



Adopted: September 11, 1980
Amended: May 7, 1982
Amended: January 23, 1987
Amended: June 3, 1988
Amended: October 5, 1990
Amended: June 7, 1996

**BYLAWS
OF THE
CSAC EXCESS INSURANCE AUTHORITY**

ARTICLE 1. DEFINITIONS

The definitions of terms used in these Bylaws shall be the same as are contained in the Agreement Creating the Excess Insurance Authority, hereinafter called the Agreement, unless otherwise expressly provided.

ARTICLE II. OFFICES

The Authority's principal office for the transaction of business is located at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California. The Board of Directors may change the location of the principal office from time to time.

The Board may establish one or more subordinate offices at any place or places where the Authority is qualified to do business.

ARTICLE III. MEETINGS OF THE BOARD OF DIRECTORS

1. Regular Meetings

(a) Time Held

The Board of Directors shall hold a minimum of three meetings per year. These meetings should, if at all possible, be scheduled at least one year prior to each meeting. Unless otherwise changed by a majority vote of the Board of Directors at a regular meeting, these meetings shall be held at 8:30 a.m. on the first Friday of March, June and October. Should any of these days fall upon a legal holiday, the meeting of the Board shall be held on the same day of the following week.

(b) Business to be Transacted

At the second yearly regular meeting, the Board shall review, modify if necessary, and adopt the annual operating budget of the Authority.

At the last yearly regular meeting, the Board shall elect officers and Executive Committee members as required by the Agreement and these Bylaws.

At any meetings, the Board may transact any other business within its powers, and receive reports of the operations and affairs of the Authority.

(c) Notice

Written notice of each regular meeting of the Board shall be delivered to each director and/or alternate director at least seven (7) days in advance of the meeting. The notice shall specify:

- i. The place, date and hour of the meeting.
- ii. Those matters which are intended to be presented for action by the Board.
- iii. The general nature of any proposal for action by the Board concerning a change in the Agreement or these Bylaws, a change in the membership of the Authority, or any other matter substantially affecting the rights and obligations of the members ~~counties~~.
- iv. If officers and Executive Committee members are to be elected, the names of the persons nominated for such positions at the time the notice is sent.

2. Special Meetings

A special meeting of the Board of Directors and/or of the participating ~~counties~~ ~~members~~ in any insurance program may be called at any time by the President of the Board, or by a majority of the members of the Board or such participating ~~counties-members~~ subject to the requirement for 24-hour written notice to the members, participating ~~counties-members~~ and to requesting representatives of the media provided in Section 54956 of the California Government Code. The notice of a special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting.

3. Annual Meeting of Public Entity Members

(a) The Public Entity members of the Authority shall hold at least one meeting each year. Members attending shall be reimbursed expenses in accordance with Authority policy.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of annual meetings of the Public Entity members, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) The annual meeting of the Public Entity members shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

34. Place of Meeting

Each regular or special meeting of the Board of Directors or participating counties members in any insurance program shall be held at a place within the State of California designated by the Board of Directors at its preceding meeting, or if no such designation is made, as designated by the Executive Committee or the President of the Board.

45. Adjourned Meetings

The Board of Directors may adjourn any regular or special meeting to a time and place specified in the order of adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the adjournment is for a period of 30 days or more, in which case notice of the adjourned meeting shall be given in the same manner as notice of the original meeting.

ARTICLE IV. THE EXECUTIVE COMMITTEE

1. Membership

The eleven member Executive Committee shall consist of: President, Vice-President, one county CAO, one county Risk Manager, one financially-oriented member (preferably with investment background) from a member county but not necessarily a member of the Board, one county supervisor, two members from the public entity Board members, and the balance shall be elected at large. The immediate Past President shall also be a member of the Executive Committee, but shall serve in an advisory capacity only. If the Past President is elected to the Executive Committee for a term immediately succeeding his/her term as President, then the position of Past President shall remain vacant until filled in accordance with these Bylaws. The Executive Committee shall appoint the County Counsel representative who shall serve in an advisory capacity to the Board of Directors and the Executive Committee.

If a specific category is not able to be filled, then the Board of Directors will fill from within its own membership.

Any duly appointed or elected member of the Board may be elected by the Board to serve as President or Vice-President, provided however, that in no event shall there be more than two public entity directors on the Executive Committee.

2. Terms of Office

The terms of office of the ~~seven~~nine non-officer members of the Executive Committee shall be for two (2) years, or as otherwise provided for in the Agreement. The term of office for the immediate Past President shall be for one (1) year.

3. Removal, Vacancies and Alternates

The Board of Directors may remove any or all non-officer members from the Executive Committee at any time.

