incorporate as Section 1 of this Resolution.

<u>Section 2:</u> It is proposed that "Public Libraries" are included as an entity that can enter into a contract with LIMRiCC, along with "Library Districts, [Public Libraries], Boards of Library Trustees, Library Systems, and Intergovernmental Entities that provide services to Public Library Districts."

<u>Section 3:</u> It is proposed that Article I (C)(2) "Agreements of Members" be amended to: "The LIMRiCC **Board** may contract with private or public ~~corporations~~ **consultants** for assistance in the processing of claims and the member will share in the cost of administering and paying the claims as provided in this contract."

<u>Section 4:</u> It is proposed that Article I (C)(3) "Agreements of Members" be amended to: ""The member shall make these payments in equal quarterly installments due on the 15th day of April, July, October and January of each year. A late fee of ~~$50.00~~ **one hundred ($100.00)** dollars will be issued for any paperwork or payment submitted after the due date. The Board of LIMRiCC shall have the authority to increase the late fee by up to ten percent (10%) in a calendar year."

<u>Section 5.</u> It is proposed to eliminate outdated language in Article I (E)(1) "Period of Coverage": "~~The initial coverage provided by LIMRiCC shall include all claims by members for persons whose employment is terminated by such member during the period from July 1, 1993, through December 31, 1993.~~ Coverage shall be continued from year to year ~~thereafter~~ on a calendar year basis, unless terminated therein."

<u>Section 6:</u> It is proposed that Article II "The Self-Insurance Program" of the former agreement be entirely eliminated. This is an insurance product no longer provided by LIMRiCC.

<u>Section 7:</u> It is proposed that in the updated IGA, the new Article II be titled, "EMPLOYEE BENEFIT INSURANCE PROGRAM"

<u>Section 8</u>: It is proposed that in Article II (A)(1) "Purchase of Health Insurance Plan" that "Health Insurance" be added to the list of the products that LIMRiCC provides to its members:

- **Health Insurance**
- Life insurance Benefits
- Accidental Death and Dismemberment Benefits
- Employee Assistance Benefits
- Dental Insurance
- Vision Insurance

<u>Section 9:</u> It is proposed that in Article II (A)(1) "Purchase of Health Insurance Plan" that language be added allowing former members of the WIN network to purchase short- and long-term disability insurance: "Furthermore, short term and long term disability insurance will be offered to current members of LIMRiCC who were members of the Wellness Insurance Network (WIN) as of September 1, 2026. Notwithstanding anything to the contrary in this Section H, individuals who were receiving disability coverage from Member as of 1/1/2026 and were considered part-time employees but only worked a minimum of 17.5 hours per week will remain Qualified Employees solely for the purposes of receiving disability coverage. By arranging for the purchase of these insurance products on behalf of all Members, LIMRiCC can achieve savings in premiums."

<u>Section 10:</u> It is proposed that in Article II (A)(2) "Changes in Participant Administration Fee" that the words "or special" be added to a sentence: "The Board of Directors has the authority to change any component of the Administrative fee at any regular **or special** meeting of the Board of Directors, provided all Members of the Insured Participants of the Program have been provided with thirty (30) days' notice of said meeting and of the proposed change to the Base Administration Fee and/or the Participant Administration Fee, which proposed change must be included on the meeting agenda."

<u>Section 11:</u> It is proposed that in Article II (H) "Employee Qualifications" that the following bolded print be added: "Members may set stricter requirements for their employees to be eligible for the Program, except that Members are required to provide and pay for life insurance for all full-time employees **on an employer-paid basis** unless a full-time employee specifically opts out of the life insurance benefit. **Employees may opt out of the life insurance coverage and Members may offer voluntary life insurance for those seeking additional coverage.** Each member is responsible for retaining and housing documentation […]"

<u>Section 12:</u> It is proposed that in Article II (J) "Mandatory Member Meetings" that following bolded print be added: "Each Member must have at least one (1) representative (Library Director/Administrator, other administrators, or his/her designee) in attendance, either in person or via electronic attendance, at a minimum of one meeting per year. Effective with the ~~2024~~ **2027** plan year, failure to have (1) representative attend without good cause, will result in a fee of **one hundred and fifty** ($150) **dollars."**

Section 13: It is proposed that in Article II (M) "New Membership" that new members, including members joining from the WIN pool must participate in the program for two years. It adds the following language: "New members must participate in the Program for at least two years."

Section 14: It is proposed that in Article II (O) "Refund Adjustment Policy for HIP" that "90 days" also be spelled out to 'ninety days.'

Section 15: It is proposed that in Article II (P) "Term of the Program" that outdated language be removed: "LIMRiCC has been operating a purchase of health insurance program since on or about March 1, 1994 for the purchase of health insurance products. This ~~revised Article III and~~ Program ~~amends LIMRiCC's purchase of health insurance program and shall become effective on the 1st day of December, 2015, provided that by such date that there are no less than twenty (20) members of LIMRiCC who have elected in writing to participate in the Program, and~~ shall continue in effect ~~thereafter~~ until terminated."

Section 16: It is proposed that in Article II (P)(1): "Term of the Program" that the following bolded language be added: "Members shall have the right to cancel participation in the Program by providing **one hundred and twenty** (120) days written notice to the Board of Directors. **In the event that a Member cancels participation in the Program, the Member will not be allowed to rejoin unless at least two (2) years have passed and the member has at least fifty-one (51) enrolled lives for six (6) consecutive months."**

Section 17: It is proposed that the email address be changed from ~~mtannehill@limricc.org~~ to benefits@limricc.org for the purposes of notices or communication with LIMRiCC electronically.

Section 18: It is proposed that in Article III (A)(2) to reword this clause thusly: "To furnish full cooperation ~~with LIMRiCC's attorney's, claims administrator~~ **by** ~~**with**~~ any agent, employee, officer, or independent contractor **with** LIMRiCC's **attorneys or claims administrator** relating to the purposes and powers of LIMRiCC.

Section 19: It is proposed that Article III (B) (3) "Rights of Members" that the outdated language relating to Metropolitan Library System be eliminated: ~~When rights of Members to participate in benefits are dependent on the length of time in participation, the member shall be credited for its participation in the predecessor programs of the Metropolitan Library System (formerly Suburban Library System)."~~

Section 20: The proposed effective date of the amendments is December 16, 2026.

Section 21: That the President of the Board is authorized and directed to sign and the Secretary is authorized and directed to attest to this Resolution.

Section 22: This Resolution shall be in full force and effect immediately upon its adoption.

Adopted by the Library Insurance and Risk Control Combination this 16th Day of September, 2026.

Adopted by the ___________________________ (Library Name) this ________________ Day of

_____________________(Month), 2026.

By:_____________________________________

President

Attest:

____

RESOLUTION ___________

RESOLUTION PROVIDING FOR THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION ("LIMRICC")

BE IT RESOLVED by the Board of ___________________________ (hereinafter referred to as the "Library") as follows:

1. Authority: This Resolution is adopted pursuant to the Intergovernmental Cooperation of the Clause of the Constitution of the State of Illinois, the Intergovernmental Cooperation Act, the Library Systems Act, and the Illinois Public Library District Act (or the Illinois Local Library Act where applicable).

2. Findings:

A. The Library Insurance Management and Risk Control Combination (LIMRiCC) has heretofore been established by Intergovernmental Agreement among existing public libraries and library systems to provide the following programs:

____ 1. The Unemployment Compensation Program

____ 2. The Employee Benefits Program

A copy of the Intergovernmental agreement providing for these programs is attached hereto as Exhibit A.

B. It is in the best interest of the Library to participate in such of the above programs as are indicated by a checkmark in the appropriate box.

3. Authorization: That the President and the Secretary of this Library are, therefore, authorized and directed to execute an Intergovernmental agreement providing for the risk management and authorizing Membership in LIMRiCC for the programs hereinabove indicated, the Intergovernmental Agreement to conform substantially to the Intergovernmental Agreement attached hereto as Exhibit A and effective on January 1, 2027.

