

## **CITY COUNTY INSURANCE SERVICES (CIS) BYLAWS**

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## **ARTICLE 1. DEFINITIONS**

### **1.1 Terms utilized in the Bylaws shall have the meanings as set forth in this Article.**

“Administration”. Administration includes, without limitation, payment of costs and expenses, in each Trust Fund consolidated under the CIS Trust, related to underwriting and excess insurance or reinsurance, loss prevention and risk management services, claims administration, benefits administration, data processing, financial accounting, member services and other Trust expenses, whether performed by the Trust or a Service Company. Capital expenditures for facilities and equipment necessary to carry out the purposes of a Trust Fund shall be deemed as part of Administration.

“Administrator” means, the Executive Director of the CIS Trust

“AOC” or “ASSOCIATION” means the Association of Oregon Counties, an intergovernmental agency established under the laws of the State of Oregon and having a principal place of business in Salem, Oregon

“AOCIT” means the Association of Oregon Counties Insurance Trust, the AOC sponsored employee health and welfare benefits Trust Fund.

“Beneficiary” means, for the CIS Benefits Trust Funds, an employee, a dependent thereof, or a retiree, or a dependent thereof, of a Participating Employer, or otherwise legally designated recipient of benefits, who is, or shall be, entitled to receive benefits from the Trust Plans; or a spouse or a dependent of an employee or a retiree of a Participating Employer who is, or shall be, entitled to receive benefits from the Trust Plans.

“Board of Trustees” or “CIS Board of Trustees” mean the trustees appointed to administer Trust Funds established by LOC and AOC and described in the Trust Agreement.

“Bylaws” means the bylaws adopted by the Board of Trustees as authorized by Article 5.1.16 of the Trust Agreement.

“Carrier” means, for CIS Benefits, any commercial insurance company, health maintenance organization or health care service contractor organization issuing a contract under the terms of which benefits are provided by the Trust Plans and may include the Trust Plan itself if the Trust Plan is a self-insurer.

“CIS Benefits” means the EBS and AOCIT employee benefits health and welfare Trust Funds described in the Trust Agreement Recitals as Exhibits A and B.

“CIS Property/Casualty Trust” means the Trust Fund described in the Trust Agreement Recitals as Exhibit C and formerly named “CITY/COUNTY INSURANCE SERVICES TRUST”.

“CIS” or “CIS TRUST” means the group of funds administered as trusts, which support employee health and welfare benefits programs and property, liability and workers’ compensation programs of participating members of the League and Association and affiliated groups

“Contribution” means required payments for the Pooled Risk Retention Program to establish Loss Funds and any other necessary or prudent reserves, to purchase reinsurance and/or excess insurance in the name of the Trust, and to provide Administration. The term Contribution includes both “initial contribution” and “deferred contribution” as those terms are described in CIS P/C Trust Rule #1 Loss Fund Protection and Surplus Distribution. The term Contribution does not include Premiums paid to the Trust for any Insurance Program provided on a group purchase or individual basis and passed through to an Insurer, or Fees charged to a Member under an Unbundled Services contract.

“Coverage Agreement” means the agreement between the CIS Trust and a Member describing the terms and conditions of coverage provided in consideration of the Contribution received from the Member. A separate Coverage Agreement shall exist for each Line of Coverage made available by the Board of Trustees.

“Dependent” means, for CIS Benefits, a dependent as defined in any policy or other form of coverage selected by the Board of Trustees.

“EBS” or “Employee Benefits Services Trust” means the LOC sponsored employee health and welfare benefits Trust Fund

“Employer” means, for the EBS Trust, any city, municipality, public agency, public corporation, special service district, governmental agency or governmental unit within the State of Oregon.

“Employer” means, for AOCIT, any county, public agency, public corporation, special service district, governmental agency or governmental unit within the State of Oregon.

“Fee” means the amount charged to a Member by the CIS Trust for the provision of Unbundled Services.

“Governance Policy” means the governance policy adopted by the Board of Trustees as authorized by Article 5.1.16 of the Trust Agreement.

“Insurance Program(s)” means a coverage program by an Insurer offered by the Trust to Members as authorized by the Trustees.

