AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Colorado Counties Casualty and Property Pool Agree

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: CTSI and Gunnison County

Term Begins: 1/1/2017 **Term Ends:** 12/31/2017 **Grant Contract #:**

Summary:

Sign the Colorado Counties Casualty and Property Pool Agreement for Partially Self-Funded Program for 2017

Fiscal Impact: $85,746

Submitted by: Linda Nienhueser **Submitter's Email Address:** lnienhueser@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:
ok - gs

Reveiwed by: GUNCOUNTY1\gstuhr Discharge Date: 12/29/2016 Certificate of Insurance Required Yes ○ No ◉

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 1/4/2017

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 0

Agenda Date: 1/10/2017

Revised April 2015

Colorado Counties Casualty and Property Pool

Agreement for Partially Self-Funded Program

Gunnison County

January 1, 2017 through December 31, 2017

THIS AGREEMENT is entered into this 1st day of January, 2017 by and between the Colorado Counties Casualty and Property Pool ("CAPP" or "Pool"), a legal entity formed by intergovernmental agreement under Colorado law, and **Gunnison County** ("County"), a political subdivision of the State of Colorado.

ARTICLE 1.0 RECITALS

1.1 The County is a member in good standing of CAPP and has adopted the CAPP Bylaws and Intergovernmental Agreement (the "Intergovernmental Agreement"), as amended from time to time by the CAPP membership.

1.2 The County is current with respect to all of its obligations to CAPP and therefore eligible to participate in CAPP's partially self-funded option program (the "Program").

1.3 The County wishes to self-fund through CAPP a portion of its anticipated property and casualty claims for program year 2017 while having CAPP continue to provide claims adjudication and management services and loss control and prevention programs for the County and CAPP is willing to provide such services on the terms and conditions hereafter stated.

ARTICLE 2.0 TERM

2.1 This Agreement shall take effect on January 1, 2017, and shall coincide with the term of CAPP's obligations to pay the retention under the CAPP excess insurance policies (hereafter "Policies"), subject to paragraph 3.7 of this Agreement.

ARTICLE 3.0 OBLIGATIONS OF COUNTY

3.1 The County shall pay CAPP **$134,795** with equity credit of **($35,709)** and discount of CTSI fees in the amount of **($13,341)** for a total contribution due of **$85,746** by January 31, 2017 for insurance coverage and services rendered by CAPP for the period January 1, 2017 – December 31, 2017. For services provided by CAPP after December 31, 2017, pursuant to paragraph 4.1 of this Agreement, the County shall budget, appropriate and irrevocably pledge an annual fee to be determined by the CAPP Board of Directors.

3.2 The County shall budget, appropriate, and irrevocably pledge **$52,212** in 2017 and thereafter at least annually shall budget, appropriate and irrevocably pledge additional funds sufficient, which may be determined from time to time by CAPP after consideration of actuarial or other financial reports, for the payment of the first **$100,000** of each qualified claim and allocated loss expenses per occurrence subject to the Policies ("County self-funded retention"), none of which payments shall be the responsibility of CAPP.

For this purpose, allocated loss expenses means all costs, charges, or expenses of third parties reasonably incurred by CAPP, its agents or its employees, which are properly chargeable to a qualified claim including, without limitation, court costs, fees, and expenses of attorneys, independent investigators, experts and witnesses, and fees for obtaining diagrams, reports, documents, and photographs; and "qualified claims" means those claims for which coverage is provided pursuant to the Policies, subject to any additional coverage limitations imposed by CAPP.

A **$20,000** claims deposit shall be paid to CAPP by January 31, 2017. Additional funds shall be forwarded to CAPP from time to time based on payments for qualified claims and allocated loss expenses. Interest earned on payments made to CAPP pursuant to this paragraph 3.2 shall be credited to CAPP.

3.3 The County shall pay promptly CAPP's invoices pursuant to paragraph 3.2 within fifteen (15) days of receipt. Interest on any overdue payment shall accrue at the rate consistent with the Intergovernmental Agreement.

3.4 It is the parties' intent that at all times CAPP shall have available sufficient funds from the County to pay promptly all proper charges to the County self-funded retention. The parties do not intend for CAPP to be required to advance CAPP funds to pay the County self-funded retention or to perform services if the County fails to provide necessary funds as provided in paragraph 3.2.

3.5 The County agrees that the timely payment of all amounts billed to it pursuant to this Agreement is an obligation of the County under the Intergovernmental Agreement. The County agrees that any failure to so pay, or any failure of the County to comply with any other provision of this Agreement, will result in expulsion of the County from CAPP, and will subject the County to all other remedies and consequences provided for in this Agreement and in the Intergovernmental Agreement.

3.6 If the County is entitled to any credit or payment under Article XI of the Intergovernmental Agreement for any year, and if the County fails to timely pay any amounts due under this Agreement, the Board may, in addition to any other remedies it has, apply against any such amounts due the amount of any credit or payment CAPP owes or may in the future owe to the County as a result of such membership.

