

**CountyChoice Silver-TPLIC
Member Contact Designations
Fort Bend County**

Contracting Authority: As specified in the Interlocal Participation Agreement, each Member hereby designates and appoints a Contracting Authority of department head rank or above and agrees that TAC HEBP shall NOT be required to contact or provide notices to ANY OTHER person. Further, any notice to, or agreement by, a Member's Contracting Authority, with respect to service or claims hereunder, shall be binding on the Member. Each Member reserves the right to change its Contracting Authority from time to time by giving written notice to TAC HEBP. Please complete each category below:

Name: Robert E. Hebert
Title: County Judge
Address: 401 Jackson Street
Richmond, Texas 77469
Phone: 281 341 8608
Fax: 281 341 8609
Email: _____

Primary Contact: Main contact for daily matters pertaining to the retiree benefits.

Name: Wyatt O. Scott
Title: Director of Risk Management
Address: 301 Jackson Street # 224
Richmond Texas 77469
Phone: 281 341 4493
Fax: 281 341 3751
Email: Wyatt.Scott@fortbendcountytexas.gov

Billing Contact: Responsible for receiving all invoices relating to retiree benefits.

Name: Brenda Isenberg
Title: Retiree Benefits Specialist
Address: 301 Jackson Street #224
Richmond Texas 77469
Phone: 281 341 8630
Fax: 281 341 3751
Email: Brenda.Isenberg@fortbendcountytexas.gov
HIPAA Secured FAX number: _____

Signature of Contracting Authority

Date

Please PRINT Name and Title

Kucera, Sandy

From: Melissa Lopez <MelissaL@county.org>
Sent: Friday, September 16, 2016 2:42 PM
To: Scott, Wyatt; Kucera, Sandy; Isenberg, Brenda
Cc: Lauren Henry
Subject: Fort Bend CCS Renewal
Attachments: 2017 Fort Bend RNBC.pdf

Good afternoon,

Thank you for your continued membership in the CountyChoice Silver(CCS) retiree medical program through the Texas Association of Counties Health and Employee Benefits Pool (TAC HEBP). We are pleased to inform you there will not be an increase in premium for the 2017 Plan Year.

Please sign the renewal documents enclosed and return to TAC HEBP by October 17, 2016. Listed below are the following forms that must be signed and returned.

- 2017 Renewal Notice and Benefit Confirmation
- 2017 Member Contact Designation Form

The Centers for Medicare and Medicaid Services (CMS) annual Open Enrollment dates are October 15th through December 7th. An updated Schedule of Benefits will be sent to you as soon as Medicare provides their 2017 benefit changes, which should be in late October. If you have any questions please contact your Employee Benefits Specialist Lauren Henry.

Best Regards,
Melissa

Melissa Lopez

Texas Association of Counties
Health and Benefits Services Department
P.O. Box 2131, Austin, TX 78768
Phone: 512-478-8753
Texas Toll Free: 800-456-5974
Secured Fax: 512-481-8481
Melissal@county.org / www.county.org

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2016

[Print](#) [Return](#)

ARF- 20059

Consent

REGULAR SESSION AGENDA**Risk Management****Meeting Date:** 11/10/2015

Monumental Life Ins. Co. through Texas Association of Counties

Submitted By: Kathryn Lowrey, Risk Management**Department:** Risk Management**Renewal Agreement/**Yes**Original for Signature Y/N?:** Y**Appointment:**

Information**SUMMARY OF ITEM**

Take all appropriate action to renew Monumental Life Insurance Company through the Texas Association of Counties as Fort Bend County's retiree supplement medical coverage provider and accept renewal rates for the 2016 plan year to be effective January 1, 2016 and authorize County Judge to execute the required member contact designations.

SPECIAL HANDLING

Fiscal Impact**Attachments**[2016 Renewal - Monumental Life Ins. Co.](#)

AgendaQuick©2005 - 2016 Destiny Software Inc., All Rights Reserved



MEMORANDUM

TO: Fort Bend County
FROM: Texas Association of Counties, Health & Employee Benefits Pool (TAC HEBP)
RE: 2016 Transamerica Premier Life Insurance (TPLIC) Renewal
DATE: October 5, 2015

Thank you for your continued membership in the CountyChoice Silver retiree medical program through the Texas Association of Counties Health and Employee Benefits Pool.

After a lengthy negotiation with TAC staff, Transamerica Premier Life Insurance (TPLIC) underwriting has completed their annual review of Fort Bend County's Retiree Medical coverage. As a result of their review, we are pleased to inform you there will be not be a premium increase for medical coverage this year.

Please sign the renewal documents enclosed and return to TAC HEBP by November 2, 2015. Listed below are the following forms that must be signed and returned.

- 2016 Renewal Notice and Benefit Confirmation
- 2016 Member Contact Designation Form

Please note: the Centers for Medicare and Medicaid Services (CMS) open enrollment dates are October 15th through December 7th. At this time retirees may disenroll from the UHC program, but cannot re-enroll. All open enrollment changes will be effective January 1, 2016.

Please copy these documents for your records and email, fax or mail the signed documents back to:

TAC HEBP
P.O. Box 2131
Austin, TX 78768
Fax: 512-481-8481

If you have any questions, please contact your Employee Benefits Specialist at 1-800-456-5974.



**Monumental
2016 Renewal Notice and Benefit Confirmation**

Fort Bend County

Plan Year 2016

Return to TAC by: 11/2/2015

Listed below are the new renewal rates for Monumental Retiree Medical coverage.

**MONUMENTAL
Medical**

| Attained Age | Current Rates | New Rates Effective 1/1/2016 |
|--------------|---------------|------------------------------|
| 65 - 69 | \$186.66 | \$186.66 |
| 70 - 74 | \$223.74 | \$223.74 |
| 75 - 79 | \$306.85 | \$306.85 |
| 80+ | \$329.87 | \$329.87 |

_____ Initial to accept 2016 retiree plan rates.

- Rates effective from 1/1/2016 through 12/31/2016.
- Signature on the following page is required to confirm and accept your group's renewal.

