CHAPTER 20

INSURANCE

ARTICLE I – SELF-INSURANCE TRUST FUND

20-1-1 **AUTHORITY.** The Department of Insurance shall from time to time advise the Chairman of the County Board of the following:

(A) Operation and maintenance of all self-funded lines.

(B) Proper accumulation of reserves for future payment of losses under the St. Clair County Self-Insurance Trust Fund.

(C) Contracts with insurance companies which can provide excess insurance coverages and administration of said excess plan.

(D) Settlement amount of claims made.

(E) Allocation of costs to operate the self-insurance program of the County among the departments and offices of the County.

(F) Selection of investigatory agencies to assist in the handling of claims.

20-1-2 **AUTHORITY TO SETTLE CLAIMS.** The County Board Chairman shall have authority to delegate level of claim settlement. Limits to be established by the County Board Chairman with the advice and consent of the Finance Committee.

All litigated claims up to and including **Thirty Thousand Dollars ($30,000.00)** may be settled by the County Board Chairman with the advice and consent of the Finance Committee. Litigated claims in excess of **Thirty Thousand Dollars ($30,000.00)** may be settled by the County Board Chairman with the advice and consent of the Finance Committee and the County Board. **(Ord. No. 09-983; 02-23-09)**

20-1-3 **CREATION OF THE SELF-INSURANCE TRUST FUND.** The County of St. Clair hereby creates a non-obligatory trust fund, separate and apart from all other County funds, to be known as the St. Clair County Self-Insurance Trust Fund, hereinafter designated as the "SCCSITF". Initial funding should be **Five Hundred Thousand Dollars ($500,000.00)** during the first year with funding for subsequent periods being determined by the magnitude of the demands upon the SCCSITF and monies which have been expended from the fund.

The Treasurer of St. Clair County is authorized and directed to establish "SCCSITF" investing monies in that fund to earn the greatest amount of interest and keeping minimum amounts in a checking account to cover necessary disbursement.

20-1-4 **<u>PURPOSE OF "SCCSITF".</u>** The "SCCSITF" is established for the purposes of funding this Self-Insurance Program, and of providing the funds necessary and appropriate for the establishment, operation and maintenance of all self-funded lines of the insurance program for the County of St. Clair, and to provide this Fund for the accumulation of reserves for the future payment of losses incurred under this Self-Insurance Program.

The "SCCSITF" shall be a non-obligatory self-insurance trust fund into which monies are transferred and held by the County of St. Clair to make future payments on workers' compensation, property and third party liability claims, and shall consist of the General Reserves for claims which have been incurred but remain unpaid and the Catastrophe Reserves for claims that have not been reported and not been incurred.

20-1-5 **<u>FUNCTIONS OF THE FUND.</u>**

(A) To provide a reserve fund for administration of any and all claims against the County and, as such, the County may contract with such firms that can provide the necessary excess insurance coverages and administration of such plans of insurance as may be required by the County from time to time.

(B) To reserve funds for the debts, liabilities and obligations necessary to accomplish the purposes of this self-insurance program.

(C) To perform such other functions as may be necessary or appropriate to carry out this self-insurance program, so long as such other functions so performed are not prohibited by any provision of law.

20-1-6 **<u>FUND BALANCE.</u>** The matter of premium payments and allocation of pro-rata costs necessary to operate the Self-Insurance Fund will be determined from time to time depending upon the magnitude of the operation of the Self-Insurance Fund and the type of insurance coverages that are being specified.

20-1-7 **<u>AUTHORITY OVER FUND.</u>** The Self-Insurance Fund shall be under the direction and control of the County Board Chairman as presiding officer of the St. Clair County Board. All disbursements of the fund will ultimately be approved by the County Board Chairman with the advice and consent of the Finance Committee of the County Board. **(Ord. No. 110-86-0; 06-30-86)**

ARTICLE II – SECOND SELF-INSURANCE TRUST FUND

20-2-1 **<u>CREATION OF THE SECOND SELF-INSURANCE TRUST FUND.</u>** The County of St. Clair hereby creates a non-obligatory trust fund, separate and apart from all other County funds, and separate and apart from the St. Clair County Self-Insurance Trust Fund known as the "SCCSITF", which fund shall be known as the Second St. Clair County Self-Insurance Trust Fund, thereafter designated as the "SECOND SCCSITF". Initial funding of this fund will be provided by the issuance of a **Four Million Dollar ($4,000,000.00)** bond issue.

The Treasurer of St. Clair County is authorized and directed to establish "SECOND SCCSITF" investing monies in that fund to earn the greatest amount of interest.