Adopted this day __________ of __________________, 20________, pursuant to a roll call vote as follows:

Ayes:

Nays:

Absent:

NAME OF LIBRARY:

Attest:

____

President

____

Secretary

Amended effective December 16, 2026

BY-LAWS
OF THE
LIBRARY INSURANCE
MANAGEMENT
A N D
RISK CONTROL COMBINATION
("LIMRiCC")

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BY-LAWS
OF THE
LIBRARY INSURANCE MANAGEMENT
AND
RISK CONTROL COMBINATION
("LIMRiCC")

Article I. Change of Name

The name of LIMRiCC shall remain Library Insurance Management and Risk Control Combination. The Library Insurance Management and Risk Control Combination ("LIMRiCC") is an intergovernmental entity voluntarily established by contracting Library Systems, Boards of Library Trustees, Public Libraries, Library Districts and Intergovernmental Entities that provide services to Public Libraries, Library Districts and Library Systems (Members).

Article II. Purpose - Limitation of Participation

The purpose of LIMRiCC is to provide conventional insurance coverage and/or self-insurance for claims against its Members, including any one or more of the following types of insurance coverage: Health; Life; Accidental Death and Dismembership; Employee Assistance Program; Dental; Vision; certain ancillary voluntary products; Unemployment Compensation. Furthermore, short term and long term disability will be offered to current members of LIMRiCC who were members of the Wellness Insurance Network (WIN) as of September 1, 2026.

It is the purpose of the Members of LIMRiCC to obtain through LIMRiCC conventional insurance coverage and/or self-insurance coverage under one or more of the Programs described in the By-laws of LIMRiCC as in effect from time to time. Each Member must submit a written application to the Board of Directors for participation in the particular Program or Programs such Member desires. No Member of LIMRiCC shall have any right to participate in or to obtain insurance coverage under any Program of insurance or self- insurance solely by reason of its membership in LIMRiCC: and no insurance company or self-insurance pool shall have any obligation to any Member of LIMRiCC until such Member has been accepted by LIMRiCC and by such insurance company or self-insurance pool (as appropriate) as a participant in a Program of insurance coverage provided by such insurance company or self-insurance pool (as appropriate).

Article III. Authority

LIMRiCC is established pursuant to the intergovernmental cooperation clause as set forth in Article VII, Sec. 10 of the Constitution of the State of Illinois; 5 ILCS 220/1 et seq. and in particular, Sec. 220/6 of the Illinois Compiled Statutes and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.)

Article IV. Directors and Officers

A. There is hereby established a Board of Directors of LIMRiCC. The Board of Directors of LIMRiCC currently consists of five (5)Board Members At Large. Effective January 1, 2027, four (4) current members of WIN will join the Board thereby creating a Board of nine (9) members. At the first Board meeting in January 2027, Board Officer elections shall take place as provided in Paragraph E below. Representatives from Members of LIMRiCC, as well as any other individual, are eligible to run for election for the position of Board Member At Large, provided however that (a) representatives from Members participating in the Self-Insured Health Insurance Plan under LIMRiCC's Employee Benefit Insurance Program must always make up a majority of the Board Members At Large and (b) only one representative from any one Member may be elected to the Board and (c) a minority of the Board Members may come from libraries that are members of the UCGA pool. A representative from a Member may be a library director, executive director, or his/her designee.

B. In the Spring of 2027 and each Board election thereafter, the call for Board candidates will be conducted from January 1 to January 31 with the electronic voting election to be held February 15 through March 31. Each Member will have one (1) vote for each slated position. Unless otherwise specified in Paragraph C, the term for the Board Members At Large is three (3) years.

C. For the Spring 2027 elected term, the seven Board members who receive the most votes shall serve for three years and candidate with the eighth highest votes will serve for two years and the candidate with the ninth highest votes will serve for one year. In the event of a tie, the Board Members that shall serve for two years will be determined by lot. The intent is for the Board to be comprised of nine (9) for the 2027 term, eight (8) for the 2028 term and seven (7) for the 2029 term and thereafter. The President or Executive Director or his/her designee shall conduct the process. Thereafter, all Board Members shall serve for three-year terms.

D. The Board shall declare a vacancy in the office of Board Member At Large when an elected or appointed Board Member (i) declines, fails, or is unable to serve, or (ii) no longer holds the position of trustee, executive director/designee or library director/designee for the same LIMRiCC Member. Absence without cause from all regular board meetings for a period of one year shall be a basis for declaring a vacancy. All vacancies shall be filled by appointment by the remaining Board Members until the next regular election of Board members, at which time a Board Member shall be elected for the remainder of the unexpired term, if any.

E. The Board of Directors of LIMRiCC shall elect from among their number a President, Vice-President, Secretary and Treasurer. The Board of Directors may also appoint additional officers and assign duties to them. At the first Board meeting in January 2027, Board Officer elections shall take place. Officer elections shall again take place in June/July 2027 once the newly elected board is seated.

The President shall preside at all meetings of the Board of Directors. The President may request information from any officer or the Board of Directors of LIMRiCC or any employee or independent contractor of LIMRiCC. The President shall vote on all matters that come before the Board. The President shall have such other powers and duties as are set forth in these By-laws and as he/she may be given from time to time by action of the Board.

The Vice President shall carry out all duties of the President during the absence or inability of the President to perform such duties and shall carry out such other functions as are assigned from time to time by the President or the Board of Directors.

The Treasurer shall have charge and custody and shall be responsible for all funds and securities of LIMRiCC; receive and give all receipts for monies due and payable to LIMRiCC from any source whatsoever; deposit all such monies in the name of LIMRiCC in such banks, savings and loan associations or other depositories as shall be selected by the Board of Directors; invest the funds of LIMRiCC as are not immediately required in such investments as the Board of Directors shall specifically or generally select from time to time; and maintain the financial books and records of LIMRiCC; provided, however, that all investments of LIMRiCC funds shall be made only in the manner permitted to an Illinois tax-supported public library. The Treasurer shall, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors. In performing these duties, the Treasurer shall work with LIMRiCC staff and/or any individual or entity that contracts with LIMRiCC to provide accounting and/or related services.

The Treasurer shall account for each separate program of insurance separately and shall keep a record of the account balances in each program for each participant.

The Secretary shall keep the official records of LIMRiCC. The Secretary shall see to the keeping of the minutes of meetings of LIMRiCC and shall see to the sending of all notices required by these By-laws and shall carry out other clerical duties of LIMRiCC.

F. LIMRICC shall purchase a bond in sufficient amount as determined by the Board of Directors to assure the fidelity of the President and Vice President of the Board, the Treasurer and any other officer or employee who shall have the right to authorize the transfer or payment of LIMRiCC funds. The Board of Directors, by motion, may increase or decrease the amount of such bonds or change the persons covered.

G. A quorum shall consist of a majority of the Board of Directors. Except as provided in Paragraph H below, or elsewhere in these By-laws, a simple majority of a quorum shall be sufficient to pass upon all matters.

H. A greater vote than a majority of a quorum shall be required to approve the following matters:

1. The Board of Directors may establish one or more rules requiring approval by a vote greater than a majority of a quorum; provided, however, that such rules may only be established by a greater than a majority vote at least equal to the greater than majority percentage stated within the proposed rule;

2. The admission of a new Member shall require a two-thirds (2/3) vote for approval by Board of Directors;

3. Any amendment of these By-laws shall require a two-thirds (2/3) vote for approval by Board of Directors; provided, however, no amendment shall have the effect of depriving a member of a vested contractual right without the consent of the Member.

4. Termination of LIMRiCC shall require a two-thirds vote for approval by Board of Directors (Article X).

I. A majority of all Board members shall be required to approve (a) the Membership Contributions and (b) the PHIP and SHIP benefits at its September Board meeting (Membership Contributions, PHIP and SHIP are defined as set forth in LIMRiCC's Intergovernmental Agreement).

J. No one serving on the Board of Directors shall receive any salary from LIMRiCC; provided, however, Directors shall be reimbursed for lawful expenses incurred as officers of LIMRiCC.

