

CITY COUNCIL

The City of Orange Township, New Jersey

DATE December 19, 2023

NUMBER 515-2023

TITLE: A RESOLUTION OF THE CITY OF ORANGE TOWNSHIP AUTHORIZING THE CITY OF ORANGE TOWNSHIP TO JOIN THE METROPOLITAN HEALTH INSURANCE FUND

WHEREAS, a number of public entities in the State of New Jersey have joined together to form the **Metropolitan Health Insurance Fund** hereafter referred to as "FUND", as permitted by N.J.S.A. 11:15-3, 17:1-8.1, and 40A:10-36 et seq., and;

WHEREAS, the FUND was approved to become operational by the Departments of Insurance and Community Affairs and has been operational since that date, and

WHEREAS, the statutes and regulations governing the creation and operation of a joint insurance fund, contain certain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such a FUND; and

WHEREAS, Resolution 83-2023, adopted February 7, 2023 authorized the intent for the City of Orange Township to form the Metropolitan Health Insurance Fund with the Township of Bloomfield , 1 Municipal Plaza, Bloomfield, New Jersey 07003 and the Plainfield Public School District, 1200 Myrtle Avenue, Plainfield, New Jersey 07063; and

WHEREAS, the governing body of the City of Orange Township, hereinafter referred to as "LOCAL UNIT" has determined that membership in the FUND is in the best interest of the LOCAL UNIT.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the LOCAL UNIT hereby agrees as follows:

- i. Become a member of the FUND for the period outlined in the LOCAL UNIT's Indemnity and Trust Agreements.
- ii. Will participate in the following type (s) of coverage (s):
 - a.) Health Insurance and/or Prescription Insurance and/or Dental Insurance and/or Medicare Advantage/Employer Group Waiver Program as defined pursuant to N.J.S.A. 17B:17-4, the FUND's Bylaws, and Plan of Risk Management.
- iii. Adopts and approves the FUND's Bylaws.
- iv. Execute an application for membership and any accompanying certifications.

BE IT FURTHER RESOLVED that the governing body of the LOCAL UNIT is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying membership in the FUND as required by the FUND's Bylaws, and to deliver these documents to the FUND's Executive Director with the express reservation that these documents shall become effective only upon:


AMY GRANT
CITY ATTORNEY

- i. Approval of the LOCAL UNIT by the FUND.
- ii. Receipt from the LOCAL UNIT of a Resolution accepting assessment.
- iii. Approval by the New Jersey Department of Insurance and Department of Community Affairs.

ADOPTED: December 19, 2023

Joyce L. Lanier
City Clerk

Tency A. Eason
Council President

CITY COUNCIL**The City of Orange Township, New Jersey**DATE February 7, 2023NUMBER 83-2023

TITLE: A RESOLUTION OF INTENT FOR THE CITY OF ORANGE TOWNSHIP TO FORM THE METROPOLITAN HEALTH INSURANCE FUND WITH THE TOWNSHIP OF BLOOMFIELD, 1 MUNICIPAL PLAZA, BLOOMFIELD, NEW JERSEY 07003, AND THE PLAINFIELD PUBLIC SCHOOL DISTRICT, 1200 MYRTLE AVENUE, PLAINFIELD, NEW JERSEY 07063.

WHEREAS, pursuant to N.J.S.A. 40A: 10-36 et. seq., (the "Statute") Local Units, as defined in the Statute, may join together to establish a joint insurance fund to provide contributory or non-contributory group health insurance through self-insurance, the purchase of commercial insurance or reinsurance or any combination thereof; and

WHEREAS, Bloomfield Township and City of Orange Township and Plainfield Public School District, pursuant to the Statute and N.J.A.C. 11:15- 5.6(c)(8) are adopting this Resolution of Intent to Form the Metropolitan Health Insurance Fund (the "Fund").

NOW, THEREFORE, BE IT RESOLVED BY CITY OF ORANGE TOWNSHIP MUNICIPAL COUNCIL that the following actions and authorizations are hereby authorized and approved:

1. Orange Township adopts this Resolution of Intent to Metropolitan Health Insurance Fund and authorizes its filing as required under N.J.A.C. 11:15-5.6(c)(8);

2. Membership in the Fund shall be contingent upon acceptance of the Fund's Bylaws as adopted and approved pursuant to the Statute and the execution and delivery by each member Local Unit of the Fund of a Trust and Indemnity Agreement whereby (i) each member Local Unit agrees to jointly and severally assume and discharge the liabilities of each and every party to the agreement arising from their participation in the Fund; (ii) the types of insurance coverage purchased through the Fund are specified; (iii) the duration of membership in the Fund is stated and (iv) each member states they have never defaulted on claims if self-insured and, if not, have not been cancelled for non-payment of insurance premiums for a period of at least two (2) years prior to joining the Fund; and

3. PERMA Risk Management Services and its representatives are hereby authorized pursuant to the Statute and N.J.A.C. 11:15-5.5 to file with the Department of Banking and Insurance and the Department of Community Affairs an application for approval to form and operate the Fund and the deliver such documents and other materials as may be necessary to accomplish the formation of the Fund and obtain the necessary approvals and authorizations to operate.