**CountyChoice Silver
Transamerica Premier Life Insurance (TPLIC)
Member Contact Designations
Fort Bend County**

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Name: Robert E. Hebert
Title: County Judge
Address: 401 Jackson Street
Richmond, TX 77469
Phone: 281-341-8608
Fax: 281-341-8609
Email: _____

Primary Contact: Main contact for daily matters pertaining to the retiree benefits.

Name: Wyatt C. Scott
Title: Director of Risk Management
Address: 301 Jackson Street, Suite 224
Richmond, TX 77469
Phone: 281-341-8630
Fax: 281-341-3751
Email: Wyatt.Scott@fortbendcountytx.gov

Billing Contact: Responsible for receiving all invoices relating to retiree benefits.

Name: Regina R. Schneider
Title: Retiree Benefits Specialist
Address: 301 Jackson Street, Suite 224
Richmond, TX 77469
Phone: 281-341-8630
Fax: 281-341-3751
Email: Regina.Schneider@fortbendcountytx.gov
HIPAA Secured FAX number: _____

Signature of Contracting Authority

Date

Please PRINT Name and Title



TEXAS ASSOCIATION *of* COUNTIES HEALTH AND EMPLOYEE BENEFITS POOL

INTERLOCAL PARTICIPATION AGREEMENT

This Interlocal Participation Agreement (the "Agreement") is made by and between Fort Bend County, a political subdivision of the State of Texas (the "Member"), acting through its [COMMISSIONERS' COURT OR OTHER GOVERNING BODY], and the Texas Association of Counties Health and Employee Benefits Pool ("HEBP"), as authorized by the Texas Interlocal Cooperation Act (TEX. GOV'T CODE, Chapter 791) ("Interlocal Cooperation Act", acting on its own behalf and on behalf of each other political subdivision having membership in the HEBP.

1. RECITALS

- 1.1 The Member is a political subdivision of the State of Texas as defined in the Texas Political Subdivision Employees Uniform Group Benefits Act (TEX. LOC. GOV'T CODE, Chapter 172) ("Group Benefits Act").
- 1.2 As a political subdivision of the State of Texas, the Member performs certain governmental functions and services as those terms are defined under Interlocal Cooperation Act § 791.003.
- 1.3 The Member desires to contract with HEBP to obtain one or more of the following, as indicated by Member on Attachment A to this Agreement, which is incorporated herein: 1) health and employee benefit plans and administrative services relating to health and employee benefit plans for its officials, employees, and retirees, and their eligible dependents, including accident, health, dental, life, disability and other appropriate coverages; 2) administrative services or stop-loss coverage in support of Member's self-funded health and employee benefits plan; 3) the benefits available to retirees of the Member through the County Choice Silver Program or other similar programs; 4) Affordable Care Act Reporting and Tracking Services (ARTS); and 5) such other related programs as HEBP's board of trustees determines to make available to members of HEBP.
- 1.4 The Member acknowledges that this Agreement is a contract with HEBP and each political subdivision that is a member of HEBP and that HEBP

may contract with other political subdivisions wishing to participate, at the discretion of HEBP.

- 1.5 The Member's governing body has agreed to the terms and conditions of this Agreement and has acted by majority vote, at a duly called and posted public meeting, to authorize the execution of this Agreement and participation in HEBP.

2. AGREEMENT

- 2.1 Entry Into HEBP. For and in consideration of the mutual agreements set forth in this Agreement, and other good and valuable consideration, the Member enters into this Agreement for the purpose of joining HEBP, to achieve efficiencies and economies of scale in connection with the provision of one or more of the programs or services listed in paragraph 1.3 above.
- 2.2 HEBP Not an Insurer. HEBP is not an insurer. All benefits and related services provided by HEBP are authorized pursuant to the Group Benefits Act, the Interlocal Cooperation Act, and other applicable Texas law.
- 2.3 Administrative Contract with the Texas Association of Counties. HEBP has contracted with the Texas Association of Counties ("TAC") to administer the business and operations of HEBP and supervise the performance of the Agreement.

3. TERMS AND CONDITIONS

- 3.1 Term and Termination. This term of this Agreement shall be for one year, commencing as of the date of execution by the second party to sign the Agreement. This Agreement shall be automatically renewed annually for an additional one-year term without the necessity of any action by the parties other than payment of the appropriate premium or contribution. Either party may elect not to renew this Agreement by giving written notice not less than 30 days before the end of the original term or any renewal term.
- 3.2 Agreement Binds Members. Each Member agrees to be bound by this Agreement and HEBP's Bylaws, policies and procedures, which collectively establish the conditions for membership in HEBP. HEBP's Bylaws are incorporated by reference and made a part of this Agreement for all purposes as if fully set out, except that Articles III(E), IX(B), and XV(B) shall apply to members that obtain only administrative services,

County Choice Silver benefits, or ARTS services from HEBP only to the extent the Member's contributions contribute to any surplus that may be distributed. Any amendment to the Bylaws becomes binding on the Member immediately upon its adoption.

- 3.3 Benefit Plans. For a Member that participates in the pooled HEBP's health and employee benefits plan, HEBP will make available health and employee benefit plans for the officials, employees, retirees, and eligible dependents of the Member, including accident, health, dental, life, disability and other appropriate coverages ("Benefit Plans"). HEBP will provide all benefits under the authority of the laws of the State of Texas, including the Group Benefits Act and the Interlocal Cooperation Act. Each Member will adopt its own Benefit Plan from those made available by HEBP. The Member's Benefit Plan may combine insured, self-insured, and pooled liabilities.

For a Member that does not participate in HEBP's pooled health and employee benefits plan, HEBP shall make available administrative services, stop-loss coverage, County Choice Silver or other retiree benefits, ARTS services and other benefits and services as the board of trustees determines to make available.

- 3.4 HEBP Procedures and Bylaws. Every Member shall furnish all the information that HEBP deems necessary and useful for the purposes of this Agreement and shall abide by the procedures and Bylaws adopted for the administration of the Benefit Plans.

- 3.5 Third-Party Administrator. HEBP may contract with one or more third-party administrators.