K. Regular meetings of the Board of Directors shall be held, at a minimum, on a quarterly basis, and the Board of Directors shall set a schedule for such regular meetings. As part of or in addition to its regular meetings, the Board of Directors shall hold a Spring Renewal Meeting (as that term is defined in LIMRiCC's Intergovernmental Agreement) no later than May 31st of each year and a Fall Renewal Meeting (as that term is defined in LIMRiCC's Intergovernmental Agreement) no later than October 15th of each year. Special meetings may be called by the President or by any other three (3) Directors on notice to the President. At least four (4) days prior written notice of regular or special meetings shall be given to all Directors and an Agenda specifying the subject of any special meeting shall accompany such notice. Such notice may be given by electronic mail or U.S. mail. Remote attendance is permitted subject to the in-person attendance of a quorum.

Article V. Power of the Board of Directors

A. The Board of Directors shall determine the general policy of LIMRiCC, which policy shall be followed by all LIMRiCC officers, agents, employees and independent contractors employed by LIMRiCC. Subject to the specific limitations herein, the Board of Directors shall have the responsibility for:

1. Hiring LIMRiCC agents, employees, attorneys, fund managers, consultants and other independent contractors.

   LIMRiCC staff and agents are designated to manage the LIMRiCC programs, provided the annual compensation for these services shall not exceed the following without the consent of fifty percent (50%) of the Members:

The Unemployment Compensation Program as set forth in the Intergovernmental Agreement;

The Self-Insurance Program twelve thousand ($12,000.00) dollars;

Employee Benefit Insurance Program as set forth in the Intergovernmental Agreement;

2. Except as otherwise provided, making payment for expenses of LIMRiCC from particular funds which the expenses are applicable;

3. Setting fidelity bond requirements for officers, employees or other persons;

4. Determining that subject to Article IV, E: Approval of alterations, amendments or repeal of the By-laws and adoption of new By-laws; provided, however that no such alteration, amendment or repeal shall change the purpose of LIMRiCC as stated in Article II above;

5. Approving of the acceptance of new Members and the expulsion of Members, including the execution of agreements for insurance coverage and/or self-insurance coverage with Boards of Library Trustees, Library Districts, Library Systems, Public Libraries and Intergovernmental Entities that provide services to Public Libraries to facilitate the centralized administration and payment of claims;

6. Approving of the participation of Members in the Program or Programs of insurance coverage selected by the respective Members;

7. Approving and amending the annual budget of LIMRiCC;

8. Approving the educational and other programs relating to risk reduction;

9. Approving of reasonable and necessary loss reduction and prevention procedures that must be followed by all Members;

10. Purchasing of insurance;

11. Paying of Claims;

12. Setting premiums for coverage;

13. Providing other powers hereinafter set forth;

14. Paying the expenses of operation;

15. Approving other matters incidental to the foregoing;

16. Including LIMRiCC and its officers and employees in the LIMRiCC Programs;

17. Making assessments against Members as provided by Agreement;

18. Approving additional contracted services to be performed by LIMRiCC staff for other libraries, intergovernmental entities and governmental entities and the revenue from such services will be used to keep overall administrative costs lower for all LIMRiCC members.

Article VI. Liability of LIMRiCC, Its Officers and Directors

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members and proceeds of any insurance provided by LIMRiCC. The funds of each insurance program, i.e. those established under Articles IX, X and XI of the Intergovernmental Agreement, are to be kept separate and accounted for' separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of them:

A. appear and defend against the claim or action; and

B. pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and

C. pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term Director, officer or employee shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts. The Board will obtain standard Directors and Officers and Errors and Omissions coverage policies for the Board members.

<u>Article VII.</u> Programs of Insurance and/or Self-Insurance

LIMRiCC may purchase insurance policies from insurance companies having a Certificate of Authority issued by the Department of Insurance of the State of Illinois. LIMRiCC may also provide risk-management services, administer and jointly support a risk management program, establish a risk-management pool, and provide services for processing and defending unemployment and worker's compensation claims. LIMRiCC may also organize and operate a self-insured health insurance plan for the benefit of Members.

<u>Article VIII.</u> Fiscal Year — Budget

A. The fiscal year of LIMRiCC shall commence on January 1 and end on December 31;

B. During the last quarter of each fiscal year, the Board of Directors of LIMRiCC shall approve a preliminary budget for the administration of each Program for the next fiscal year. Copies of the preliminary budget shall be sent to each Member via electronic mail, and the Board of Directors shall set a hearing date on the budget at which time all Members of LIMRiCC will be given an opportunity to be heard. The preliminary budget shall set forth the method by which payments of Members are to be determined for the following fiscal year. After the public hearing and before the end of the fiscal year, the Board of Directors shall approve a final budget that will include the amounts of the annual payments to be made by each Member. Failure of the Board of Directors to approve a preliminary or final budget within these time limits shall not relieve the Members of the obligation to make annual or supplementary payments to

LIMRiCC as hereinafter provided. Notwithstanding anything to the contrary herein, the procedures outlined in the LIMRiCC Intergovernmental Agreement for the Employee Benefit Insurance Program shall control for purposes of determining the amounts paid by members under said program.

C. Funds shall be audited annually after June 30.

Article IX. Notices

All notices of claims or any other notice required to be given pursuant to these By-Laws, shall be sent by certified mail and shall be addressed to:

LIMRiCC
668 N. River Road
Naperville, IL 60563

and to:

Member Library
[Address of the main library building]
Attention: Head Librarian

Article X. Termination of Agency

By two-thirds vote for approval of the Board of Directors and on six (6) months' notice prior to June 30 of any year, LIMRiCC may be terminated and dissolved. This dissolution and termination shall have the same effect on the programs set forth as if LIMRiCC had terminated the Agreement as to each individual Member. The termination of LIMRiCC shall not be effective until all outstanding covered claims of Members have been resolved.

Article XI. Amendments

The Board of Directors may, in the following manner, amend the "By-Laws of the The Library Insurance Management and Risk Control Combination (LIMRiCC)" at any time and from time to time add a new provision or change or remove an existing provision:

(a) The Board of Directors shall adopt a Resolution setting forth the proposed amendment and the date on which the amendment is to become effective and directing that the proposed amendment be submitted to each LIMRiCC Member that will be affected by the proposed amendment.

(b) LIMRiCC shall give to each LIMRiCC Member that will be affected by the proposed amendment written notice of the proposed amendment, including the text of the proposed amendment and the date on which the amendment is to become effective, together with a ballot for voting to approve or disapprove the proposed amendment. Such notice shall be given not less than 60 days and not more than 90 days before the proposed effective date of the amendment, either via electronic mail or U.S. mail. If mailed, such notice shall be deemed to have been delivered on the second day after the day on which it is deposited in the United States mail, addressed to the Member at its address on the records of LIMRiCC, with postage prepaid.

(c) Each LIMRiCC Member must return its ballot to LIMRiCC on or before 5:00 PM on the proposed effective date of the amendment.

(d) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the LIMRiCC Members entitled to vote on such amendment.

(e) Any number of amendments may be submitted to the LIMRiCC Members and voted upon by them at one time.

(f) A LIMRiCC Member that has timely voted against the adoption of a proposed amendment may, within 60 days after the effective date of the proposed amendment, elect to withdraw from the LIMRiCC Program(s) affected by the new amendment, but only if the amendment materially and adversely affects the Member.

(g) Any LIMRiCC Member that is entitled to elect to withdraw from the LIMRiCC Program(s) in question is precluded from challenging the new amendment that creates the right of withdrawal, unless the adoption of the amendment is fraudulent with respect to the Member or with respect to LIMRiCC, or constitutes a breach of a fiduciary duty owed to the Member.

(h) A LIMRiCC Member that is entitled to elect to withdraw may do so only if the Member deliver its written election to LIMRiCC within the said 60-day period.

(i) Notwithstanding anything to the contrary in this Article, the withdrawal of a Member shall not affect any existing claim(s) in favor of LIMRiCC against the withdrawing Member, or in favor of the withdrawing Member and against LIMRiCC.