Adopted: February 7, 2023


Joyce D. Lahier
City Clerk


Tency A. Mason
Council President

RESOLUTION NO. 83-2023

OFF CONSENT AGENDA

REGULAR COUNCIL MEETING -- February 7, 2023

MOTION TO ADOPT: Montague, III

SECOND: Eason

YEAS: Coley, Hilbert, Montague, III, Ross & Council President Eason

NAYS: None

ABSTENTIONS: None

ABSENCES: Summers-Johnson & Wooten

MOTION TO RESCIND: Montague, III

SECOND: Eason

YEAS: Coley, Hilbert, Montague, III, Ross & Council President Eason

NAYS: None

ABSTENTIONS: None

ABSENCES: Summers-Johnson & Wooten

MOTION TO ADOPT: Coley

SECOND: Montague, III

YEAS: Coley, Hilbert, Montague, III, Ross & Council President Eason

NAYS: None

ABSTENTIONS: None

ABSENCES: Summers-Johnson & Wooten

METROPOLITAN HEALTH INSURANCE FUND

INDEMNITY AND TRUST AGREEMENT

THIS AGREEMENT made this ____ day of _____ 2023, in the County of Essex, State of New Jersey, By and Between the **Metropolitan Health Insurance Fund** referred to as "FUND" and the governing body of the **City of Orange Township** a duly constituted LOCAL UNIT OF GOVERNMENT, hereinafter referred to as "LOCAL UNIT".

WITNESSETH:

WHEREAS, the governing bodies of various local units of government, as defined in N.J.A.C. 11:15-3.2, have collectively formed a Joint Insurance Fund as such an entity is authorized and described in N.J.S.A. 40A:10-36 et. seq. and the administrative regulations promulgated pursuant thereto; and

WHEREAS, the LOCAL UNIT has agreed to become a member of the FUND in accordance with and to the extent provided for in the Bylaws of the FUND and in consideration of such obligations and benefits to be shared by the membership of the FUND;

NOW THEREFORE, it is agreed as follows:

1. The LOCAL UNIT accepts the FUND's Bylaws as approved and adopted and agrees to be bound by and to comply with each and every provision of said Bylaws and the pertinent statutes and administrative regulations pertaining to same.

2. The LOCAL UNIT agrees to participate in the FUND with respect to health insurance, as defined in N.J.S.A. 17B:17-4, and as authorized in the LOCAL UNIT's resolution to join.

3. The LOCAL UNIT agrees to become a member of the FUND and to participate in the health insurance coverages offered for an initial period, (subject to early release or termination pursuant to the Bylaws), such membership to commence on **January 1, 2024** and ending on **December 31, 2026** at 12:01 AM provided, however, that the LOCAL UNIT may withdraw at any time upon 90 day written notice to the FUND.

4. The LOCAL UNIT certifies that it has never defaulted on payment of any claims if self-insured and has not been cancelled for non-payment of insurance premiums for a period of at least two (2) years prior to the date of this Agreement.

5. In consideration of membership in the FUND, the LOCAL UNIT agrees that it shall jointly and severally assume and discharge the liability of each and every member of the FUND, for the periods during which the member is receiving coverage, all of whom as a condition of membership in the FUND shall execute an Indemnity and Trust Agreement similar to this Agreement and by execution hereto, the full faith and credit of the LOCAL UNIT is pledged to the punctual payments of any sums which shall become due to the FUND in accordance with the Bylaws thereof, this Agreement or any applicable Statute. However, nothing herein shall be construed as an obligation of the LOCAL UNIT for claims and expenses that are not covered by the FUND, or for that portion of any claim or liability within the LOCAL UNIT retained limit or in an amount which exceeds the FUND's limit of coverage.

6. If the FUND in the enforcement of any part of this Agreement shall incur necessary expenses or become obligated to pay attorney's fees and/or court costs, the LOCAL UNIT agrees to reimburse the FUND for all such reasonable expenses, fees, and costs on demand.

7. The LOCAL UNIT and the FUND agree that the FUND shall hold all moneys in excess of the LOCAL UNIT's retained loss fund paid by the LOCAL UNIT to the FUND as fiduciaries for the benefit of FUND claimants all in accordance with N.J.A.C. 11:15-3 et. seq.

8. The FUND shall establish and maintain Claims Trust Accounts for the payment of health insurance claims in accordance with N.J.S.A. 40A:10-36 et. seq., N.J.S.A. 40A:5-1 and such other statutes and regulations as may be applicable. More specifically, the aforementioned Trust Accounts shall be utilized solely for the payment of claims, allocated claim expense and stop loss insurance or reinsurance premiums for each risk or liability as follows:

- a) Employer contributions to group health insurance
- b) Employee contributions to contributory group health insurance
- c) Employer contributions to contingency account
- d) Employee contributions to contingency account
- e) Other trust accounts as required by the Commissioner of Insurance

9. Notwithstanding 8 above, to the contrary, the FUND shall not be required to establish separate trust accounts for employee contributions provided the FUND provides a plan in its Bylaws for the recording and accounting of employee contributions of each member.

10. Each LOCAL UNIT of government who shall become a member of the FUND shall be obligated to execute an Indemnity and Trust Agreement similar to this Agreement.

ATTEST

CITY OF ORANGE TOWNSHIP

BY: _____

ATTEST

METROPOLITAN HEALTH INSURANCE FUND

BY: _____