- 3.6 Payments and Conditions. Payments and contributions shall be made by the Member to HEBP at Austin, Travis County, Texas on the dates and in such amounts as HEBP requires. Interest, beginning the first day after the due date and continuing until paid, shall accrue at the maximum rate allowed by law on the balance of any payment or contribution not paid when due. Contributions and other payments received by HEBP from its Members will be held and managed for the benefit of the Members of the Pool, not the individual officials, employees, retirees of a Member, or the dependents of these officials, employees or retirees.

- 3.7 Insurance and Reinsurance. HEBP may purchase insurance, stop loss or excess loss coverage, and reinsurance as provided by law, and each Member is subject to the terms and conditions of HEBP's insurance, stop

loss or excess loss coverage, or reinsurance. A self-insured Member that obtain administrative services only will obtain stop-loss coverage from or through HEBP. If HEBP is unable to provide appropriate coverage, the Member will obtain other stop-loss coverage that is satisfactory to HEBP.

- 3.8 Coordinators. Each Member shall appoint, and designate in the space provided below, a Pool Coordinator of department head rank or above. Each Member agrees that HEBP is not required to contact or provide notices to any person other than the Pool Coordinator. Any notice to a Member's Pool Coordinator related to service or a claim under this Agreement is binding on the Member. Each Member may change its Pool Coordinator at any time by giving written notice to HEBP.
- 3.9 Audits. HEBP will be audited annually by an independent certified public accountant, and the audit will be filed as required by the laws of the State of Texas including the Group Benefits Act.
- 3.10 Plan Administrator. HEBP will serve as the plan administrator, as defined by the Health Insurance Portability and Accountability Act, for a Member participating in the pooled health and employee Benefits Plan. Each self-insured Member will serve as its own plan administrator, retains the right, duties and privileges of the plan administrator and acknowledges it has responsibility for compliance with all state and federal laws applicable to employee benefits for its employees and plan participants.
- 3.11 Self-Insured Member Responsibility. Each Member acknowledges that, to the extent its Benefit Plan is self-insured, it remains responsible for the payment of benefits under the Benefit Plan if HEBP fails to make payments.
- 3.12 ARTS Participant Responsibility. A Member who participates in the ARTS Program is responsible for providing HEBP with detailed payroll information, including leave of absence, and health benefits information for each full time employee. HEBP is not responsible for verification of information provided by or on behalf of a Member under the ARTS Program. Each participating Member acknowledges that it remains responsible for the accuracy of the information provided to HEBP, and for any fines, penalties, or damages resulting from reports generated from the information.

4. ADMINISTRATIVE PROVISIONS

- 4.1 Amendment. This Agreement may only be amended or modified by written agreement signed by the parties, or as otherwise provided under this Agreement.
- 4.2 Applicable Law. This Agreement is entered into, is executed and is totally performable in the State of Texas, County of Travis, and all questions pertaining to its validity or construction shall be determined in accordance with the laws of the State of Texas.
- 4.3 Acts of Forbearance. No act of forbearance on the part of either party to enforce any of the provisions of this Agreement shall be construed as a modification of this Agreement, nor shall the failure of any party to exercise any right or privilege be considered as a waiver of that right or privilege.
- 4.4 Notices. Any notice required to be given or payment required to be made to HEBP shall be deemed properly sent if addressed to:

Texas Association of Counties Health and Employee Benefits Pool
Attention: Director, Health and Benefits Services Department
1210 San Antonio
Austin, Texas 78701

and deposited in the United States mail with proper postage. HEBP may change its address by giving notice to the Members. The terms of a Member's Benefit Plan govern submission of any notice regarding claims under a Member's coverages.

- 4.5 Effect of Partial Invalidity; Venue. If any part of this Agreement is declared invalid, void or unenforceable, the remaining parts and provisions shall continue in full force and effect. The parties agree that venue for any dispute arising under the terms of this Agreement shall be in state district court in Austin, Travis County, Texas.
- 4.6 Exclusive Right to Enforce. HEBP and the Member have the exclusive right to bring suit to enforce this Agreement, and no other party may bring suit, as a third-party beneficiary or otherwise, to enforce this Agreement.

EXECUTION

IN WITNESS WHEREOF, we hereunto affix our signatures as of the date indicated below.

TEXAS ASSOCIATION OF COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL



Executive Director,
Texas Association of Counties

Date: October 10, 2016

MEMBER'S POOL COORDINATOR

Name: _____

Address: _____

Phone Number: _____

E-Mail Address: _____

MEMBER

By: _____
Printed Name:

Title: _____

Date: _____

ATTACHMENT A

The Member must select the HEBP services that it will obtain through its membership in HEBP. Please indicate your choices by checking the appropriate box.

A. Pooled Coverage

[You may also select services under D and E, below. Do not select services under B and C, below.]

The Member will participate in the pooled HEBP health and employee benefits plan. HEBP will provide health and employee benefit plans for the Member's officials, employees, retirees, and eligible dependents, that may include accident, health, dental, disability and other appropriate coverages. Member will adopt its own Benefit Plan from those made available by HEBP. HEBP will provide administrative and other necessary services in support of the Benefit Plan chosen by the Member.

B. Administrative Services

[Do not select this box if you selected option A, above. You may select any of the services below.]

The Member has established its own self-funded health and employee benefits plan for its officials, employees, retirees and their eligible dependents. The Member does not want to participate in the pooled HEBP health and employee Benefits Plans, but will obtain from HEBP administrative services in support of Member's self-funded Benefits Plan. HEBP will provide these administrative services under the terms of the Administrative Services Agreement between HEBP and the Member, attached as Exhibit 1 if applicable.

C. Stop-Loss Coverage

[Do not select this box if you selected option A, above. If you select this option C, you MUST also select option B, above. You may also select services under D or E, below.]

The Member has established a fund to provide its own health and employee benefits plan for its officials, employees, retirees and their eligible dependents. The Member does not want to participate in the pooled HEBP health and employee benefits plan, but will obtain from HEBP stop-loss coverage in support of its self-funded Plan. HEBP will provide stop-loss coverage to Member pursuant to the terms of the Stop-Loss Coverage Agreement between Member and HEBP, attached as Exhibit 2 if applicable.

D. Retiree Health Benefit Plans

[You may select this option in addition to any other service.]