Amended effective December 16, 2026

INTERGOVERNMENTAL AGREEMENT

PROVIDING FOR RISK MANAGEMENT AND AUTHORIZING MEMBERSHIP IN THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRiCC)

AMENDED DECEMBER 16, 2026

www.limricc.org

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INTERGOVERNMENTAL AGREEMENT PROVIDING FOR RISK MANAGEMENT AND AUTHORIZING MEMBERSHIP IN THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRiCC)

In consideration of the agreements hereinafter provided, the Board of Trustees of the________________________, hereinafter referred to as “Library” or “Member” and the Library Insurance Management and Risk Control Combination, hereinafter referred to as “LIMRiCC” (an intergovernmental entity voluntarily established by contracting Library Systems, Public Libraries, Boards of Library Trustees, Library Districts and Intergovernmental Entities that provide services to Public Libraries, Library Districts and Library Systems), agree as follows:

The______________Public Library agrees to participate in the following Programs (the Programs) with LIMRiCC:

☐ The Unemployment Compensation Program (UCGA)

☐ The Employee Benefit Insurance Program.

ARTICLE I. THE UNEMPLOYMENT COMPENSATION CLAIM PROGRAM.

A. Findings and Authority.

1. Unemployment claims against Library Districts, Public Libraries, Boards of Library Trustees, Library Systems, and Intergovernmental Entities that provide services to Public Libraries, Library Districts and Library Systems can be handled more economically and efficiently if claims are processed on a volume basis.

2. The centralization of administration of these claims is consistent with the goals of the Intergovernmental Cooperation Clause of the Constitution of the State of Illinois (Article VII, Section 10) and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) and is further authorized by 820 ILCS 405/1405.

3. The members and LIMRiCC, therefore, agree to the Provisions hereinafter set forth for the centralized management of unemployment compensation claims.

B. <u>Definitions – (Article I).</u>

Unless otherwise indicated, terms used herein are defined as provided in "An Act in Relation to Unemployment insurance" approved June 30, 1937, as amended

"Claims" – The Unemployment Compensation Claims made against the Members.

"Final Rate" is defined as fifteen percent of the Rate. In other words, "Final Rate" = Rate/(1-.15).

"Investment Dividend" is defined as Investment Income, if greater than zero.

"Investment Income" is defined as the Total Dividend minus the Underwriting Dividend.

Where the term "LIMRiCC" is used, it shall include LIMRiCC and any private or public corporation it shall retain to assist in the administration and payment of claims unless the context indicates otherwise.

When the term "Member" is used, it shall refer to any entity participating in the Unemployment Compensation Program.

"Member employee" shall include each employee of the Member covered by the Unemployment Compensation Act.

"Member Experience" is defined as the sum of three years of claims divided by the sum of three years of taxable payroll for each Member. In other words, "Member Experience" = Sum ("3 years of claims") / Sum ("3 years of taxable payroll").

"Member Investment Dividend" is defined as the Investment Dividend multiplied by the Premium divided by the total premium. In other words, "Member Dividend" = Investment Dividend * Premium/Total Premium.

"Member Profit" is defined as premium minus claims, where premiums exceed claims.

"Pooled Account" – All assets of LIMRiCC devoted to the Unemployment Compensation Program.

"Pool Experience" is defined as the total of three years of claims divided by the total of three years of taxable payroll for the pool. In other words, "Pool Experience" = Total 3 years of claims / Total 3 years of taxable payroll.

"Pool Profit" is defined as the sum of "Member Profit."

"Profitable Members" – means those Members whose premiums exceed claims made.

"Program" – The Unemployment Compensation Program pursuant to this Agreement.

"Rate" is defined as fifty percent of the Member Experience plus fifty percent of the Pool Experience. In other words, "Rate" = ½ x Member Experience + ½ x Pool Experience.

"Reserve Account" – An account to be maintained at $1,000,000 subject to temporary reductions for payment of mandated claims, and not available for refunding except on the termination of the Unemployment Compensation Program.

"Underwriting Dividend" is defined as the Underwriting Income, if greater than zero.

"Underwriting Income" is defined as the total premiums subtracting the total claims.

C. Agreements of Members.

1. To designate LIMRiCC to process the claims of the Member.

2. That LIMRiCC Board may contract with private or public consultants for assistance in the processing of claims and the member will share in the cost of administering and paying the claims as provided in this contract.

3. That each year this Agreement is in effect, each Member shall pay to LIMRiCC:

   (a) The Rate multiplied by the wage base set by the State of Illinois; and

   (b) The Final Rate, as defined herein.

   The Member shall make these payments in equal quarterly installments due on the 15th day of April, July, October and January of each year. A late fee of one hundred ($100.00) dollars will be issued for any paperwork or payment submitted after the due date. The Board of LIMRiCC shall have the authority to increase the late fee by up to ten percent (10%) in a calendar year.

4. At such time as merit rating is established for the Member, as hereinafter provided, the above payments shall be adjusted accordingly.

5. To elect to be a reimbursing employer during the term of this Agreement.

6. That appropriate personnel of the Member will attend meetings conducted by LIMRiCC regarding procedures to reduce claims and that the Member will utilize these procedures.

7. To cooperate in all respects with LIMRiCC so that it can exercise the rights, duties and obligations of the Member as an employer concerning claims.

8. To provide LIMRiCC or its designee with information regarding the facts and circumstances of the termination of any of the Member employees within one working day from termination.

9. To furnish LIMRiCC with copies of all reports of Member employees required by the State pursuant to the Unemployment Compensation Act.

10. To permit inspection and audit of Member payroll records by LIMRiCC at such times as the inspection or audit does not interfere with the conduct of business. The Member will provide LIMRiCC with a copy of the quarterly report of Member employees.

11. To comply with such other reasonable rules and regulations as may be established by LIMRiCC for the administration of the Agreement.

12. To permit LIMRiCC to elect not to protest or object to claims or file appeals for allowed claims, provided that the Member shall have the option to defend the claims itself if LIMRiCC elects not to defend. The Member must notify LIMRiCC within two (2) working days of the receipt of the claims, but not later than the due date of any protests, objections or appeals to such claims, if the Member wishes to exercise its option to defend the claims. If the Member has timely notified LIMRiCC of the Member's exercise of this option, LIMRiCC will advise the Member within two (2) working days of the receipt of the claim by LIMRiCC, but not later than the due date of protests, objections, or appeals to such claims, if LIMRiCC elects not to defend.

13. To furnish LIMRiCC, or its designee, notice of claims within two working days of the receipt of the claims by the Member, but not later than the due date of any protests, objections or appeals to such claims. In addition, the Member will furnish LIMRiCC such information regarding the claims as LIMRiCC may require.

14. To furnish a power of attorney or similar authority to the agent processing claims on behalf of LIMRiCC.

D. Powers and Duties of LIMRiCC.

The powers and duties of LIMRiCC are as follows:

1. To act as the designated agent of the Member in the processing and defending of claims subject to the right of LIMRiCC to delegate these responsibilities as provided herein, and to deposit all payments received pursuant to this Agreement in a separate and distinct bank account to be held, administered and paid over as herein provided. Where funds are available for investment they will be deposited in interest bearing accounts or otherwise lawfully invested.

2. To pay allowed claims against Member employers.

3. To file in the name of and in behalf of Member, protests, objections or appeals to claims that, in the judgment of LIMRiCC, are filed by claimants who are not eligible or who are disqualified pursuant to the Unemployment Compensation Act. LIMRiCC, in its determination, shall exercise that judgment usually exercised by responsible private employers under similar circumstances.

4. To cause an evaluation to be conducted for appropriate Member personnel.

5. To cause training programs concerning the Unemployment Compensation Act to be conducted for appropriate Member personnel.

6. To assist in filing for a refund with the IDES.

7. To maintain a separate record of the contributions made and the claims paid attributable to each Member, that shall be deducted from the credit balance.

8. To pay the reasonable charges attributable to the services rendered pursuant to this Program from first, the interest earned, and if this is insufficient, from the principal of the fund. These charges shall include, but not be limited to, contract payments for the services for audit expenses, attorneys' fees, equipment, supplies, reimbursement to LIMRiCC for its services and use of its facilities as provided in the By-Laws of LIMRiCC.