“Insurer” means any insurance company providing any insurance contract to the Trust and providing any benefit, directly or indirectly, for any Member including, but not limited

to, any such policy that the Trustees deem necessary or prudent for the proper operation of the Trust.

“Line of Coverage” means each separate type of coverage offered by the Pooled Risk Retention Program for which Members make Contributions to the Trust. The terms and conditions of coverage for each Line of coverage shall be as set forth in the Coverage Agreement for that Line of Coverage.

“LOC” or “LEAGUE” means the League of Oregon Cities, an intergovernmental agency established under the laws of the State of Oregon and having a principal place of business in Salem, Oregon.

“Loss Fund” means all Contributions made by Members for a Line of Coverage in a Pooled Risk Retention Program pursuant to a Coverage Agreement, Trust Agreement, Bylaws, Rules or other agreements pursuant or incident thereto.

“Member” means any city, county or other entity which satisfies the eligibility and membership requirements set forth in the Bylaws, participates in one or more Trust Programs, and whose membership has not been terminated or suspended pursuant to the process described in the Bylaws.

“Participating Employee” means for CIS Benefits, an elected official or employee of a Participating Employer on whose behalf contributions are made to the Trust Plan.

“Participating Employer” means for CIS Benefits, an Employer which has qualified and agreed to participate in a Trust Plan offered by EBS or AOCIT and has Participating Employees.

“Plan Year” means for CIS Benefits, the period of time from August 1 to July 31.

“Policy” means, for CIS Benefits, a Policy of Insurance or any contract issued pursuant to the Trust Plan under which benefits are provided to a Participating Employee or a Beneficiary.

“Policy of Insurance” means the Insurance Program issued by an Insurer describing the terms and conditions of coverage in consideration for payment of a Premium.

“Pooled Risk Retention Program” means any Line of Coverage offered as a risk sharing program in which Members agree to make Contributions in exchange for coverage of risks as described in a specific Coverage Agreement.

“Premium” means any sums paid or payable as consideration for coverage granted pursuant to a Policy of Insurance

“Program Documents” in the case of a CIS Benefits Line of Coverage within the Pooled Risk Retention Program, means the Summary Plan Description, Trust Plan, Trust Agreement, these Bylaws, and the Rules applicable to such Line of Coverage.

“Rules” means rules adopted by the Board of Trustees as authorized by Article 5.1.16 of the Trust Agreement.

“Service Company” means any person or agency, other than the Trust, designated to operate or provide a claims administration service, a risk management or loss prevention program, or perform similar or other services.

“Summary Plan Description” in the case of a CIS Benefits Line of Coverage within the Pooled Risk Retention Program, means the Member Handbook, which serves as the Coverage Agreement for such Line of Coverage.

“Trust” means the CIS Trust described in the Trust Agreement and, as the context requires, all funds, property and assets of the Trust Funds administered by the Trust.

“Trust Agreement” means the Declaration and Agreement of Trust entered into by AOC and the LOC effective October 1, 2008, and as amended from time to time.

“Trustee” means each person then serving as a Trustee pursuant to the Trust Agreement.

“Trust Fund(s)” means EBS Trust, AOCIT or the CIS Property/Casualty Trust, so long as such Trust Funds are administered pursuant to the Trust Agreement.

“Trust Plan(s)” means the health and welfare benefits Plan(s) offered by CIS Benefits (EBS and AOCIT).

“Trust Program(s)” means Insurance Programs, the Pooled Risk Retention Program, or Unbundled Services, individually or collectively.

“Unbundled Services” means claims administration, risk management or other services provided on a Fee basis under a contract between a Member and the CIS Trust, not in connection with an Insurance Program or Pooled Risk Retention Program.

## **ARTICLE 2. MEMBERSHIP**

2.1 Membership Basis. Participation in at least one Trust Program is the basis for membership in CIS.

2.2 Membership Term. CIS membership is continuous so long as the Member is making a Contribution for one or more Lines of Coverage, or a Premium payment for an Insurance Program, or a Fee for other services, unless terminated by the Member or the Trust pursuant to the provisions of the Bylaws.

2.3 Eligibility to Become Member. Entities eligible to become a CIS Member are:

The CIS Trust itself

LOC and any Oregon city which is a member of the LOC.

AOC and any Oregon county which is a member of the AOC.