The Member will participate in the retiree medical program for Medicare eligible retirees of a Member, according to the terms agreed to by Member and HEBP, as described in the Retiree Benefit Plan attached as Exhibit 3 if applicable.

E. ACA Reporting and Tracking Service (ARTS)

[You may select this option in addition to any other service.]

The Member will participate in the Affordable Care Act (ACA) Reporting and Tracking Service Program, which provides reporting specific to the Member's employees regarding various ACA rules and thresholds, and produces related annual forms required by the Internal Revenue Code, based on data submitted to HEBP by Member, according to the terms and pricing agreed to by Member and HEBP, attached. As Exhibit 4, if applicable.

**BYLAWS AND PLAN OF OPERATION OF THE
TEXAS ASSOCIATION OF COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL**

**ARTICLE I
Creation of HEBP**

The Texas Association of Counties Health and Employee Benefits Risk Pool (hereinafter referred to as "HEBP"), sponsored by the Texas Association of Counties ("TAC"), was established on July 3, 2001 by the entry of certain political subdivisions of the State of Texas into a charter interlocal agreement. These political subdivisions of the State of Texas created HEBP to provide health and employee benefits to their officers, employees, retirees, and eligible dependents pursuant to the provisions of Chapter 791 of the Local Government Code (the "Interlocal Cooperation Act"), Chapter 172 of the Texas Local Government Code, and other applicable law.

**ARTICLE II
Definitions**

As used in this agreement, the following terms shall have the meaning hereinafter set out:

- A. BOARD – the Board of Trustees of HEBP;
- B. MEMBER -- a political subdivision of the State of Texas which enters into and maintains the requisite contractual relationship through an intergovernmental agreement with HEBP.
- C. HEBP MANAGER – TAC or its duly authorized designee;

**ARTICLE III
Purposes**

- A. HEBP is organized exclusively for the benefit of political subdivisions of the State of Texas to serve as the administrative agency and a pool for health and employee benefits and to assist members in controlling costs by taking advantage of economies and efficiencies of scale. HEBP is not intended to operate as an insurance company, but rather is intended to be a contracting mechanism by which political subdivisions of the State of Texas may contract with each other to provide benefits for their officers, employees, retirees and eligible dependents. HEBP is authorized to operate anywhere within the State of Texas and is not limited in its operations to any particular territory within the State of Texas.
- B. It is the intent of the Members to use Member contributions to pay for the cost of benefits obtained by each Member for its employees through its employee benefit plan. It is also the intent of the Members to have HEBP provide needed coverages at reasonable costs. Except as provided herein, all income and assets of HEBP shall be at all times dedicated to the exclusive benefit of its Members.

C. The principal and income of all property received and accepted by the Board to be administered under these Bylaws may be held and invested for HEBP in such a manner as the Board shall determine. The investment policy of HEBP shall be established by resolution of the Board, and may be changed from time to time. The Board may make payments or contributions from income or principal, or both, to or for the use or benefit of the Members, in such a manner as the Board shall determine to be proper under these Bylaws and the investment policy.

D. No part of the net earnings of HEBP shall inure to the benefit of or be distributable to its Trustees, officers, Members, or other private persons, except that HEBP may pay reasonable compensation for services rendered and may make payments and distributions in furtherance of the purposes set forth herein.

E. Upon dissolution of HEBP, the Board of Trustees shall, after paying or making provision for the payment of all the liabilities of HEBP, distribute all the assets of HEBP either to the current Members who contributed to any remaining surplus pro rata in proportion to their annualized contributions, or to a successor entity.

F. In recognition of the role of HEBP as one of the governmental programs of TAC, HEBP shall seek cooperative arrangements with other T.A.C.-sponsored governmental programs concerning administration, investments, joint programs, and other matters of mutual concern in order to achieve economies and to effectuate objectives shared by the said Association and any other T.A.C.-sponsored governmental programs. Such cooperative arrangements may include formal merger with another one or more of the governmental programs of TAC, at such time and on such terms as shall be judged appropriate by the Trustees of HEBP.

ARTICLE IV

Non-Waiver of Governmental or Other Immunity or Monetary Limits

All money, plus earned interest, contained within HEBP is money derived from the Members. It is the intent of the Members that, by entering into interlocal participation agreements to become Members of HEBP, they do not waive and are not waiving any immunity provided to the Members or their officers or employees by any law or any monetary limits on the liability of the Members or their officers or employees provided by any law.

ARTICLE V

Powers

A. The powers of HEBP to perform and accomplish the purposes set forth above shall be the following, subject to the budgetary limits of HEBP and the procedures set forth in these Bylaws:

1. To provide employee and health benefit plans for the officials, employees, retirees, and dependents of the Members, including accident, health, dental, life, disability and other appropriate coverages (the "Benefit Plans"). Such benefits will be provided under the authority of the laws of the State of Texas, including the Texas Political Subdivision Uniform Group Benefits Program (Chapter 172,

Local Government Code), the Interlocal Cooperation Act (Chapter 791, Government Code), Articles 3.51-2 and 3.51-6 of the Texas Insurance Code, and other applicable provisions of Texas law.

2. To pay liabilities and health benefits for officials, employees, retirees and eligible dependents, and no other liabilities except as specifically agreed, for HEBP Members in accordance with interlocal participation agreements entered into by the Members;
3. To purchase group health insurance coverage and other employee benefits for Members;
4. To charge contributions for the services provided to Members, including the costs of operation;
5. To retain employees, agents and independent contractors necessary to administer and achieve the purposes of HEBP, including but not limited to attorneys, accountants, financial advisors, claims and loss control administrators, actuaries, investigators, experts, consultants and others;
6. To purchase and lease real property, equipment, machinery, and personal property;
7. To hold all funds contributed by Members and to invest such funds in investments authorized by the Board pursuant to its investment policy;
8. To purchase stop loss insurance or excess insurance or reinsurance;
9. To carry out such other activities as are necessarily implied or required to carry out the purposes of HEBP;
10. To sue and be sued;
11. To enter into contracts;
12. To enter into interlocal participation agreements with Texas political subdivisions eligible under these Bylaws and to vary the provisions of such agreements in accordance with the policies and decisions of the Board;
13. To require at any time the execution by a Member of a new interlocal participation agreement within 30 days of the Member's receipt of such new agreement, or in the absence of execution, to terminate the Member's participation in HEBP in accordance with Article XVI of these Bylaws;
14. To reimburse Trustees for reasonable and approved expenses, but any expense incurred in attending Board meetings shall be reimbursed in accordance with TAC's travel policies in effect at the time the expense is incurred;