   The LIMRiCC Board of Directors shall manage or contract for services for this Program, provided the annual compensation for these services shall not exceed the Final Rate without the consent of fifty percent (50%) of the Members.

9. To set the Rate for each Member as based on the experience of the Pool ("Pool Experience") and the experience of the individual Member ("Member Experience"). The Rate is calculated by adding ½ multiplied by the Member Experience to ½ multiplied by the Pool Experience. For new members, defined as those with less than three years experience in the Program, the Rate is calculated using the Pool Experience only.

10. To set forth as in the same manner as in Paragraph 9, if the evaluation establishes that the Member has a deficit balance, a merit rating may be established in excess of 2% but no more than 5%.

11. To authorize LIMRiCC at its option to purchase insurance from the Pooled Account to cover claims.

E. <u>Period of Coverage, Withdrawal and Termination.</u>

1. Coverage shall be continued from year to year on a calendar year basis, unless terminated as provided herein. In the event of termination by a Member, assets remaining in the Member's account and reserve account shall not be refunded. Members terminating with a deficit balance shall reimburse LIMRiCC for the deficit. Either party may terminate its participation in the Pooled Account pursuant to this Agreement by giving written notice at least ninety (90) days prior to December 31 of any year this Agreement is in effect and the withdrawal will then be effective as of December 31 of the year of withdrawal.

2. LIMRiCC shall continue to cover all claims of the Member's employees whose employment was terminated by the Member during the period this Agreement is in effect, provided the member is not in default; and provided further the Member shall pay any deficit in its account in the Pooled Account. A default in payment by the Member shall be deemed termination by the Member and LIMRiCC shall not cover claims made after the default.

<u>ARTICLE II. EMPLOYEE BENEFIT INSURANCE PROGRAM.</u>

A. <u>Purpose.</u>

It is the purpose of this agreement to create a program of LIMRiCC, namely, the Employee Benefit Insurance Program ("Program"). The Program shall consist of two (2) components: (1) the Purchase of Health Insurance Plan ("PHIP") and (2) the Self-Insured Health Insurance Plan ("SHIP"). For Administrative purposes, the Plans shall be collectively referred to as Health Insurance Plans ("HIP").

The creation of the various funds and accounts established as part of this Program are not intended by the Members or LIMRiCC to constitute the transaction of an insurance business within the State of Illinois. The intent of the parties is to separately establish a benefits program and to utilize LIMRiCC to achieve reduced costs of administration and insurance purchases by providing similar services to all Members and to require the Members to pay for and share the costs of such benefits.

1. Purchase of Health Insurance Plan ("PHIP").

Through PHIP, LIMRiCC shall provide for the purchase, on behalf of its Members, of certain insurance coverage for employees, spouses and dependents ("Insured Participants") of Members, under the terms and conditions set forth herein and in the By-Laws of LIMRiCC as in effect from time to time. Through PHIP, LIMRiCC will arrange for the purchase on behalf of Members of various insurance products, including, but not limited to, the following:

Health
Life Insurance Benefits;
Accidental Death and Dismemberment Benefits;
Employee Assistance Program;
Dental Insurance; and
Vision Insurance.

Furthermore, short term and long term disability insurance will be offered to current members of LIMRiCC who were members of the Wellness Insurance Network (WIN) as of September 1, 2026. Notwithstanding anything to the contrary in this Section H, individuals who were receiving disability coverage from Member as of 1/1/2026 and were considered part-time employees but only worked a minimum of 17.5 hours per week will remain Qualified Employees solely for the purposes of receiving disability coverage. By arranging for the purchase of these insurance products on behalf of all Members, LIMRiCC can achieve savings in premiums.

2. Self-Insured Health Insurance Plan ("SHIP").

Through SHIP, LIMRiCC shall provide a self-insured health insurance plan that provides health insurance coverage, including prescription drug coverage, and dental insurance for Insured Participants of Members, under the terms and conditions set forth herein and in the By- Laws of LIMRiCC as in effect from time to time.

By operating a self-insured health insurance plan on behalf of all Members, LIMRiCC can achieve savings in premiums.

B. Authority.

This agreement is authorized by the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois; by 5 ILCS 220/6 et seq.; and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.)

C. Member Contributions.

Members shall be responsible for paying three (3) separate fees to LIMRiCC: (a) the Administration Fee, (2) the PHIP Benefit Fee, and (3) the SHIP Benefit Fee ("Member Contributions"). LIMRiCC will invoice each Member for the amount of Member Contributions due on a monthly basis based on the coverage elected by the Member's Insured Participants. Each Member shall remit its payment of its Member Contributions to LIMRiCC by the due date shown on LIMRiCC's invoice.

D. <u>Administration Fee.</u>

As part of its Member Contribution, each Member shall pay LIMRiCC an administration fee ("Administration Fee"). The purpose of the Administration Fee is to cover all administrative costs of LIMRiCC. The Administration Fee shall not cover the HIP third-party administrator fees, broker fees, or other fees specific to any HIP, including, but not limited to actuarial fees, legal fees, audit fees, etc. Members shall pay the Administration Fee regardless of whether they have Insured Participants enrolled in PHIP, SHIP, or both.

1. <u>Participant Administration Fee.</u>

The Participant Administration Fee shall be announced at the Annual Fall Meeting for the new benefit year.

2. <u>Changes to the Participant Administration Fee.</u>

The Board of Directors has the authority to change any component of the Administrative Fee at any regular or special meeting of the Board of Directors, provided that all of the Members with Insured Participants of the Program have been provided with thirty (30) days notice of said meeting and of the proposed change to the Base Administration Fee and/or the Participant Administration Fee, which proposed change must be included on the meeting agenda.

E. <u>HIP Benefit Fee.</u>

The HIP benefit fee shall consist of the premium cost for each of the HIP insurance products plus any additional amounts necessary, as determined by the Board of Directors, for expenses and costs associated specifically with each respective insurance product ("HIP Benefit Fee"). A Member's total HIP Benefit Fee shall be calculated, for each available HIP insurance product, by multiplying the number of Insured Participants enrolled in a particular insurance product by the HIP Benefit Fee for that particular insurance product.

To determine the HIP premium cost, the Board of Directors shall consult with the HIP third party administrator to obtain a suggested premium amount. To determine all other expenses and costs associated with HIP, the Board of Directors will determine the appropriate other expenses and costs. The Board of Directors may adjust the suggested premium amount and any other fees or costs, in its discretion, to determine the final HIP Benefit Fee. The Board of Directors may adjust the suggested premium amount from the HIP third party administrator based on prior, current, or anticipated changes to claims, cash flow, and LIMRiCC membership, and any other factor in its discretion. Similarly, the Board of Directors may adjust the suggested expenses and costs based on its discretion. Unless decided otherwise in the Board of Directors' discretion, when determining whether to adjust the suggested premium amount, or any other expenses or costs of HIP, the Board of

Directors shall attempt to maintain a balance in the HIP Account that is sufficient to pay approximately six (6) months of regular and ordinary claims without receipt of further HIP Benefit Fees.

In the event that the Board of Directors should fail to approve the amount of the HIP Benefit Fee for any given plan year, the HIP Benefit Fee shall be equal to 115% of the total expected cost as provided by the third-party administrator for the HIP Benefit Fee.

Members with Insured Participants enrolled in HIP shall be responsible for paying, as part of its Member Contributions, the premium cost of HIP Coverage plus any additional amounts necessary for expenses and costs associated with operating HIP ("HIP Benefit Fee"). The Members shall only pay the HIP Benefit Fee associated with the insurance products for which its' Insured Participants are enrolled.

F. Program Fund for all HIP Accounts

1. Withdrawal of Administration Fees.

All Administrative Fees shall be deposited to the Program Fund, and LIMRiCC shall withdraw the Administrative Fees thereafter to pay all appropriate costs and expenses.