20-2-2 **<u>PURPOSE OF "SECOND SCCSITF" AND FUND BALANCE.</u>** The "Second SCCSITF" is established for the purposes of funding this Self-Insurance Program, with the intent of using the interest income from this account to provide the necessary operating expenses and maintenance of all self-funded lines of the insurance program for the County of St. Clair and for the accumulation of reserves for the future payment of losses incurred under this Self-Insurance Program. The interest income from this "Second SCCSITF" shall be transferred to the original "SCCSITF" from time to time to provide funds to the original "SCCSITF" for the purposes set forth in **Article I** of this Chapter. The principal of the "Second SCCSITF" shall not be used to provide funds for the self-insurance fund and shall not be transferred to the original "SCCSITF" unless and until the original "SCCSITF" has been depleted.

20-2-3 **<u>FUNCTIONS OF THE FUND.</u>**

(A) To provide funds for the original "SCCSITF" through an on-going transfer of the interest income from the "Second SCCSITF" to the original "SCCSITF".

(B) To provide a reserve fund for the debts, liabilities and obligations necessary to accomplish the purposes of this self-insurance program.

20-2-4 **<u>INVASION OF PRINCIPAL AMOUNT OF FUND.</u>** There shall be no invasion of the principal of the "Second SCCSITF" until the original "SCCSITF" has been depleted.

20-2-5 **<u>AUTHORITY OVER FUND.</u>** The "Second SCCSITF" shall be under the direction and control of the County Board Chairman as presiding officer of the St. Clair County Board. All disbursements of the fund up to and including **Twenty Thousand Dollars ($20,000.00)** may be approved by the County Board Chairman with the advice and consent of the Finance Committee. Disbursements in excess of **Twenty Thousand Dollars ($20,000.00)** will ultimately be approved by the County Board Chairman with the advice and consent of the Finance Committee and County Board. **(Ord. No. 87-20; 04-27-87)**

ARTICLE III – SELF-INSURED UNEMPLOYMENT TRUST FUND

20-3-1 **AUTHORITY.** The Department of Insurance shall from time to time advise the Chairman of the County Board of the following:

(A) Operation and maintenance of Self-Insured Unemployment Trust Fund and checking account.

(B) Proper accumulation of reserves for quarterly reimbursement payments for all regular and extended unemployment benefits paid.

(C) Allocation of costs to operate the self-insurance program of the County among the departments and offices of the County.

(D) Accounting of all distributions from the Self-Insured Unemployment Trust Fund.

20-3-2 **CREATION OF THE SELF-INSURED UNEMPLOYMENT FUND.** The County of St. Clair hereby creates a non-obligatory trust fund, separate and apart from all other County funds, to be known as the St. Clair County Self-Insured Unemployment Trust Fund. Initial and subsequent funding shall be determined by the magnitude of the demands on and expenditures of the fund.

The Treasurer of St. Clair County is authorized and directed to establish the St. Clair County Self-Insured Unemployment Trust Fund, investing monies in that fund to earn the greatest amount of interest and keeping minimum amounts in a checking account to cover necessary disbursements.

20-3-3 **PURPOSE AND FUNCTIONS OF ST. CLAIR COUNTY SELF-INSURED UNEMPLOYMENT TRUST FUND.** This fund is established for the purpose of reducing tax liability by switching from a contributing status employer to a reimbursing status employer, whereby the County will be billed quarterly for the amount of regular and extended unemployment benefits paid through unemployment compensation insurance, and to provide for the provision and accumulation of necessary and appropriate funds for the establishment, maintenance, and operation of a non-obligatory trust fund for the payment of such reimbursements.

20-3-4 **FUND BALANCE.** The matter of payments into and disbursement from the fund depending on the magnitude of the demands on and expenditures of the fund.

20-3-5 **AUTHORITY OVER FUND.** The St. Clair County Self-Insured Unemployment Trust Fund shall be under the direction and control of the County Board Chairman as presiding officer of the St. Clair County Board. All disbursements of the fund will ultimately be approved by the County Board Chairman with the advice and consent of the Finance Committee of the County Board. **(Ord. No. 93-429; 12-27-93)**

ARTICLE IV - POST EMPLOYMENT HEALTH INSURANCE TRUST AGREEMENT

20-4-1 BOARD OF TRUSTEES.