Any other “public body”, as defined in ORS 174.109, that is subject to ORS 30.260 to 30.300 (Tort Actions Against Public Bodies) and that is created by a city or county under statutory or home rule authority or that provides services a city or county may provide within its own boundaries.

2.3A All CIS Members shall enroll and maintain membership in either AOC or LOC. On failure to do so, Members shall be notified by CIS that their participation in a Trust Program at CIS shall be terminated if AOC or LOC membership is not in place prior to the due date of the next Contribution for a Pooled Risk Retention Program, policy expiration in the case of an Insurance Program, or contract renewal in the case of an Unbundled Service, which comes due thirty (30) days or more from the lapse in membership in AOC or LOC. Such termination shall be effective as of the due date of such Member's next Contribution, Premium or Fee payment. A Member not eligible to maintain full membership in AOC or LOC may satisfy the provisions of this section by maintaining any other membership status in AOC or LOC for which it is eligible.

2.4 Application to Participate in a Trust Program. Prior to participating in a Trust Program the governing body of an eligible Member, or a person duly authorized to act on its behalf, must:

2.4A Complete such written application as the Trust shall determine for each Line of Coverage, Insurance Program or Unbundled Service offered by the Trust;

2.4B Agree as part of the application process that upon acceptance of participation from the Trust, the Member acknowledges and agrees to enter into the contractual relationship described in Article 3.1 of these Bylaws, including, without limitation, an agreement to pay the Contributions, Premiums or Fees to the Trust determined pursuant to the provisions of the Bylaws, Rules, Coverage Agreement, Policy of Insurance or other contract;

2.4C Meet all other criteria established by the Trust and provide all information requested by the Trust or an Insurer, which the Trust deems necessary and prudent for the proper administration of the Trust, including but not limited to underwriting criteria; and

2.4D Receive written acceptance of participation from the Trust.

2.5 Appeal from Denial of Participation. No appeal shall lie from (a) a denial of participation in an Insurance Program as a result of any Insurer failing to give its required approval, or (b) the Trust's decision not to enter into an Unbundled Services contract.

2.5A In the event an eligible Member has been denied participation in a Line of Coverage by the Executive Director or any Committee of the Board of Trustees, such entity may request the Board of Trustees to review such decision of denial. Such request for review shall be made within thirty (30) days of such denial by written notice

to the Chair(man) of the Trust with a copy to the Executive Director. The Board of Trustees shall meet at the time and place designated by the Chair. Procedural matters regarding the conduct of the hearing shall be the same as set forth in the Bylaws for suspension and termination of a Member's participation.

2.6 Acceptance in a Trust Program. An eligible Member shall be accepted for participation in a Trust Program only upon the approval of the Trust and/or any Insurer whose approval is required as a condition of providing coverage. The decision of the Trust and/or Insurer in this regard shall be final. Any such entity which has been refused participation may again request such status after a period determined by the Trust.

2.6A The effective date upon which participation in a Trust Program commences shall be determined by the Trust and set forth in the Trust's written notice of acceptance. Notwithstanding the foregoing, the commencement date may be specified by an eligible Member in its written request to participate, in which case such Member shall join the program upon such date if approved by the Trust.

2.7 Suspension or Termination of Participation in a Trust Program. The provisions of this section apply to suspension of participation by action of the Executive Director and to suspension or termination of participation by action of the Trust.

2.7A The Executive Director may, without further action by the Board of Trustees, suspend participation in a Trust Program for failure to pay any Contribution, Premium or Fee required by the Trustees when due and owing. Participation status in the related Line of Coverage, Insurance Program or Unbundled Service shall immediately cease on the effective date of such notice and may be retroactive to the last date for which coverage has been paid. If the Member shall subsequently submit its payment, the Executive Director has the discretion to reinstate participation privileges. Suspension of participation in a Trust Program due to non-payment of all or any part of a Contribution, Premium or Fee shall be evidenced and preceded by a ten (10) day written notice to the Member from the Executive Director.