G. HIP Supplemental Benefit Fee.

If (a) a HIP Account is in jeopardy of not being able to pay claims or (b) a HIP Account balance is not sufficient to pay approximately six (6) months of regular and ordinary claims without further HIP Benefit Fees, the Board of Directors may increase the HIP Benefit Fee during a HIP plan year, provided that all of the Members with Insured Participants enrolled in HIP have been provided with fourteen (14) days notice of the reason for the increase in the HIP benefit fee and of the meeting at which the Board of Directors will vote on such increase.

H. Employee Qualification.

Only Qualified Employees may become Insured Participants under the Program. To be a Qualified Employee for HIP, an individual must be a full-time employee of a Member or be a part-time employee of a Member who works a minimum of twenty (20) hours per week and has one year of service with the Member. Furthermore, Qualified Employees for HIP Short Term and Long Term disability benefit coverage also includes individuals employed (1) prior to January 1, 2026 by WIN-Schaumburg for at least seventeen and a half (17.50) hours per week or (2) after January 1, 2026 by WIN-Schaumburg for at least thirty (30) hours per week. For HIP, effective January 1, 2016, Qualified Employees shall include Full-Time employees of a Member. For purposes of HIP, "Full-Time" shall mean the following: (1) for any Member that is an applicable large employer (as that term is defined under Code Section 4980H), full-time status may be determined using any permissible method under Code Section 4980H; and
(2) for any Member that is not an applicable large employer, "full-time" shall mean 30 hours or more per week, on average; provided, however, that employees who work less than thirty (30) hours per week may continue to be Qualified Employees if they have been

continuously enrolled in health insurance coverage with LIMRiCC prior to the establishment of HIP. If such an employee terminates participation in HIP, the employee cannot re-enroll unless he/she becomes a full-time employee and works a minimum of thirty (30) or more hours per week on average at the time of re-enrollment.

Members may set stricter requirements for their employees to be eligible for the Program, except that Members are required to provide and pay for life insurance for all full-time employees on an employer-paid basis unless a full-time employee specifically opts out of the life insurance benefit. Employees must, if desired, opt out of the life insurance coverage. Members may offer voluntary life insurance for those seeking additional coverage. Each Member is responsible for retaining and housing documentation of its requirements for eligibility either in the form of a written policy or resolution authorized by the Member's Board and documentation that substantiates that each of its Insured Participants is a bona fide Qualified Employee by January 15 of each year. In addition, each Member is required to provide LIMRiCC with a monthly listing of any new employees, newly eligible employees, terminated employees or any other change that would affect an employee's benefits by the first of the next billing month.

Members must certify to LIMRiCC that all of its Insured Participants are bona fide Qualified Employees. Each Member agrees to indemnify and defend LIMRiCC for any claims, damages, liabilities, losses, judgments, settlements, taxes, or fines resulting from an employee of the Member being enrolled in the Program without satisfying the requirements to be a Qualified Employee.

I. <u>Claims.</u>

Any claim for benefits under a HIP insurance policy shall be made to the insurance company; and if this claim is denied, any appeal therefrom shall follow the insurance company's claims review policy.

Any claims for benefits under HIP shall be administered by the third-party administrator and any appeal therefrom shall follow the third-party administrator's policy. All claims decisions made by the third party administrator shall be respected by LIMRiCC and final. Each Member agrees to indemnify and defend LIMRiCC for any claims, damages, liabilities, losses, judgments, settlements, taxes, or fines resulting from any claims dispute regarding HIP benefits or any claims made against LIMRiCC.

J. <u>Mandatory Member Meetings.</u>

LIMRiCC shall hold two (2) mandatory member meetings every year: (1) the Spring Renewal Meeting and (2) the Fall Renewal Meeting. LIMRiCC shall provide fourteen (14) days' notice to Members of the agenda and of all matters to be addressed at each mandatory member meeting.

The Spring Renewal Meeting shall be held on or before May 31st of each year to evaluate the operation of the Program and (a) discuss the HIP insurance products that will be purchased by LIMRiCC on behalf of the Members for the next policy period and corresponding HIP Benefit Fees and (b) discuss the HIP benefits for the next policy period, plan changes, if any, and corresponding HIP Benefit Fees, as well as the status of the HIP

Account and its ability to pay claims.

The Fall Renewal Meeting shall be held on or before October 15th of each year to finalize and vote on (a) the Membership Contributions and (b) the benefits provided by all HIPs for the following year. A final decision regarding Membership Contributions, HIP benefits, and fees shall be made by a majority vote of the Board of Directors at its September meeting.

Each Member must have at least one (1) representative (Library Director/Administrator, other administrators, or his/her designee) in attendance, either in person or via electronic attendance, at a minimum of one meeting per year. Effective with the 2027 plan year, failure to have (1) representative attend without good cause, will result in a fee of one hundred and fifty ($150) dollars.

K. <u>Powers and Duties of LIMRiCC.</u>

The powers of LIMRiCC to perform and accomplish the purposes set forth in this Agreement shall be the following and shall be exercised through the Board of Directors:

1. To purchase HIP insurance products on behalf of the Members;

2. To organize and operate HIP, including the hiring of a third party administer;

3. To determine all necessary fees for the operation of HIP, including any increase or supplemental HIP fees;

4. To terminate any Member for failure to perform obligations and duties as required by this Agreement or as otherwise permitted;

5. To retain brokers, actuaries, consultants or other professionals, who shall provide faithful performance of their respective duties and responsibilities and shall provide acceptable insurance coverage for errors and omissions;

6. To purchase stop loss or other additional insurance plans to limit the potential liability of LIMRiCC and to include any fees or expenses associated with said additional insurance in the HIP Benefit fee;

7. To employ agents, employees and independent contractors, including legal counsel;

8. To collect the Membership Contributions from the Members;

9. To recommend to Members programs and educational materials relating to claim management and reduction and to carry out educational and other programs relating to claim management and reduction;

10. To enter into written contracts to procure necessary services, supplies, insurance and/or property necessary to accomplish the purposes of the Program;

11. LIMRiCC shall not be responsible for the validity of any insurance policy issued hereunder, nor for the failure of the insurance company to make the payments provided for under any insurance policy, or for the action of any person which may delay, or render null and void or unenforceable, in whole or in part, any insurance policy issued under this Program; and

12. To carry out such other activities as are necessarily implied or required to carry out the purposes of the Program.

L. <u>Powers and Duties of Members.</u>

It is the responsibility of the Member to select suitable insurance coverages for its employees and their respective spouses and dependents from the coverages available under the Program. The rights and conditions with respect to coverage and benefits under such insurance and the self-insured plan shall be determined by the respective insurance policies and plan, which policies and self-insured plan documents shall be incorporated herein by reference; and LIMRiCC shall have no liability for insurance benefits under HIP.

In the event of a conflict between the terms of this Program and (a) the terms of a HIP insurance policy which is then being used in conjunction with this Program or (b) the terms of the HIP plan document, the terms of said insurance policy and/or the HIP plan document shall control as to those Members whose employees, and their respective spouses and dependents are receiving insurance coverage and benefits. For this purpose, the insurance policy and HIP plan document shall control in defining:

1. The persons eligible for insurance coverage;
2. The dates of their eligibility;
3. The conditions which must be satisfied to become insured, if any;
4. The benefits to be provided; and
5. The circumstances under which such insurance terminates.

M. <u>New Membership</u>

In the years that LIMRiCC is open to accepting new members as permissible by the provider, an application will be required for libraries considering joining the Program. New members must participate in the Program for at least two years. Upon approval, a new member will be required to:

1. Sign the IGA; and
2. Pay a non-reimbursable 2-month premium that will go into LIMRiCC's reserves. The premium will be based on the new member's enrollment and will apply to all HIP.

N. Late Payments.

If a Member is more than sixty (60) days late after the issued date of the invoice in paying any Membership Contribution, said Member will be responsible for paying a late fee equal to five percent (5%) of all outstanding invoices. All late fees shall be deposited into the HIP Account. If a Member fails to make Membership Contribution for a period of three (3) months, the Board may vote to terminate the Member in accordance with this Agreement. All late fees shall be deposited into the HIP Account

O. Refund Adjustment Policy for HIP

In the event that an adjustment is necessary to a member's HIP invoice, a member can obtain a refund of up to ninety (90) days.