15. To purchase fidelity bonds from an insurance company approved by the Texas Department of Insurance to write surety bonds in Texas;
16. To provide or contract for claim adjustment services, network contracting management, pharmacy management, eligibility management, underwriting and other services necessary to manage an employee benefit plan;
17. To contract with TAC or any entity representing any other program sponsored by or associated with TAC in order to achieve economies in operations and management or further shared objectives; and
18. To enforce the terms of the interlocal participation agreements into which it enters with Members.

B. HEBP shall have only those powers consistent with Texas law, these Bylaws, the interlocal participation agreements entered into with Members, and any amendments adopted hereto and as otherwise provided by law.

ARTICLE VI **Participation**

Membership in HEBP shall be limited to political subdivisions of the State of Texas that agree to abide by the standards for membership adopted by the Board, to abide by the Bylaws, and to enter into interlocal participation agreements with HEBP. The Board may establish a minimum initial period of coverage for new members which shall be for a period of not less than one year, subject to the payment of such sums and under the conditions established in these Bylaws. The Board may apply a surcharge to any risk that does not meet the basic underwriting criteria established by the Board or its designee. HEBP may refuse to accept any applicant for membership.

ARTICLE VII **Duration of Membership**

All Members of HEBP, unless terminated or expelled pursuant to the withdrawal or expulsion provisions of these bylaws, may remain Members indefinitely. Any Member that is expelled or that terminates its membership prior to the end of the annual coverage period shall be subject to normal short-rate earned premium factors, if applicable.

ARTICLE VIII **Obligations of Members**

The obligations of the Members are:

A. To pay promptly all contributions or other payments to HEBP at such times and in such amounts as shall be established pursuant to these Bylaws, the interlocal participation agreement, and the applicable policies or Benefit Plans. Failure of a Member to pay its contribution or other

payment within 30 days of receipt of an invoice may result in the assessment of a late fee at a rate not to exceed the maximum interest rate allowed by law.

B. To designate in writing a representative to serve as a coordinator with HEBP (a "Pool Coordinator"). The Pool Coordinator must be an employee or officer of the member political subdivision and of department head rank or above, but may be changed from time to time;

C. To allow HEBP and the HEBP Manager, and/or its agents, contractors, and officers, reasonable access to all facilities of the Member and all records, including, but not limited to, financial records, as required for the administration of HEBP;

D. To cooperate fully with HEBP's attorneys and the HEBP Manager, and any other agents, contractors, or officers of HEBP in activities relating to the purposes and powers of HEBP;

E. To provide HEBP, upon request, information on exposures identified by HEBP;

F. To allow attorneys and others designated by HEBP to represent any Member in the investigation, settlement, and litigation of any claim made against the Member within the scope of loss protection furnished by HEBP; and

G. To report to HEBP, in the form required by the Board or the HEBP Manager and as promptly as possible, all incidents or occurrences which would reasonably be expected to result in HEBP being required to consider a claim against the Member, its agents, officers, or employees, within the scope of a Benefit Plan furnished by HEBP.

ARTICLE IX **Charges/Dividends**

A. HEBP shall charge the Members for the benefits and services provided, with such charges being established by the Board.

B. Any surplus resulting from an excess of accumulated contributions and income over claims payments, losses, reserves, including actuarially developed or incurred but not reported and contingencies for claims development, and the cost of administering HEBP shall be available for the benefit of the membership in accordance with Board determinations. A surplus may be used by the Board to distribute dividends to Members in accordance with policies or determinations adopted by the Board, used to reduce required contributions, retained in reserves or in any other manner to strengthen or benefit HEBP, including merger with any other TAC sponsored intergovernmental pool.

ARTICLE X **Board of Trustees and Officers**

A. The Board shall be comprised of eleven (11) persons. No Member may have more than one employee or elected official on the Board at any one time. Any Board member must be an employee or an elected or appointed official of a public subdivision of the State of Texas that is

a Member of HEBP. The withdrawal of a Member shall vacate the membership on the Board of Trustees of any employee or elected or appointed official from the withdrawing Member. Any Board member who ceases to be an employee or elected official of a Member shall immediately cease to be a member of the Board of Trustees. However, such Board member shall serve until a successor takes office pursuant to these Bylaws.

B. On or before October 1, 2001, the Board of Trustees shall be selected by the Members. Four of such Trustees, to be known as Group A Trustees, shall serve an initial term of one (1) year. Another four of such Trustees, to be known as Group B Trustees, shall serve an initial term of two (2) years. The remaining three of such Trustees, to be known as Group C Trustees, shall serve an initial term of three (3) years. Group A and Group B Trustees are each eligible to serve one three-year term at the end of their initial terms, as set out above. Trustees shall continue to perform their duties as Trustees until their successors take office.

C. Trustees shall be selected in the following manner. The President of TAC shall, with the concurrence of the Board of Directors of TAC (or its Executive Committee), select a nominee for each particular Trustee positions. Together with a ballot, notice of the nomination shall be mailed by registered or certified mail by the Secretary to the Pool Coordinator of every Member. Each county judge chief executive officer or other designee of each Member political subdivision shall on behalf of the Member cast the ballot by mail or other method which may be prescribed by, for the first election, the President of TAC, and for all elections thereafter by HEBP's Board of Trustees. The ballots which have been received by the Secretary no later than 5 p.m. on the 14th day after the date of issuance of the notice of nomination shall be canvassed by the Secretary and approved by, in the case of the initial election, the President of TAC, and for each election thereafter, by the Chairman of HEBP's Board of Trustees, subject to the discretion of the whole Board of Trustees to review and approve the canvass. The person receiving the highest number of votes shall be elected to the office. The Secretary shall notify the Members of the results of the canvass.