A vacancy in any non-officer position on the Executive Committee, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the Board. Pending action by the Board, the remaining members of the Executive Committee may fill a vacancy on an interim basis, except in the case of a vacancy caused by removal, which may only be filled by the Board.

The alternate director for a director who is a member of the Executive Committee may attend and participate in a meeting of the Committee as the representative of the member, but may not vote.

Continued membership of any Executive Committee member who misses more than 50% of the meetings in any calendar year or who misses two consecutive meetings shall be reviewed by the Executive Committee with any removal recommendations to be made to the Board of Directors.

4. Meetings

The Executive Committee shall meet on the first Thursday of every month, or on the call of the President of the Board, at such times and places as are designated by that officer.

The Committee shall also meet on the call of any six of its members, at such time and place as they may designate.

Written notice of regular meetings shall be in accordance with the provisions of Article III. (1). (c). Special meetings shall be called and noticed in accordance with the provisions of Article III. (2).

5. Quorum and Voting Requirements

~~Six~~Seven members of the Executive Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative votes of a majority of the members ~~present~~ at a meeting duly held at which a quorum is present. ~~If a quorum is initially present at a meeting, the Committee may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken is approved by at least a majority of the number required to constitute a quorum.~~

6. Adjourned Meetings

The Executive Committee may adjourn any meeting to a time and place specified in the order for adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the adjournment is for a period of 24 hours or more, in which case notice of the adjourned meeting shall be delivered to the members who were not present at the time of adjournment.

ARTICLE V. OFFICERS

1. Duties of the President

The President shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

2. Duties of Vice President

In the absence of the President, the Vice President shall perform all duties assigned to the President by the Agreement and by these Bylaws.

3. Terms of Office

The terms of office of the President and Vice-President shall be for one (1) year.

4. Removal and Vacancies

The Board of Directors may remove an officer at any time. A vacancy in an officer position, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the Board.

ARTICLE VI. COMMITTEES

1. Establishment of Committees

In accordance with Article 12 of the Agreement, by adoption of these Bylaws, the following committees are hereby established.

(a) Claims Review Committee

The Claims Review Committee shall review all claims arising out of the Workers' Compensation, Liability I, and Property ~~Land Property II~~ programs against members s ~~counties~~ which involve or may involve liability of the Authority. The Claims Review Committee may, subject to monetary limits established by the Board, settle claims within its monetary limits in accordance with Article X of these Bylaws. The Committee shall advise the Executive Committee and the Board as to the nature and extent of claims adjusting and legal defense services necessary to protect the funds of the Authority, as to settlement of claims above its monetary limits which involve liability of the Authority and such other functions as the Board and/or Executive Committee may direct. The Executive Committee may appoint ~~a~~ County Counsel representative s to serve in an advisory capacity to the Claims Review Committee.

(b) Underwriting Committee

The Underwriting Committee shall ~~evaluate, advise and make recommendations to the Executive Committee on~~ be responsible for approval of applications by non-member~~s~~ counties for membership in the Workers' Compensation and Liability programs of the Authority ~~and if delegated by the Board, approve such nonmember counties for membership,~~ subject to ratification by ~~a 2/3 vote of the members of the Board~~ Executive Committee. The Committee shall formulate, advise and make recommendations to the Executive Committee regarding the allocation of premiums to member~~s~~ and prospective non-member~~s~~ counties; advise and make recommendations regarding the distribution of such premiums; assess the stability of insurers and reinsurers and advise and make recommendations regarding said insurers and reinsurers and perform such other functions as the Board and/or Executive Committee may direct.

(c) Property Committee

The Property Committee shall review all matters pertaining to property insurance, including but not limited to, coverage and claims for the purpose of evaluating the Authority's property program. The Committee shall advise the Executive Committee and the Board as to matters affecting the Authority's property insurance program. The Property Committee shall ~~evaluate, advise, and make recommendations to the Executive Committee or the Board of Directors on~~ be responsible for approval of applications by non-member~~s~~ counties for membership in the Authority's Property Insurance Program.

(d) Finance Committee

The Finance Committee shall serve in an advisory capacity to the ~~General Manager~~ Chief Executive Officer and Executive Committee. The Committee shall study and recommend policies, procedures and practices to be implemented regarding various financial matters of the Authority and may:

- i. Review budgets
- ii. Review financial statements on a quarterly basis
- iii. Recommend for approval the external auditor to perform annual audits
- iv. Recommend for approval an investment program for trust monies
- v. Recommend for approval the accounting and internal control systems

which monitor the safeguarding of the Authority's assets.