P. Term of the Program.

LIMRiCC has been operating a purchase of health insurance program since on or about March 1, 1994 for the purchase of health insurance and other insurance products. This Program shall continue in effect until terminated.

1. Termination of Membership by Member.

Members shall have the right to cancel participation in the Program by providing one hundred and twenty (120) days written notice to the Board of Directors. In the event a Member cancels participation in the Program, the Member will not be allowed to rejoin unless at least two (2) years have passed and the Member has at least fifty-one (51) enrolled lives for six (6) consecutive months.

2. Termination of Membership by LIMRiCC.

If a Member has a Membership Contribution that is three (3) months past due, the Board may vote to terminate the Member from the Program, provided however that LIMRiCC has provided a thirty (30), sixty (60), and seventy-five (75) days notice to the Member stating (a) the amount due, (b) the due date, and (c) the termination date. A Member may also be terminated for failure to attend the mandatory meetings, as set forth in Section J. In addition, the Board may terminate a Member for failure to perform any other required duty or obligation, after giving at least thirty (30) days notice and an opportunity to cure the alleged failure.

Regardless of the reason for termination, LIMRiCC shall be responsible for any claims incurred before the termination date, provided that the terminated Member does not have any past due Member Contributions. If the Member has past due Member Contributions, all unpaid claims of the Member's Insured Participants shall be the responsibility of the Member.

3. Termination of Program.

The Program shall be terminated if the Board of Directors determines, in its sole discretion, that the termination of the Program is necessary or in the best interests of the Members. In addition, the Program shall also terminate upon the enactment of any State or Federal law and/or a final determination by a court of competent jurisdiction, after all appeals have been exhausted or time for appeal has expired, that the Program is invalid or otherwise contrary to law.

In the event the Program is terminated, the Board of Directors shall:

1. Set an effective date for termination and provide notice of termination to Members at least ninety (90) days prior to the effective date;

2. Collect all Member Contributions;

3. Cause to be paid all claims incurred prior to the effective date of termination provided that such claims are submitted for payment within one year of the date on which they are incurred provided that all Member Contributions have been made by the Member. If assets are not sufficient to pay all such claims, claim payments may be reduced and paid pro rata until all assets are exhausted.

4. Pay all administrative expenses and other liabilities of LIMRiCC in connection with the Program.

5. If the assets of LIMRiCC are not sufficient to satisfy LIMRiCC's liabilities with respect to the Program, the Board of Directors may charge each current Member and each former participating Member who was a participating Member at any time during the twelve (12) month period prior to the effective date of termination a supplemental Member Contribution in an amount that is equal to the amount of such shortfall multiplied by a fraction, the numerator of which is the amount of Member Contributions required of the former participating Member or the Member during the twelve (12) months prior to the effective date of termination and the denominator of which is the amount of total Member Contributions from all former participating Members and Members during the twelve (12) months prior to the effective date of termination. The Board of Directors shall not be obligated to make claim payment unless and until the shortfall is paid as provided herein.

6. Prior to termination, the Board of Directors shall make adequate provision for the maintenance of the records of the Program, which shall be retained for ten (10) years after the effective date of termination.

4. <u>Refund of SHIP Benefit Fee upon SHIP Termination.</u>

Upon the termination of SHIP for any reason, each Member with Insured Participants enrolled in SHIP at the time of SHIP's termination shall receive a refund of its SHIP Benefit Fees (the "SHIP Refund") from the fund balance, if any. The SHIP Refund shall be calculated for each Member as follows:

A. LIMRiCC shall remove any Administration Fees from the SHIP Account;

B. The remaining SHIP Account Balance shall be multiplied by the Member

Fraction;

C. The Member Fraction shall be a fraction where the numerator is equal to the SHIP Benefit Fees paid by the Member in the last twelve (12) months and the denominator is equal to the total SHIP Benefit Fees paid by all Members with Insured Participants enrolled in SHIP in the last twelve (12) months; and

D. The resulting amount shall constitute the Member's SHIP Refund.

The SHIP Refund shall be paid within a reasonable time of the termination of SHIP, as determined in the discretion of the Board of Directors. Any amounts owed by a Member to LIMRiCC at the time of SHIP's termination shall be deducted from said Member's SHIP Refund and retained by LIMRiCC.

5. <u>Obligations of Terminated Members.</u>

The obligation of LIMRiCC to administer claims incurred under the Plan prior to the effective date of termination or voluntary withdrawal for a terminated Member shall continue for claims that are filed within a period of twelve (12) months after such effective date. Members who have either been terminated or have voluntarily withdrawn are required to make all Member Contributions and supplemental payments, and to pay their entire current invoice, for sixty (60) days after their termination date, known as the run-out period.

1. In the event of a member’s voluntary termination from the Program, notification to the Board must be given in writing 120 days prior to the termination date and prior to the end of the benefit plan year.

The exception to the 120-day required notice would be in the event that the Board fails to provide a 15 day notice of the health care premiums for the new plan year at least 135 days prior to the new plan year. In this case, it is at the discretion of the Board. A penalty fee of 25% of the current invoice will be applied to the Member for a notice of termination with less than 120 days notification.

2. A two (2)month run-out period for HIP will be charged based on the current invoice.

Q. <u>Rights and Obligations of Members.</u>

The rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the Members set forth herein.

2. No member agrees or contracts herein to be held responsible for any claims

in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for the purchase of health insurance and other insurance products as stated herein within the scope herein set forth, and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.

The obligations of each Member of LIMRiCC shall include the following:

1. To make all payments of Membership Contributions and any other payments to LIMRiCC as established in its By-Laws and this Agreement, including but not limited to late fees and supplemental benefit fees.

2. To hold an open enrollment meeting annually to provide education to the Member's Qualified Employees regarding the Program's benefits.

3. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to benefits, claims, and the financial obligations of the Member to LIMRiCC.

4. To report to LIMRiCC as promptly as possible all claims made to it within its benefit program as administered by LIMRiCC.

5. To furnish full cooperation with LIMRiCC's attorneys, and any agent, employee, officer or independent contractor of LIMRiCC relating to the purposes and powers of LIMRiCC.

6. To act promptly and within a reasonable period of time on all matters requiring approval or action by Members and to not withhold such approval unreasonably or arbitrarily.

7. To follow in the operations of the Member all procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.

8. In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under this Agreement or its By-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.

9. To appropriate or budget annually its liabilities under the LIMRiCC Program or Programs in which the Member participates.

10. To review all notices sent by LIMRiCC.

11. To attend all mandatory member meetings as set forth in Section J hereof.

12. During its participation in HIP, a Member shall only exclusively provide to

its employees, except independent contractors, or those in union-sponsored programs, the health benefits provided through HIP.

13. In the event LIMRiCC should in error pay any benefit claims, administrative fees, or other charges on behalf of a Member, which it was not obligated to pay, the Member shall, upon thirty (30) days' written notice, reimburse LIMRiCC for the amounts improperly paid.

14. In the event that a Member should sue LIMRiCC or any of its Directors, Officers, or employees, or agents regarding any issue related to this Article II and should not be the prevailing party in that suit, said Member shall, as part of its contractual obligation to LIMRiCC, pay the reasonable attorneys' fees and other costs and expenses expended by LIMRiCC in defending against that suit.

15. This Agreement and LIMRiCC's Bylaws are not intended to create or provide any rights in third parties, including, but not limited to, any Qualifying Employees or Insured Participants.

R. <u>Liability of LIMRiCC, Its Officers and Directors.</u>

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self-insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer. Board members, officers and employees of LIMRiCC shall be indemnified and held harmless by LIMRiCC for claims by third parties arising out of the good faith discharge of duties related to the Program.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members. The funds of each insurance program, i.e. those established under Articles I, II and III are kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of them:

1. Appear and defend against the claim or action; and

2. Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and

3. Pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term "Director, officer or employee" shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts.

S. <u>By-laws.</u>

The Program is subject to the current By-Laws of LIMRiCC. A copy of the current By-Laws of LIMRiCC is posted on LIMRiCC's website.