2.7B The Board of Trustees may take action to suspend or terminate a Member's participation in a Trust Program for any of the following reasons:

2.7B(1) Conduct that is determined by the Board of Trustees in their sole discretion, pursuant to the procedures described in Section 2.8 of these Bylaws, to warrant suspension or termination;

2.7B(2) Failure to comply with the Trust Agreement, Bylaws, Rules, Coverage Agreement, Policy of Insurance or other contract with the Trust;

2.7B(3) Failure to continue to meet the criteria required by any Insurer or the Trust, including, without limitation, underwriting criteria and rules for participation;

2.7B(4) Failure to comply in good faith with risk management programs instituted by the Trust, or non-cooperation with staff of the Trust regarding risk management procedures including, without limitation, training programs.

2.7C Termination of participation in a Line of Coverage shall be evidenced and preceded by a sixty (60) day written notice to the Member from the Trust.

2.7D Time limits and notice provisions for termination of coverage in an Insurance Program shall be set forth in the Policy of Insurance and applicable laws and regulations.

2.7E Time limits and notice provisions for termination of coverage in an Unbundled Services Program shall be set forth in the contract.

2.8 Procedure and Review Process for Termination of Participation in a Trust Program.

When in the determination of the Executive Director a Member has engaged in conduct that warrants review of their participation status as provided in Article 2.7B, the

Executive Director shall file a written report with the Board of Trustees. Said report shall contain a summary of the facts and the Executive Director's recommendations regarding continued participation status.

2.8A A copy of the Executive Director's report shall be served by mail on the Member along with a notice of hearing by the Board of Trustees. Such notice of hearing shall include the place, date and time of the hearing and a request for attendance at the hearing. At their discretion the Board of Trustees may submit written questions to the Member, written answers to which must be mailed to the Executive Director no later than seven (7) calendar days prior to the date of the hearing.

2.8B(1) A Member objecting to the report and recommendations of the Executive Director shall have the right to submit a written statement to the Board of Trustees setting out in detail the basis of the objection and any other information the Member desires to submit. Said statement must be mailed to the Executive Director no later than five (5) calendar days prior to the hearing.

2.8B(2) Such hearing shall be scheduled no less than ten (10) nor no more than twenty (20) days from the date of such notice of the Trust; provided, however, that if the Board of Trustees submit written questions to the Member, the date of such hearing shall be set or re-set so that such Member shall have at least fifteen (15) days from the mailing of such questions by or on behalf of the Board of Trustees to prepare such written answers.

2.8C The Board of Trustees shall meet at the time and place designated in the notice of hearing. The Member shall be entitled to be represented at the hearing and present an oral statement and other information. Following the hearing, the Board of Trustees shall affirm, modify, or reject the recommendation of the Executive Director. The Board shall have the authority to place a Member's participation on probation, the terms and duration of which it shall determine. A copy of the Board of Trustees decision shall be served by mail on the Member. The action of the Board of Trustees shall be final and binding.



2.9 Termination Mid-term by Member. A Member may withdraw from a Line of Coverage, Insurance Program or Unbundled Services contract prior to the end of the coverage or contract period.

2.9A In the case of mid-term withdrawal from a Line of Coverage, a Member must deliver to the Trust a resolution adopted by the Member's Governing Body authorizing withdrawal. Such resolution shall be delivered to the Trust not less than 60 days prior to the effective date of withdrawal. A Member withdrawing shall have no claim on the reserves being maintained by the Trust or Insurance Program for losses incurred by the withdrawing Member. The Trust and Insurer shall continue the servicing of any covered claim after the withdrawal of a Member. The Member shall remain liable for any Contribution which has or will have accrued for any Fund Year prior to the effective date of such withdrawal. In the event a Member elects to withdraw from a property, liability, or workers' compensation Line of Coverage prior to the end of a coverage year, a standard insurance industry 'short rate' cancellation table shall be used to determine the amount of earned contribution to be retained by the Trust.

2.9B Members covered by an Insurance Program offered through the Trust may withdraw at any time upon 30 days written notice to CIS. Refund of any Premium will be determined in accordance with the terms of the Policy of Insurance involved.

2.9C Members covered by an Unbundled Services contract with the Trust may withdraw according to the terms of the contract.