D. Any Trustee who fails to attend two (2) or more consecutive meetings, whether regular or special, without having been excused by the Chairman, shall be deemed to have resigned. However, the Trustee shall continue to serve on the Board until such time as his successor is selected pursuant to the terms of Article X. E. set out below.

E. The officers of the Board shall consist of a Chairman and a Vice Chairman, who shall be designated annually by the President of TAC with approval of the TAC Board of Directors. The Chairman shall designate a Secretary to keep the minutes and records of the Board, who may or may not be a member of the Board itself. A majority of members of the Board, as the Board is constituted at the time, shall constitute a quorum. Concurrence of a majority of those present and voting shall be necessary for any official action taken by the Board, except as otherwise provided herein. Any vacancy on the Board due to death, resignation, disqualification, or inability to act shall be filled for the unexpired term by selection of another member in the same manner that the original member was selected. The designation of a person to fill an unexpired term of a Trustee shall not be deemed to create service in a consecutive term for purposes of the prohibition of paragraph B of this Article.

F. The duly elected, qualified and acting members of the Board shall serve without compensation, but shall be entitled to reimbursement of actual expenses incurred in the performance of their official duties upon the approval of such expenses by the Board. Such reimbursement shall be in accordance with the reimbursement policies of TAC, as are currently in force.

G. The Trustees shall not be deemed to have the duties of trustees under the Texas Trust Act or the common law, but shall be mere fiduciaries. They may act in accordance with the business judgment rule and the other constituencies doctrine.

H. Trustees must comply with training requirements equivalent to those set forth in V.T.C.A., Local Government Code, Section 172.007.

ARTICLE XI
Powers and Duties of the Board of Trustees

A. HEBP's Board of Trustees shall have all the powers and duties necessary for the accomplishment of the purposes and goals of HEBP, including but not limited to the following specific powers and duties:

1. To contract for such professional services as it may deem necessary and to fix the time, manner, and payment therefor;
2. To contract with any qualified organization to perform any of the functions necessary for carrying out a self-insured health and employee benefit pool arrangement, including any and all other services that the Board shall deem expedient for the proper servicing of those Members who use the services of HEBP;
3. To carry out or supervise the performance of all of the duties necessary for the proper operation and administration of HEBP on behalf of HEBP Members and to that end the Board shall have all of the powers necessary and desirable for the effective administration of the affairs of HEBP, including the power to delegate certain functions to contractors as described herein;
4. To adopt rules to carry out the requirements of and implement the Benefit Plans, the Bylaws and Plan of Operation and all interlocal participation agreements with its Members;
5. To establish the contributions and other payments to be paid by the Members;
6. To develop and prepare the interlocal participation agreement or agreements to be entered into by counties or other political subdivisions to become Members of HEBP, including different agreements in accordance with differing financial arrangements approved pursuant to policies of the Board (such as "cash flow" agreements);

7. To approve claims administration services providers and other service providers, including but not limited to third-party administrators, necessary for the administration of HEBP, upon recommendation of the HEBP Manager or its agents or contractors;
8. To set a budget and any necessary revisions to the budget;
9. To establish policies for claims and loss control procedures;
10. To establish underwriting criteria;
11. To establish the fees, contributions, loss reserves and other financial arrangements to cover the costs of operating HEBP and providing Benefit Plans to HEBP Members;
12. To establish policies for the investment and disbursement of funds;
13. To arrange for the investing of the monies of HEBP in accordance with the Board's investment policy and to open and maintain bank and other accounts as are deemed necessary by the Board;
14. To have an audit performed by a certified public accountant at the end of each fiscal year;
15. To form and delegate to committees and provide other services as needed by HEBP;
16. To do all acts necessary and proper for the operation of HEBP and implementation of these Bylaws subject to the limits of the Bylaws and not in conflict with these Bylaws;
17. To implement the dissolution of and disbursement of assets of HEBP following a determination made pursuant to the provision of Article III, paragraph E;
18. To select a qualified actuary, who shall conduct an annual review of HEBP and make recommendations to HEBP Manager and Board based on such review;
19. To approve attorneys or firms of attorneys retained to represent Members in claims within the scope of Benefit Plans furnished by HEBP or to delegate such approval to the HEBP Manager or its designee;
20. To require at any time the execution by a Member of a new interlocal participation agreement within 30 days of receipt of such new agreement by mail, or in the absence of execution, to terminate the Member's participation in HEBP at the option of the Board, in accordance with Article XVI of these Bylaws;

21. The Board shall have the general power to make and enter into all contracts, leases, and agreements necessary or convenient to carry out any of the powers granted under these Bylaws or under any other law. All such contracts, leases, and other agreements shall be approved by resolution of the Board and shall be executed by those individuals designated in such resolution. However, the Board's designee shall have the power to execute interlocal participation agreements in accordance with the policy or practice of the Board without the necessity of express Board action on each such agreement. Additionally, the Board shall have the power to delegate all the above mentioned functions to contractors as permitted under these Bylaws or other law. In the absence of such designation or delegation, all agreements shall be executed by the Chairman or Vice Chairman or the Executive Director of TAC and attested by the Secretary of the Board.

B. The Chairman of the Board shall appoint an Executive Committee or designee of the Board to handle the affairs of the Board between the regular Board meetings or any of the called Board meetings. The Board shall review the actions of the Executive Committee at each Board meeting to ratify any actions taken. The Chairman may appoint other committees with authority specifically granted by the Board and subject to its supervision. The Board may dissolve any such committee at any time.

C. The Board shall contract with TAC or its designee for general administrative services as the HEBP Manager. The contract shall include a reasonable fee to cover the cost of administrative services being provided. Services to be provided by or through the HEBP Manager shall include, but not necessarily be limited to: negotiating terms of any insurance or reinsurance contracts; bookkeeping services; financial statements; necessary reports on claims, incidences and recording and depositing of payments; providing information to potential members; reviewing claims from Members; reviewing and making recommendations on all HEBP contracts; maintaining a complaint register; acting as a liaison with state authorities and responding to inquiries from state authorities; computing and providing membership billings, filing required forms and reports with state and other governmental authorities; maintaining appropriate files; assisting HEBP's auditor and actuary as necessary; reviewing the performance of all contract services providers; coordinating banking functions, and handling deposits and reconciliations; implementing investment policies established by the Board; supplying resource material for Board meetings; attending Board meetings and other meetings necessary to the administration of HEBP; keeping detailed minutes of Board meetings; providing risk management services; and administering committees established by the Board. The HEBP Manager may execute all contracts on behalf of HEBP that are necessary to provide the general administrative services described herein if any monies to be expended under the contract are included in HEBP's approved budget or any approved revisions thereto.