T. <u>Notices.</u>

All notices of claims or any other notice required to be given pursuant to the Program, shall be sent by certified mail and/or electronic mail. To notify LIMRiCC, members shall use the following mailing address:

LIMRiCC
668 N. River Road
Naperville, IL 60563

Email address: benefits@limricc.org

Each Member shall designate an individual to receive notices from LIMRiCC regarding the Program and provide LIMRiCC with current contact information for said individual, including mailing address and email address. If such addresses change, any party hereto may designate in writing to the other parties pursuant to the provisions of this Section the new contact information and address.

<u>ARTICLE III. RIGHTS AND OBLIGATIONS OF MEMBERS.</u>

A. <u>Obligations of Members.</u>

The obligations of each Member of LIMRiCC shall include the following:

1. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to claims and the financial obligations of the Member to LIMRiCC.

2. To furnish full cooperation by any agent, employee, officer or independent contractor with LIMRiCC's attorneys or claims administrator relating to the purposes and powers of LIMRiCC.

3. To follow in the operations of the Member all loss reduction and prevention procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss

prevention techniques and devices.

4. In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under this Agreement or its By-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.

5. To make other payments to LIMRiCC as established in the By-Laws.

6. To appropriate or budget annually its liabilities under the LIMRiCC Programs.

B. <u>Rights of Members.</u>

Rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the members set forth herein.

2. Except as provided herein, no Member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for joint risk management only within the scope herein set forth and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.

ARTICLE IV. LIABILITY OF LIMRICC, ITS OFFICERS AND DIRECTORS.

The members of the Board of Directors and the officers will use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self-insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members and proceeds of any insurance provided by LIMRiCC. The funds of each insurance program, i.e. those established under Articles I, II, and III are to be kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of the Director, officer or employee:

(a) appear and defend against the claim or action; and

(b) Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and

(c) pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term Director, officer or employee shall include former Directors, officers and employees. This indemnification shall not apply if the Board of Directors finds that the claim or action is based on malicious or criminal misconduct. In such case, the action to be taken by the Board of Directors will be determined after an investigation of the facts.

<u>ARTICLE V.</u> <u>BY-LAWS.</u>

A certified copy of the By-Laws of LIMRiCC has been furnished to the Member.

<u>ARTICLE VI.</u> <u>NOTICES.</u>

All notices of claims or any other notice required to be given pursuant to this agreement, shall be sent by certified mail and shall be addressed to:

LIMRiCC
668 N. River Road
Naperville, IL 60563

<u>ARTICLE VII.</u> <u>AMENDMENTS.</u>

The Board of Directors may, in the following manner, amend the "By-Laws of the Library Insurance Management And Risk Control Combination (LIMRiCC)" at any time and from time to time to add a new provision or change or remove an existing provision:

(a) The Board of Directors shall adopt a Resolution setting forth the proposed amendment and the date on which the amendment is to become effective, and directing that the proposed amendment be submitted to each LIMRiCC Member that will be affected by the proposed amendment.

(b) LIMRiCC shall give to each LIMRiCC Member that will be affected by the proposed amendment written notice of the proposed amendment, including the text of the proposed amendment and the date on which the amendment is to become effective, together with a ballot for voting to approve or disapprove the proposed amendment. Such notice shall be given not less than 60 days and not more than 90 days before the proposed effective date of the amendment, either via electronic mail or U.S. mail. If mailed, such notice shall be deemed to have been delivered on the second day after the day on which it is deposited in the United States mail, addressed to the Member at its address on the records of LIMRiCC, with postage prepaid.

(c) Each LIMRiCC Member must return its ballot to LIMRiCC on or before 5:00 PM on the proposed effective date of the amendment.

(d) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the LIMRiCC Members entitled to vote on such amendment.

(e) Any number of amendments may be submitted to the LIMRiCC Members and voted upon by them at one time.

(f) A LIMRiCC Member that has timely voted against the adoption of a proposed amendment may, within 60 days after the effective date of the proposed amendment, elect to withdraw from the LIMRiCC Program(s) affected by the new amendment, but only if the amendment materially and adversely affects the Member.

(g) Any LIMRiCC Member that is entitled to elect to withdraw from the LIMRiCC Program(s) in question is precluded from challenging the new amendment that creates the right of withdrawal, unless the adoption of the amendment is fraudulent with respect to the Member or with respect to LIMRiCC or constitutes a breach of a fiduciary duty owed to the Member.

(h) A LIMRiCC Member that is entitled to elect to withdraw may do so only if the Member delivers its written election to LIMRiCC within the said 60-day period.

(i) Notwithstanding anything to the contrary in this Article, the withdrawal of a Member shall not affect any existing claim(s) in favor of LIMRiCC against the withdrawing Member, or in favor of the withdrawing Member and against LIMRiCC.

ARTICLE VIII. POWERS OF BOARD OF DIRECTORS.

The Board of Directors may approve additional contracted services to be performed by LIMRiCC for other libraries, intergovernmental entities and governmental entities and the revenue from such services will be used to keep overall administrative costs lower for all LIMRiCC members.

Dated this______day of______________, 20___.

By: ________________________________

President, LIMRiCC

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(to be signed by the LIMRiCC Board President)

LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRiCC)

Dated this_______day of_________________, 20____.

By:________________________________
President

<u>RESOLUTION PROVIDING FOR THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION ("LIMRICC")</u>

BE IT RESOLVED by the Board of___________________(hereinafter referred to as the "Library") as follows:

1. AUTHORITY: This Resolution is adopted pursuant to the Intergovernmental Cooperation clause of the Constitution of the State of Illinois, the Intergovernmental Cooperation Act, the Library Systems Act, and the Illinois Public Library District Act (or the Illinois Local Library Act where applicable).

2. FINDINGS:

A. The Library Insurance Management and Risk Control Combination (LIMRiCC) has heretofore been established by Intergovernmental Agreement among existing public libraries and library systems to provide the following programs:

_____ 1. The Unemployment Compensation Program;

_____ 2. The Employee Benefits Insurance Program;

A copy of the Intergovernmental Agreement providing for these programs is attached hereto as Exhibit A.

B. It is in the best interests of the Library to participate in such of the above programs as are indicated by a checkmark in the appropriate box.

3. AUTHORIZATION: That the President and Secretary of this Library are, therefore, authorized and directed to execute an Intergovernmental Agreement providing for risk management and authorizing Membership in LIMRiCC for the programs hereinabove indicated, the Intergovernmental Agreement to conform substantially to the Intergovernmental Agreement attached hereto as Exhibit A and effective on January 1, 2027.

Adopted this______day of_________________, 20_____.

pursuant to a roll call vote as follows:

AYES: ____

NAYS: ____

ABSENT: ____

____
(Enter Name of Library)

____
Its President

Attest:

____
Its Secretary

PROPOSED AMENDMENTS TO THE BY-LAWS BALLOT

The Library Insurance Management and Risk Control Combination ("LIMRiCC") Board of Directors adopted a Resolution setting forth proposed amendments to the Intergovernmental Agreement Providing for Risk Management and Authorizing Membership in the Library Insurance Management and Risk Control Combination ("IGA") and to the By-Laws of the Organization. These changes are being made to allow the Wellness Insurance Network (WIN) Libraries to join our pool, as well as to fully clean up the language of the IGA. The proposed changes are fully set forth in the enclosed Resolution. A "clean" copy of the IGA and the by-laws is being provided to you.

The proposed amendments are being provided in **two (2) Resolutions**.

Both must be approved by the Library's Board of Trustees and signed copies must be returned. Ballots must be returned for **both amendments.**

AMENDING THE AMENDED BY-LAWS OF THE LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRiCC) ORGANIZATION TO ALLOW FOR SUBSTANTIVE AMENDMENTS TO THE BY-LAWS OF THE ORGANIZATION

The date that the proposed amendment is to become effective is December 16, 2026.

Members are invited to vote to "Approve" or "Disapprove" this propose amendments.

APPROVE________________ DISAPPROVE_________________

Each LIMRiCC Member entitled to vote must return its ballot (two ballots total) to LIMRiCC on or before 5 pm on **December 15, 2026.**