### **ARTICLE 3. OBLIGATIONS OF MEMBERS**

3.1 Contractual Obligation. Each Member, on becoming a participant of a Trust Program, enters into a contractual relationship with the Trust and thereby agrees to be bound by the provisions and terms of the Trust Agreement, Bylaws, Rules, Coverage Agreement, Policy of Insurance and any documents required by an Insurer, or Unbundled Services contract, including such revisions or amendments thereto as are adopted by the Trust, provided notice of such revisions or amendments is given to the Member and copies are made available to the Member.

3.1A Except to the extent of paying Premiums, Contributions or Fees determined pursuant to the provisions of the Bylaws and Rules, nothing herein contained shall be deemed to create any relationship of surety, indemnification, guarantee or responsibility between Members for the debts or claims against any other Member or on the part of any Member with respect to the Trust.

3.2 Requirements. Each Member of a Trust Program is obligated:

3.2A To appropriate all adequate available revenues, as permitted by applicable law, for and to pay promptly all Contributions, Premiums and Fees to the Trust at such times and in such amounts as shall be established by the Board of Trustees within the scope of the Trust Agreement, Bylaws, Coverage Agreement, Rules, Policy of Insurance or Unbundled Services contract.

3.2B To allow the Trust and its designated representatives, employees and attorneys reasonable access to all facilities of the Member and all records, including but not limited to financial records, which relate to the purposes or powers of the Trust. Access shall be permitted at all reasonable times prior to the expiration of two (2) years after the termination of a Member's participation in the Trust to examine the Member's books, vouchers, contracts, documents and records of any and every kind which show or tend to show or verify the amount which is payable from a Trust Fund to such Member or any of its Employees.

3.2C To comply with the Rules of all Trust Programs in which the Member participates.

3.2D To allow attorneys selected by the Trust or Service Company to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Member within the scope of coverage furnished by the Trust.

3.2E To furnish full cooperation with the underwriters, claims adjusters, the Service Company and any designated representative, employee, officer or independent contractor of the Trust relating to the purposes and powers of the Trust.

3.2F To follow risk management procedures established by the Trust within the purposes and powers of the Trust.

3.2G To furnish to the Trust any budget and audit information of revenues and expenditures of the Member for any fiscal year for which figures are requested by the Trust.

3.2H To report as promptly as possible all incidents which could result in the Trust being required to consider a claim within the scope of coverage undertaken by the Trust.

#### **ARTICLE 4. MEETINGS**

4.1 Meetings of the Membership. One or more meetings of the Members of the Trust shall be held annually at such time and place as determined by the Board of Trustees. Members shall be notified of the time and place of each meeting by at least ten (10) days written notice. Such notice may be by first class or electronic mail and may be included as part of any Trust publication. Notice may also be posted on the Trust's website home page.

4.2 Regular Meetings. The Board of Trustees may provide notice of the time and place for holding regular meetings on the Trust's website.

4.3 Special Meetings. Special Meetings of the Board of Trustees may be called by the Chair or any four (4) Trustees. The person or persons authorized to call any such Special Meeting may fix the time and any place, within the State of Oregon, for the holding of any such Special Meeting of the Board of Trustees called by him or them. Any such meeting may be called upon at least five (5) days written notice delivered personally, by mail, facsimile or email to each such Trustee at his or her business

address or residential address. Such notice shall specify the date, time, place and purposes thereof.

4.4 Attendance at Meeting. The attendance of a Trustee at any meeting of the Board of Trustees shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.5 Telephonic or Other Electronically-linked Meetings. Consistent with state law, any action, other than an appeal or hearing pursuant to sections 2.5 or 2.8, may be taken at a properly constituted telephonic or other electronically-linked meeting.

## **ARTICLE 5. OFFICERS OF THE BOARD OF TRUSTEES**

5.1 Annual Election. The Trustees shall annually elect from themselves, as provided by the Trust Agreement, a Chair and a Vice-Chair, for a term from July 1 of the year in which elected to June 30 of the following year. The Chair shall preside at all meetings of the Board of Trustees. The Vice-Chair shall preside at all meetings in the absence of the Chair. In the absence of both the Chair and the Vice-Chair the Trustees constituting a quorum may elect a Chair pro-tem for purpose of conducting a meeting and transacting Trust business. The Trustees shall also designate a Secretary who may or may not also be a Trustee. The Secretary shall cause the records of the proceedings of the meetings of the Board of Trustees to be kept and maintained. All such officers of the Board of Trustees who are also Trustees may vote on any issue or matter properly before the Board of Trustees.