(A) **Board Created.** A Board of **five (5)** members shall constitute the Board of Trustees. The Trustees shall administer the County's Post Employment Health Insurance Trust Agreement. **Two (2)** individuals shall be ex officio members of the Board of Trustees, namely, the County's Director of Administration and the County's Manager of Payroll/Personnel. The remaining **three (3)** members of the Board of Trustees shall be members of the County Board; the Chairman of the Finance Committee and **two (2)** members appointed by the County Board Chairman. The members of the Board shall be reappointed each year.

Each Trustee shall be entitled to vote on any and all actions before the Board of Trustees. At least **three (3)** concurring votes shall be necessary for every decision or action by the Board of Trustees. No decision or action of the Board of Trustees shall become effective unless presented and so approved at a regular or duly called special meeting of the Board of Trustees.

Notwithstanding anything to the contrary, the County is empowered to remove any Trustee from time to time as the County deems necessary for the proper administration of the Post Employment Health Insurance Trust Fund Agreement as set forth in **Section 20-4-7(B)** below.

(B) **Board Meetings and Officers.** The Board of Trustees shall hold annually regular meetings not later than **sixty-five (65) days** after the end of the calendar year and special meetings as called by the President. At least **seven (7) days'** notice of each meeting shall be given to each Trustee. All meetings of the Board of Trustees shall be open to the public and shall be held in the County Board Conference room or in any other place specifically designated in the notice of any meeting.

At its first quarterly meeting each year, the Board of Trustees shall elect from its members a President, Vice President, Secretary and Assistant Secretary to serve for **one (1) year** and until their respective successors are appointed. The President and the Secretary shall be selected from the ex officio members of the Board of Trustees.

The Vice President shall perform the duties of the President during any vacancy in that office, or duty the President's absence, or if the President by reason of illness or other causes is unable to perform the duties of office.

The Assistant Secretary shall act for the Secretary whenever necessary to discharge the functions of such office.

(C) **Electronic Attendance at Board Meetings.** Any member of the Board of Trustees may attend any quarterly or special meeting via electronic means (such as by telephone, video or internet connection) provided that such electronic attendance complies with all applicable laws and also with the County's policy for electronic attendance at such Board of Trustees meetings, as amended from time to time.

20-4-2 CONTRIBUTIONS.

(A) **Receipt of Contributions.** The Trustees shall receive any contributions paid to the Trustees in cash or in the form of such other property as they may from time to time deem acceptable and which shall have been delivered to them. All contributions so received, together with the income therefrom and any other increment thereon shall be held, invested, reinvested and administered by the Trustees pursuant to the terms of this Trust Agreement. The Trustees shall not be responsible for the calculation or collection of any contribution under the Plan, but shall be responsible only for property received by them pursuant to this Trust Agreement.

(B) **Compliance with Laws.** The Plan, this Trust Agreement and the Trust Fund thereunder are intended to meet all applicable requirements of the Internal Revenue Code of 1986 and the Illinois Municipal Code, as the same may be amended from time to time.

(C) **Dedication of Assets to Public Purpose.** The assets of the Plan, including but not limited to the trust assets of the Trust Fund, are assets of the County that are dedicated exclusively to the public and municipal purpose and function of providing medical benefits for former employees of the County and their eligible dependents under and in accordance with the terms and conditions of the Plan. As such, the assets of the Plan, including but not limited to the trust assets of the Trust Fund, are legally protected from the claims of creditors of the County and also from the claims of creditors of the Plan Administrator.

20-4-3 PAYMENTS FROM TRUST FUND.

(A) **Payments Directed by Plan Administrator.** The Trustees shall from time to time at the direction of the Plan Administrator make payments out of the Trust Fund to the Plan Administrator in such amounts and for such purposes as may be specified in the directions of the Plan Administrator. To the extent permitted by law, the Trustees shall be under no liability for any payment made pursuant to the direction of the Plan Administrator.

(B) **Impossibility of Diversion.** It shall be impossible by operation of the Plan or this Trust; by termination*, revocation or amendment of either the Plan or the Trust; by the happening of any contingency; by collateral arrangement of by any other means; for any part of the trust assets or trust income, or for any funds contributed to the Trust Agreement, to be used for or diverted to purposes other than the exclusive benefit of the retired employees and their dependents covered under the Plan, except that payment of taxes and administration expenses may be made from the Trust Fund as provided for herein. Should the United States Government or the State of Illinois institute a National Health Plan, this trust may be terminated in accordance with the Federal and State laws and consistent with the purpose of this Trust.

20-4-4 INVESTMENTS.