- vi. Recommend for approval the Treasurer of the Authority

(e) Medical Malpractice Committee

The Medical Malpractice Committee shall review all matters pertaining to the Medical Malpractice Program, including but not limited to, coverage and claims, for the purpose of evaluating the Authority's Medical Malpractice Program. The Medical Malpractice

Committee shall have authority to decide all matters as described in the Memorandum of Understanding between the CSAC Excess Insurance Authority and Medical Malpractice members ~~s-counties~~. The Medical Malpractice Committee shall ~~evaluate, advise, and make recommendations to the Executive Committee or the Board of Directors~~ be responsible for approval of ~~en~~ applications by non-members ~~s counties~~ for membership in the Authority's Medical Malpractice Program.

(f) Loss Prevention Committee

The Loss Prevention Committee shall develop, evaluate and review all matters pertaining to the Authority's loss prevention services. The Committee shall advise and make recommendations to the Executive Committee or the Board of Directors regarding the programs, proposed regulatory changes specific to loss prevention and safety, the drug and alcohol testing consortium and perform such other functions as the Board and/or Executive Committee may direct.

(g) Employee Benefits Committee

The Employee Benefits Committee shall develop, evaluate and review all matters pertaining to the Authority's employee benefits programs. The Committee shall advise and make recommendations to the Executive Committee or the Board of Directors regarding existing programs and the development and implementation of new employee benefits programs and perform such other functions as the Board and/or Executive Committee may direct.

2. Committees Created by Memorandums of Understanding

The Board of Directors may, from time to time, approve development of insurance programs through Memorandums of Understanding (MOU). Those programs may create committees through the MOU to act for and on behalf of such programs. Any committee so created, except as otherwise provided in any applicable MOU, shall be established and act in accordance with the provisions of Article 12 and these Bylaws.

3. Appointment of Members

By adoption of these Bylaws, the Board of Directors delegates to the Executive Committee the appointment of the members of the Claims Review, Underwriting, Property, Finance, Medical Malpractice, Loss Prevention and Employee Benefits Committees, such appointment to be in accordance with the provisions as set forth in Article 12 of the Agreement.

4. Committee Meetings

(a) Committees shall meet at regularly scheduled times and places or upon the call of their chairs. Written notice of regular meetings shall be in accordance with the

provisions of Article III. (1). (c). Special meetings shall be called and noticed in accordance with the provisions of Article III. (2).

A majority of the members of the respective Committees shall constitute a quorum for the transaction of business. All actions of the Committees shall require the affirmative votes of a majority of the members ~~present~~ at a meeting duly held at which a quorum is present. ~~If a quorum is initially present at a meeting, the Committees may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken is approved by at least a majority of the number required to constitute a quorum.~~

ARTICLE VII. DELEGATION OF AUTHORITY

1. Adoption of Resolutions

As provided in Article 8 of the Agreement, the Board of Directors may adopt such resolutions as are deemed necessary in the exercise of its power and duties, including the delegation of certain powers and duties to the Executive Committee. Any resolutions so adopted by the Board are by this reference incorporated herein as though fully set forth.

2. Adoption of other Policies and Procedures

As also provided in Article 8 of the Agreement, the Board of Directors is vested with authority to exercise all powers and conduct all business of the Authority. In furtherance of that authority, the Board of Directors and the Executive Committee shall develop and implement such policies and procedures, not otherwise prohibited by the Agreement or law, as they from time to time deem necessary to aid and assist in the conduct of the business of the Authority. Any such policies and procedures as adopted are by this reference incorporated herein as though fully set forth.

ARTICLE VIII. MISCELLANEOUS

1. Execution of Contracts

The Board of Directors or the Executive Committee may authorize any officer, staff member, or agent of the Authority to execute any contract in the name of and on behalf of the Authority, and such authorization may be general or specific in nature. The ~~General Manager/Secretary~~ Chief Executive Officer, or his or her designee, may enter into such contracts and authorize such payments as are approved in the Authority's budget, renew any existing contract or authorize any payment which does not exceed \$10,000.00. Except as

otherwise provided, no officer, staff member or agency shall have any power to bind the Authority by contract.

2. Authorization of Payments

All invoices, billings, and claims of members ~~s counties~~ for payment of losses under an excess insurance program shall be approved and signed by the following before payment by the Treasurer:

- (a) President of the Board or,
- (b) The Vice President of the Board ~~and~~or,
- (c) The ~~General Manager/Secretary~~Chief Executive Officer or his or her designee.

3. Rules of Procedure for Meetings

All meetings of the Board of Directors, Executive Committee, and other committees or bodies of the Authority shall be conducted in accordance with Robert's Rules of Order, provided that in the event of a conflict, such rules shall be superseded by the Agreement, these Bylaws, and California law.

ARTICLE IX. FISCAL YEAR

The fiscal year of the Authority shall be from July 1 to June 30.

ARTICLE X. ADMINISTRATION AND NOTICE OF CLAIMS

A. Administration of Claims

1. In accordance with Article 18 of the Agreement, each member ~~County~~ shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the ~~county member~~ arising out of a loss covered by an insurance program of the Authority of which the ~~county member~~ is a participant.