3.7 The County's obligations under this Agreement are subject to and conditional upon the County annually budgeting, appropriating, and irrevocably pledging funds as provided in paragraphs 3.1 and 3.2 of this Agreement. However, the County agrees that coverage of the County through CAPP under the Policies and the services to be provided the County by CAPP are conditional upon such annual budgeting, appropriation, irrevocably pledging of funds, and timely payment of all amounts due in accordance with this Agreement and the Intergovernmental Agreement, and upon the County's compliance with all other provisions of this Agreement. The County further agrees that failure by the County to so budget, appropriate, irrevocably pledge, or make such payment or to so comply will result in no coverage through CAPP under the Policies for any pending qualified claims for which the County fails to provide funds or pay fees as provided in this Agreement, will result in cancellation of coverage under the Policies, and will result in termination of any services provided to the County by CAPP under paragraph 4.1.

3.8 The County shall pay the full amount then pledged pursuant to paragraph 3.2 upon the request of the CAPP Board if the CAPP Board reasonably determines that CAPP needs the payment in order to meet applicable regulatory or statutory requirements.

ARTICLE 4.0 OBLIGATIONS OF CAPP

4.1 For qualified claims of the County under the Policies: CAPP will supervise, administer, manage and provide claims adjudication through County Technical Services, Inc. or such other entity or person as the Board of Directors of CAPP ("Board") may determine, until further notice thereof provided to the County, in accordance with the Intergovernmental Agreement and shall act as the representative of County in all matters related to such services.

ARTICLE 5.0 WITHDRAWAL AND EXPULSION

5.1 Withdrawal or expulsion of the County from CAPP shall not affect the obligations of the County or CAPP under this Agreement.

5.2 On or before the effective date of withdrawal or expulsion of the County from CAPP, the full amount then pledged pursuant to paragraph 3.2 shall be paid to CAPP plus such additional amount as the CAPP Board may reasonably determine is necessary to pay the County's self-funded retention until all qualified claims under the Policies are closed and to pay CAPP's costs pursuant to paragraph 5.3.

5.3 Upon withdrawal or expulsion of the County from CAPP, CAPP shall retain all pending claim files. The County shall continue to pay CAPP for all costs associated with the County's claims paid through CAPP which are subject to the County's self-funded retention in excess of the payment made pursuant to paragraph 5.2.

ARTICLE 6.0 INFORMATION

6.1 All information developed for or specifically relating to claims servicing for the County, including all source documents, stored data and technical, claims, and other information of any kind, and reports prepared by or for CAPP, are the property of CAPP and remain CAPP exclusive property during the existence of and after termination of this Agreement. The County shall have reasonable access to such information, and the right, upon reasonable request, to copy the same at the County's own expense.

ARTICLE 7.0 GENERAL PROVISIONS

7.1 This Agreement is personal to each of the parties and no party may assign or delegate any of such party's rights or obligations hereunder without first obtaining the written consent of the other party.

7.2 Time is of the essence in the performance of the parties' obligations and duties under this Agreement.

7.3 If any portion of this Agreement is declared invalid or unenforceable pursuant to a challenge by the County or by any officer, employee, or resident of the County, or by any other person except CAPP, the CAPP Board shall determine whether the Agreement is or is not severable and its decision shall be final. If the Board determines the Agreement is not severable, the entire Agreement shall be terminated effective on such date as the Board may decide, the County's coverage under the Policies shall be terminated as to all pending and future claims as of that date, and all services by CAPP to the County shall be terminated as of that date except for claims adjudication under paragraph 4.1 for claims for which coverage is not terminated under this paragraph, if any exist. Nothing shall prevent the County from obtaining coverage through CAPP in the same manner as other non-self-funded members.

7.4 This Agreement does not alter the Intergovernmental Agreement and the County retains all obligations of a CAPP member as set forth therein. The obligations of the County under this Agreement are obligations of the County within the meaning of the Intergovernmental Agreement.

7.5 This Agreement may be enforced by the parties or by any member, if so authorized by the CAPP Board of Directors. All costs incurred by CAPP in the attempt to collect any amount due under this Agreement, including reasonable attorney fees, court costs, and any arbitration costs, shall be paid by the County. The venue for any court action related to this Agreement shall be the Denver District Court.

7.6 Notices in connection with this Agreement and its Addenda shall be delivered to the following in the case of CAPP:

Colorado Counties Casualty and Property Pool
c/o County Technical Services, Inc.
800 Grant St., Suite 400
Denver, CO 80203

and to the following in the case of County:

CAPP Designated Correspondent

_____

_____

7.7 Any functions, powers, and responsibilities of CAPP provided for in this Agreement shall be exercised by the CAPP Board or its authorized designee.

7.8 In addition to any other remedies which may exist, the CAPP Board may submit any dispute under this Agreement to advisory arbitration, which shall be conducted pursuant to the rules of the American Arbitration Association or other Colorado court annexed arbitration system in Denver, Colorado, as the Board may determine.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the following persons authorized to act on behalf of their respective entities, dated and effective as of January 1, 2017.

COLORADO COUNTIES CASUALTY AND PROPERTY POOL (CAPP)

_____ Date: December 2, 2016
Allen E. Chapman
CTSI Executive Director

Gunnison County, Colorado (County)

By: _____ Date: _____
Chair, Board of County Commissioners

By: _____ Date: _____
County Clerk

(COUNTY SEAL)