(A) **General.** The Trustees shall invest and reinvest the principal and income of the Trust Fund and keep the Trust Fund invested, without distinction between principal and income, in such securities or in such property, tangible or intangible, as the Trustees shall deem advisable, including but not limited to insurance policies, stocks, common or preferred, trust and participation certificates, interests in investment companies whether so-called “open-end mutual funds” or “closed-end mutual funds”, leaseholds, bonds, or notes and mortgages, and other evidences of indebtedness or ownership, Treasury Bills and other forms of United States government obligations, and federally insured saving accounts or certificates of deposit in banks or savings and loan associations bearing a reasonable rate of interest, irrespective of whether such securities or such property shall be of the character authorized by Illinois law from time to time for trust investments; provided however, that investments shall be so diversified as to minimize the risk of large losses unless under the circumstances in the sole judgment of the Trustees it is clearly prudent not to do so. Except as hereinafter expressly authorized, the Trustees are prohibited from selling or purchasing stock options or call option. This investment policy shall be consistent with the laws of the Illinois Pension Code or subsequent laws applicable to such trusts.

(B) **Establishment of Funding Policy.** The County’s Director of Administration shall establish and carry out a funding policy consistent with the purposes of the Plan and the requirements of applicable law, as may be appropriate from time to time. As part of such funding policy, the Director of Administration shall from time to time request the Trustees to exercise their investment discretion so as to provide sufficient cash assets in an amount determined by the Plan Administrator under the funding policy then in effect, as necessary to meet the liquidity requirements for the administration of the Plan.

(C) **Trustees’ Adherence to Funding Policy.** The discretion of the Trustees in investing and reinvesting the principal and income of the Trust Fund shall be subject to the funding policy, and any changes thereof as the Director of Administration may adopt from time to time and communicate to the Trustees in writing. It shall be the duty of the Trustees to act strictly in accordance with such funding policy and any changes therein as so communicated to the Trustees from time to time in writing.

20-4-5 POWERS OF TRUSTEES.

(A) **Powers.** The Trustees, in addition to all powers and authorities under common law, statutory authority, and other provisions of this Trust Agreement, shall have the following powers and authorities, to be exercised in the Trustees’ sole discretion.

(1) To purchase, or subscribe for, any securities of other property and to retain the same in trust;

(2) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustees, by private contract or at public auction, and any sale may be made for cash or upon credit, or partly for cash and partly upon credit. No person dealing with the Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

(3) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights, or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stock, bonds, securities, or other property held as part of the Trust Fund;

(4) To cause any securities or other property held as part of the Trust Fund to be registered in the Trustees' own names or in the name of one or more of the Trustees' nominees, and to hold any investments in bearer form, but the books and records of the Trustees shall at all times show that all such investments are part of the Trust Fund;

(5) To keep such portion of the Trust Fund in cash or cash balances as the Trustees may from time to time deem to be in the best interest of the Trust created hereby, without liability for interest thereon;

(6) To accept and retain for such time as the Trustees may deem advisable any securities or other property receives or acquired by the Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(7) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(8) To settle, compromise, or submit arbitration any claims, debts or damages to or owing to or from the Trust Fund; to commence or defend suits or legal or administrative proceedings, and to represent the Trust Fund in all suits and legal and administrative proceedings;

(9) To employ suitable agents and counsel, including, but not limited to, investment consultants and investment managers, and to pay their reasonable expenses and compensation, and such agents or counsel may or may not be agents or counsel for the County;

(10) To monitor the performance of trust assets, and to instruct investment managers and investment management consultants and to make changes as appropriate.

(11) To do all such acts, take all such proceedings, and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary to administer the Trust Fund and to carry out the purpose of this Trust Agreement and of the Plan.

(B) **More Than One Trustee.** So long as there shall be more than **one (1)** Trustee, they shall act by a majority of their number but may authorize any one or more of them to sign papers and instruments on their behalf.

(C) **Compensation and Expenses.** The Trustees and the Officers shall serve without compensation, but shall be reimbursed for any reasonable expenses incurred in attending meetings of the Board of Trustees and in performing their duties on behalf of the Trust, including but not limited to reasonable counsel and accounting fees, properly and actually incurred by the Trustees in the administration of the Trust Fund. Such expenses shall be paid from the Trust Fund. All taxes of any kind and all kinds whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust Fund, or the income thereof, shall be paid by the Trustees from the Trust Fund.

(D) **Allocation and Delegation of Fiduciary Duties.** The Trustees may allocate duties among themselves and designate others as fiduciaries to carry out specific fiduciary activities under this Trust Agreement, other than the management of the assets of the Trust Fund. Each investment consultant and investment manager appointed by the Trustees must acknowledge in writing that he or she is a fiduciary with respect to the County Post Employment Health Insurance Trust Agreement because he or she has power to manage, acquire or dispose of assets of the Trust Fund. The investment consultant and investment manager must be a person, firm or corporation registered as an investment adviser under the federal Investment Advisers Act of 1940 or a bank or insurance company qualified to perform services in the State of Illinois.