5.2 Mid-term Replacement of Chair or Vice-Chair. In the event the Chair or Vice-Chair resigns from that position or from the Board of Trustees, or become ineligible or otherwise unable to continue serving as a Trustee prior to the end of the term of his appointment, the Board of Trustees shall, consistent with Article 3.7 of the Trust Agreement, elect from among themselves a successor Chair or Vice-Chair at the next Regular Meeting or, if necessary, at a Special Meeting. Such successor Chair or Vice-Chair shall serve in that capacity for the remainder of the term.

5.3 Compensation of Trustees. The Trustees may reimburse themselves for reasonable expenses properly and actually incurred in the course of acting as Trustees. To the extent that such Trustee is reimbursed by a Member or other entity for expenses as Trustee, such Trustee shall not be so reimbursed, but such reimbursement may be paid to the Member or other entity, as the case may be, with respect to which such Trustee is an Official.

## **ARTICLE 6. COMMITTEES**

6.1 Board Committees. The Board of Trustees may, in its sole, absolute discretion, establish sub-committees of Trustees. The Board of Trustees may also appoint advisory committees to the Board of Trustees or any Committee of the Board comprised of individuals who are not Trustees but whose expertise, experience or knowledge may be

helpful to the Trustees in the performance of their duties. The Board of Trustees may provide for such compensation to such members of any advisory committee as it shall in its sole discretion determine.

## **ARTICLE 7. GOVERNANCE POLICY**

7.1 Governance Policy. The Board of Trustees may adopt a Governance Policy that describes the role of Trustees; the relationship between the Board of Trustees and the Executive Director; the limitations placed by the Board of Trustees on the Executive Director's authority and the end results to be obtained by the Trust. Such Governance Policy, if adopted, shall be consistent with the provisions of these Bylaws and may be modified or rescinded by the Board of Trustees at its discretion.

## **ARTICLE 8. ADMINISTRATION**

8.1 Appointment of an Executive Director. The Board of Trustees shall appoint an Executive Director to manage the daily affairs of the Trust. The Executive Director shall serve under such terms and conditions as the Board of Trustees shall prescribe. Such Executive Director shall not be an owner, officer or employee of any Service Company. The duties of the Executive Director shall include, without limitation, carrying out of policies established by the Board of Trustees, hiring and managing staff, locating and recommending various contractors, supervising and reporting on contractor's performance, the provision of financial and accounting reports and the maintenance of excess reinsurance or other insurance. In addition, the Executive Director shall:

8.1A Pay claims to or on behalf of the Members in Pooled Risk Retention Programs in accordance with purposes of the Trust Agreement, Bylaws, Rules and Coverage Agreements.

8.1B Create reserves for the payment of claims.

8.1C Pay or provide for the payment on behalf of Members hereunder all Premiums as they become due to an Insurer on any Policy of Insurance.

8.1D Cause to be maintained accounts of all investments, receipts, disbursements and all other transactions affecting funds or property of the Trust.

8.1E Engage an independent certified public accountant who is appointed by and reports directly to the Board of Trustees to perform a financial audit of the Trust at least once per Fund Year and to report regarding such audit to the Members at the meetings of the Members.

8.1F Engage an independent and qualified actuary who is appointed by and reports directly to the Board of Trustees to perform actuarial calculations and provide advice regarding the sufficiency of the Loss Funds as frequently as is required for prudent management.

8.1G Maintain minutes of all meetings of the Board of Trustees and cause copies thereof to be distributed in a timely manner to all Trustees and made available to Members.

8.1H Publish such claim reports, financial statements and actuarial projections as necessary to advise Members of the current and projected financial status of the Trust.

8.1I Pay all taxes and assessments that may be levied or assessed under existing or future laws upon, or in respect of, the Trust or its income.

8.1J Cause the terms and provisions of the Trust Agreement, Bylaws, Rules, Coverage Agreements, Policies of Insurance and other Contracts to be performed and carried out and the assets of the Trust to be properly held and administered.

8.1K Pay or provide for the payment of all reasonable and necessary expenses of administering the Trust and all charges reasonably incurred by the Board of Trustees in protecting the funds and property of the Trust and in carrying out the purposes of the Trust.