2. The Authority may develop standards for the administration of claims for designated insurance programs of the Authority. Any standards for the administration of claims which have been developed for any designated program, or which otherwise may be developed, are by this reference incorporated herein as though fully set forth.

B. Notice of Claims

If a member ~~county~~ is a participant in the Workers' Compensation, Liability I and/or Liability II programs of the Authority, the member ~~county~~ shall give the Authority timely written notice in accordance with the adopted reporting requirements established for each such

program. Such reporting requirements, as adopted or as amended, are by this reference incorporated herein as though fully set forth.

ARTICLE XI. CLAIMS SETTLEMENT AUTHORITY

In accordance with Article 8 paragraph (j) of the Agreement, by adoption of these Bylaws, the following claims settlement authority is established.

(a) The Board of Directors hereby delegates to the Executive Committee full settlement authority for the full limits of coverage for any claim involving coverage under any established program of the Authority.

(b) The first \$~~500,000~~5,000,000 of settlement authority involving liability under the Workers' Compensation and Excess Liability Programs, and full settlement authority for liability under the Property Insurance Program, is hereby delegated to the Claims Review Committee.

(c) The Executive Committee ~~may hereby delegates part or~~ all of its settlement authority up to the full limit of coverage for liability involving coverage under the Medical Malpractice Program to the Medical Malpractice Committee ~~or in the alternative to the Claims Review Committee as the Executive Committee deems appropriate.~~

ARTICLE XII. TREASURER AND AUDITOR

1. Treasurer

The duties of the Treasurer are set forth in Article 16 of the Agreement. Pursuant to Government Code Section 6505.6 and in accordance with Article 13(a)(2) of the Agreement, the Board appoints the Chief Executive Officer to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

2. Auditor

The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.6 and in accordance with Article 13(a)(3) of the Agreement, the Board appoints the Chief Financial Officer to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

ARTICLE XIII. PUBLIC ENTITY BOARD MEMBERS

1. Election

In accordance with Article 7(b-c), the Public Entity members shall elect seven (7) voting directors and three (3) alternate directors to the Board of Directors. The election shall be conducted by mail in ballot under the direction of the Executive Committee. The Executive

Committee shall adopt rules and procedures for the conduct of the elections, which shall include, but not be limited to, a nominating committee which shall be responsible for determining a slate of candidates. Election of Board members shall be by a majority vote of those responding. In order for the election to be valid, a response rate of at least one-third of the public entity membership is required. Should there be a tie vote for the election of any Board member, the winner will be determined in accordance with the adopted rules and procedures for the conduct of elections. Unless otherwise approved by the Executive Committee, the names of nominated candidates shall be mailed to all members no later than October 1st of each year. Ballots shall be returned no later than November 1st. Elected Board members shall take office on January 1st.

2. Composition and Terms

The ten directors shall be those that receive the highest votes from the participating public entity members, with the top seven highest vote totals designated as the director members and the remaining three with the highest vote totals designated as alternate directors. Three of the director seats shall consist of one from a city member, one from a schools member, one from a special district member and the remaining four seats shall be elected at large. The terms of the seven director positions shall be staggered such that approximately half of the directors' terms will expire each year. Terms of office for the directors shall generally be two-year terms, provided however, that some one-year terms will be established initially and may be established from time to time in order to establish and maintain the appropriate stagger. Alternate members will be elected for one year terms and will be permitted to vote only if the required number of director members are absent. Should the number of alternate votes authorized due to director absences be less than the number of alternate members at any meeting, the alternates shall decide which alternate members shall be entitled to vote, and if they cannot agree, the President of the Board will determine which of the alternate directors may vote in a director's absence. Alternate directors who attend Board meetings will be entitled to expense reimbursement as if they were a director regardless of whether or not they are in a voting capacity.

ARTICLE ~~XIII~~XIV. AMENDMENTS

These Bylaws may be amended at any time by a majority vote of the Board of Directors. Following adoption of amendments, the ~~General Manager/Secretary~~Chief Executive Officer shall prepare and distribute a revision of the Bylaws to all memberss~~counties~~.

CERTIFICATE OF ~~SECRETARY~~CHIEF EXECUTIVE OFFICER

I, the undersigned, certify that I am presently the ~~Secretary~~ Chief Executive Officer of the CSAC Excess Insurance Authority and that the above Bylaws, consisting of ten pages, are amended Bylaws of the Authority, as adopted at a meeting of the Board of Directors held on June 7, 1996.

Date: June 7, 1996
Executed at Rancho Cordova, California

MICHAEL FLEMING

~~GENERAL MANAGER/SECRETARY~~ CHIEF EXECUTIVE OFFICER