D. The Board shall have the power to establish administrative services-only programs for counties and other self-insured political subdivisions approved by the Board. HEBP Members that participate in such services-only programs will enter into interlocal agreements with HEBP for the provision of claims services for HEBP Member's self-insured program. Such Member shall not participate in the Benefit Plans or reserves of HEBP. The sole responsibility of HEBP

will be to provide claims services, and risk management services such as loss control, on a cost fee basis.

E. The Board shall have the power to establish a program for larger counties and political subdivisions that are approved for membership in HEBP which will permit them to participate in HEBP on a basis where their experience shall be more fully reflected in their premiums, dividends and participation in reserves. The Board shall establish the criteria for participation in the program and shall provide for a separate interlocal agreement for such participation. The program may be structured on a retrospective premium basis.

ARTICLE XII

Meetings of the Board of Trustees

A. Meetings may be called by the Chairman or by a majority of the Trustees or by unanimously executed waiver of notice.

B. All acts of the Board shall require a majority vote of the Trustees present, except as otherwise specifically provided in these Bylaws.

C. Any meeting of the Board may be held by telephone conference call in which all or certain of the Trustees are not physically present at the place of the meeting, but all or some participate in the conduct thereof by telephone. For the purpose of determining the presence of a quorum and for all voting purposes at such a meeting, all participating Trustees shall be considered present and acting.

ARTICLE XIII

Liability of Board of Trustees

A. Members of the Board of Trustees of HEBP and employees thereof, as well as employees of the HEBP Manager, shall not be personally liable to any Member, official, employee, retiree, eligible dependent of a Member, or any other person for any acts performed or omitted in subjective good faith or in accordance with relevant objective standards. HEBP shall use its resources to defend and indemnify the members of HEBP's Board of Trustees and employees thereof, as well as employees of the HEBP Manager, against any and all expense, including attorney's fees and liability expenses sustained by them or any of them in connection with any suit or suits which may be brought against said members of the Board of Trustees and such employees involving or pertaining to any of their acts or duties performed or omitted for HEBP in accordance with the above standards. HEBP may purchase insurance providing coverage for the Trustees and employees thereof, and the employees of TAC. Nothing herein shall be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecutions of such litigation.

B. HEBP may obtain a bond or other security to guarantee the faithful performance of the duties of each Trustee.

ARTICLE XIV

Bond

Each member of the Board and each employee, as well as any employee of TAC who has any authority over money in HEBP or money collected or invested by HEBP may be required by the Board to execute a bond in an amount determined by the Board, conditioned on faithful performance of his or her duties. The cost of the bond shall be paid by HEBP.

ARTICLE XV

Withdrawal from Membership

A. Any Member may withdraw from HEBP by giving at least sixty (60) days' written notice to the Board and the HEBP Manager of its desire to withdraw.

B. Any Member withdrawing shall be entitled to receive only its share of all dividends that are given during or are declared by the Board to be calculated in accordance with a period for which the withdrawing Member was a participant in HEBP, subject to a set-off for any outstanding obligation of such Member to HEBP. Such share shall be calculated in accordance with policies and determinations which are made by the Board. Except as provided in this Paragraph, a withdrawing Member shall have no right to any portion of the assets or accumulated surplus of HEBP.

C. HEBP shall continue the servicing of any pending claims after the withdrawal of the Member unless the Member specifically assumes the liability and makes provision to indemnify HEBP from loss by taking over the servicing of the claim. HEBP will have no responsibility for payment or servicing of claims from an Administrative Services Only contract member after termination of the Administrative Services Only contract.

D. A Member that has withdrawn shall not be entitled to any reimbursement of contributions that are to be paid or that shall become payable in the future, and shall continue to be obligated to make payment for an obligation which arose prior to withdrawal and for any additional period for which liability may be created by contract. If the withdrawal occurs prior to the end of the Member's annual coverage period, normal short-rate earned premium factors will be utilized in calculating the Member's liability.

ARTICLE XVI

Expulsion of Members

A. By a majority vote of the Board, not including any Trustee disqualified pursuant to Article XVI. B., any Member may be expelled. Such expulsion, which shall take effect sixty (60) days after such meeting, may be carried out for one or more of the following reasons:

1. Failure to allow HEBP or the HEBP Manager reasonable access to all facilities and records of the Member necessary for proper administration of HEBP;
2. Failure to fully cooperate with HEBP's HEBP Manager or other agent, contractor, or any officer of HEBP;

3. Failure to carry out any obligation of a Member which impairs the ability of HEBP to carry out its purposes or powers;
4. Failure to comply with the obligations of Members as set forth in Article VIII of these Bylaws;
5. Failure to execute a new interlocal participation agreement with HEBP when required under Article V, paragraph A.12 and under Article XI, paragraph A.21 of these Bylaws; or
6. Failure to control losses over an extended period and when this repeated failure has resulted in a financial loss to HEBP in any three of the past five years and when the Board determines that this loss is the result of the action or inaction of the Member.

B. The vote of a Trustee who is employed by, an officer of, or otherwise representing a political subdivision proposed to be expelled shall not be counted in determining the number of votes required nor shall such Trustee be entitled to vote on the expulsion of his or her own political subdivision.