8.2 Faithful Performance of Duties. Any Executive Director, employee or designated representative shall be required to be insured for the benefit of the Trust against crime and dishonesty in a form and amount set by the Board of Trustees. The cost of such insurance shall be paid as an expense of the Trust.

8.3 Service Company. If services are not otherwise provided by the Trust, the Board of Trustees shall obtain the services of a Service Company for the purpose of providing claims management and other services. The Service Company shall adhere to guidelines for the performance of its duties as set forth by the Board of Trustees.

## **ARTICLE 9. AMENDMENTS**

9.1 Method of Amendment. The Bylaws may be amended at any time by a written instrument approved by the Board of Trustees then serving, a copy of which shall be furnished to each Trustee.

9.2 Limitation on Amendments. No amendment shall be adopted which alters the basic purpose of the Trust, conflicts with the Trust Agreement or with any applicable law or government regulation, causes the use or diversion of any part of the Trust for purposes other than those authorized by the Trust Agreement, or retroactively deprives any person of a vested right or interest.

## **ARTICLE 10. GENERAL PROVISIONS**

10.1 Title to Trust Assets. Title to the funds and property of the Trust, including without limitation Loss Funds, shall be vested in and remain exclusively in the Board of Trustees and no Member shall have any right, title or interest in the Loss Funds nor any right to Contributions made or to be made thereto, nor any claim against any Member on account thereof.

10.2 Non-alienation of Benefits. The funds and property of the Trust, including without limitation Loss Funds, shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by any person other than the Board of Trustees and their duly authorized representative to the extent and for the purposes as herein specifically provided.

10.3 Examination of Books and Records by Members. Any Member, or their designated representative, shall be permitted to examine the Trust's books, contracts, documents and records. However, such examination shall not extend to matters relating to other Members, or to matters or records that would be treated as exempt by a public body pursuant to ORS 192.501 or ORS 192.502. Such examination shall be limited to such times and places as is reasonable. The cost of copying, transcribing or abstracting records shall be borne by the Member.

10.4 Use of Information. All information gathered or received by the Trust pursuant to any provision of these Bylaws shall be utilized by the Executive Director only in connection with the operation of and to further the purposes of the Trust and shall not otherwise be distributed, disseminated or communicated to any person unless authorized by the Board of Trustees or required by law.

10.5 Right to Obtain Adjudication of Disputes. In the event any question or dispute shall arise as to the property or person or persons to whom any payment shall be made from a Trust Fund, the Trust may withhold such payment until an adjudication of such question or dispute satisfactory to the Board of Trustees in their sole absolute discretion shall have been made, or the Trust shall have been adequately indemnified against loss.

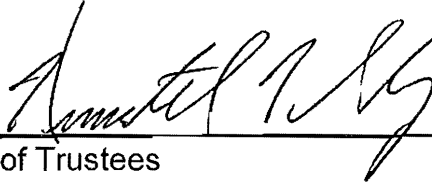
10.6 Notice of Delivery of Documents. Any notice required to be given hereunder, except as otherwise provided, shall be in writing and by certified mail, return receipt requested and shall be deemed to have been given as of the date of posting to whomever may properly receive legal service of process for the addressee of such notice. Any notice actually received shall be deemed properly given whether or not pursuant to the provisions of the Bylaws.

10.7 Gender, Number and Captions. Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply. Titles of articles and headings of sections and subsections are inserted for convenience of reference only and are not to be considered in the construction hereof.

10.8 Construction. This Agreement is created and shall be construed in accordance with the laws of the State of Oregon. All questions pertaining to its validity or construction not otherwise preempted shall be determined in accordance with the laws of the State of Oregon. If any provision contained in the Bylaws or Rules should be held invalid, unenforceable or unconstitutional the remainder of the provisions not subject to such

adjudication shall not be affected and shall continue in full force and effect. If any provision contained in the Bylaws or Rules should be held invalid, unenforceable or unconstitutional as to any Member, the provisions of the Bylaws and Rules shall continue in full force and effect as to any or all other Members.

Date of Adoption:



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Chair, CIS Board of Trustees

December 17, 2010

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Date