C. Except for nonpayment of an obligation to HEBP, no Member may be expelled except after written notice from the Board of Trustees of the alleged failure along with a reasonable opportunity of not less than thirty (30) days to cure the alleged failure. The Member may request a hearing before the Board before any final decision, which shall be held within thirty (30) days after the expiration for the time to cure has passed. A decision by the Board to expel a Member after notice of hearing and failure to cure the alleged defect shall be final and take effect sixty (60) days after the decision to expel is rendered by the Board. After expulsion, the former Member shall continue to be liable for any unpaid contributions and to make any payment for which an obligation arose prior to expulsion or in accordance with any contract provisions. The expelled Member shall not be entitled to any reimbursement of contributions that are to be paid or that shall become payable in the future; provided, however, the expelled Member shall be entitled to receive all dividends which are given in accordance with Board determinations, subject to a set-off for any outstanding obligation to HEBP. If the Member is expelled prior to the end of Member's annual coverage period, normal short-rate earned premium factors will be applied to determine the obligation of the Members.

D. Notwithstanding any other provision in these Bylaws, the Board may terminate the membership and expel a Member without further notice if any payment owed by the Member to HEBP remains outstanding beyond sixty (60) days of the due date.

E. Expulsion shall be in addition to any other remedy which otherwise exists.

ARTICLE XVII
Contractual Obligation

A. An original or certified or attested copy of each Member's executed interlocal participation agreement shall remain on file with HEBP.

B. Except to the extent of the financial contributions to HEBP agreed to herein or such additional obligations as may come about through amendments to these Bylaws, no Member agrees or contracts herein to be held responsible for any claims made against any other Member. The contracting parties intend in the creation of HEBP to establish an organization to operate only within the scope herein set out and have not herein created as between Member and Member any relationship of surety, indemnification or responsibility for the debt of or claims against any other Member.

ARTICLE XVIII
Fiscal Year

The fiscal year of HEBP shall be the calendar year or other twelve (12) month period as established by the Board of Trustees.

ARTICLE XIX
Severability

In the event that any article, provision, clause or other part of these Bylaws is held invalid or unenforceable by a court of competent jurisdiction, such validity or unenforceability shall not affect the validity or enforceability with respect to other articles, provisions, clauses, applications or occurrences, and these Bylaws are declared to be severable.

ARTICLE XX
Amendment of Bylaws

A. Any amendment to the Bylaws shall become binding on any HEBP Member upon its adoption. The provisions of any amendment which alter the rights of a Member which would otherwise exist under a contract shall be effective on the thirtieth (30th) day after written notice of the provision has been served on the Member in accordance with the contract provisions, or otherwise as the parties may agree.

B. These Bylaws may be altered, amended or repealed by a majority of the Board of Directors of TAC present at any regular meeting or at any special meeting if at least two days' written notice is given of an intention to alter, amend or repeal these Bylaws or to adopt new Bylaws at such meeting. The Board of Trustees of HEBP may recommend such changes as it deems necessary or desirable to the Board of Directors of TAC.

ARTICLE XXI
Notices

A. Any notice required or permitted by these bylaws to be given to a director, officer, or member of a committee of HEBP may be given by facsimile, mail, telegram, or e-mail. If mailed, a notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears on the HEBP's records, with postage prepaid. If given by telegram, a notice is deemed delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the HEBP's records. If by facsimile transmission, a notice is deemed delivered when printed confirmation of receipt is obtained from the transmitting mechanism. A person may change his or her address in the HEBP's records by giving written notice of the change to the secretary of HEBP.

B. Whenever any notice is required by law or these bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

C. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XXII
Miscellaneous Provisions

A. These bylaws will be construed under Texas law. All references in these bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

B. To the greatest extent possible, these bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to unincorporated associations such as HEBP. If any bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and the bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision. Venue for any dispute arising out of or under these bylaws shall be in Travis County, Texas.

C. The headings used in the bylaws are for convenience and may not be considered in construing the bylaws.

D. All singular words include the plural, and all plural words include the singular.

E. A person may execute any instrument related to HEBP, except a vote or written consent of a director or committee member, by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary to be kept with the corporate records.

F. The bylaws will bind and inure to the benefit of the directors, officers, committee members, employees, and agents of HEBP and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the bylaws otherwise provide.

CERTIFICATE

I certify that I am the secretary of the Texas Association of Counties Health and Employee Benefits Pool and that these bylaws constitute HEBP's Bylaws. These bylaws were duly adopted at a meeting of the Board of Trustees held on July 5, 2001.

Dated: July 9, 2001

By: Melissa Dota
For HEBP

RESOLUTION

WHEREAS, Article XV(A) of the Bylaws of the Texas Association of Counties Health and Employee Benefits Pool ("HEBP") provides that any Member may withdraw from HEBP by giving at least sixty (60) days written notice; and

WHEREAS, paragraph 3.1 of the Texas Association of Counties Health and Employee Benefits Pool Interlocal Participation Agreement provides that either party to the Interlocal Participation Agreement ("Interlocal Agreement") may elect not renew the Interlocal Agreement by giving written notice at least thirty (30) days prior to the end of the original term or any renewal term; and

WHEREAS, the Board of Trustees of HEBP desires to harmonize the termination provision of the Bylaws with the termination provision of the Interlocal Agreement, so that both documents will provide that Members may withdraw from HEBP upon thirty (30) days written notice; and

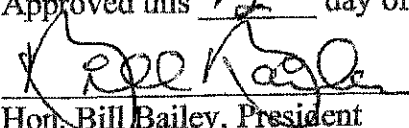
WHEREAS, Article XX(B) of the Bylaws provides that the Board of Directors of the Texas Association of Counties may amend the Bylaws of HEBP, and that the Board of Trustees of HEBP may recommend changes to the Bylaws to the Board of Directors of the Texas Association of Counties; and

WHEREAS, the Board of Trustees of HEBP has recommended an amendment to the Bylaws of HEBP to provide for termination of membership in HEBP upon thirty (30) days written notice (a copy of the recommendation is attached hereto and incorporated herein);

Be it hereby RESOLVED that the Board of Directors of TAC amends Article XV(A) of the HEBP Bylaws as follows (additions are shown in bold text; deletions are shown as strikethroughs):

- A. Any Member may withdraw from HEBP by giving at least ~~sixty (60) days~~ **thirty (30) days** written notice to the Board and the HEBP Manager of its desire to withdraw.

Approved this 12th day of August, 2003.



Hon. Bill Bailey, President
Texas Association of Counties

Attest: 

Secretary