(E) **No Powers or Duties with Respect to the Plan.** It is the responsibility of the County and the County's Manager of Payroll/Personnel for Benefits Administration to administer the County's Plan which provides former employee health insurance benefits. Consequently, the Trustees have no power or authority to administer the Plan, to interpret or construe the terms of the Plan, to change benefit levels, establish required contribution amounts, adjudicate claims or to determine any questions arising in connection with the administration, interpretation or application of the Plan. Any such determination shall be made solely and exclusively by County and/or the County's Assistant Manager of Payroll/Personnel for Benefits Administration, and any such determination by the County and/or the County's Assistant Manager of Payroll/Personnel for Benefits Administration shall be conclusive and binding upon the Trustees.

20-4-6 TRUSTEES' DUTIES.

(A) **General.** The Trustees shall, consistent with the funding policy and method determined by the County's Director of Administration, invest, manage and control the Trust Fund and, at the direction of the Plan Administrator, shall pay benefits required under the Plan to participant entitled thereto or, as appropriate, to their beneficiaries. The Trustees shall discharge their duties under this Trust Agreement solely in the interests of the retired employees covered under the Plan and their dependents and for the exclusive purpose of providing benefits to such persons and defraying reasonable expenses of administering the Trust Agreement, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investments of the Trust Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this Trust Agreement, as this Trust Agreement may be from time to time amended; but the duties and obligations of the Trustees as such shall be limited to those expressly imposed upon the Trustees by this Trust Agreement notwithstanding any reference herein to the Plan, or the provision thereof, it being hereby expressly agreed that the Trustees are not a party to the Plan.

(B) **Consultation and Indemnification.** The Trustees may consult with counsel and the Trustees shall not be deemed imprudent by reason of its taking or refraining from taking any action in accordance with the opinion of counsel. The County agrees, to the extent permitted by law, to indemnify and hold the Trustees harmless from and against any liability that the Trustees may incur in the administration of the Trust Fund, unless arising from the Trustees' own willful breach of the provisions of this Trust Agreement. The Trustees shall not be required to give any other security for the faithful performance of their duties under this Trust Agreement, except such as may be required by a law which prohibits the waiver thereof.

(C) **Accounts and Records.** The Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder and all such accounts and other records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Director of Administration, by the Plan Administrator or by the County. The Trustees shall furnish to a designated representative of the County a written statement of account within **one**

hundred eighty (180) days after the end of the Plan's **December 31st** year end, setting forth all receipts and disbursements, additions, deductions, assets, liabilities and net assets of the Trust Fund in accordance with Statement No. 43 of the Governmental Accounting Standards Board, as such Statement No. 43 may be amended from time to time. The County's designated representative shall acknowledge receipt thereof in writing and advise the Trustees of his approval or disapproval thereof. Failure by the County's designated representative to disapprove any such statement of account within **thirty (30) days** after receipt thereof shall be deemed approval thereof. The approval or deemed approval by the County's designated representative of the statement of account shall serve to release and discharge the Trustees from any liability or accountability to the County as respects the propriety of the Trustees' acts or transactions shown in the Trustees' statement of account, except with respect to any acts or transactions as to which the County's designated representative shall file written objections with the Trustees within the **ninety (90) day** time period prescribed above.

(D) **Limitation on Trustees' Liability.** The Plan Administrator shall administer the Plan as provided therein, and the Trustees shall not be responsible in any respect for administering the Plan nor shall the Trustees be responsible for the adequacy of the County's contributions to the Trust Fund to meet or discharge any payments or liabilities under the Plan. The Trustees shall be entitled conclusively to rely upon any notice, instruction, direction or other communication of the Plan Administrator.

20-4-7 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE.

(A) **Resignation.** A Trustee may resign his or her position as Trustee (without resigning his or her employment with the County) at any time by giving **ninety (90) days'** notice in writing to the County and the other Trustee(s).

(B) **Removal.** The County Board Chairman with the approval of the County Board may remove a Trustee at any time in a manner generally similar to that provided in Section 3.1-35-10 of the Illinois Municipal Code **(65 ILCS 5/3.1-35-10)**.

(C) **Successor Trustees.** Upon the resignation or removal of an ex officio Trustee, the Chairman with the approval of the County Board shall appoint a successor Trustee who shall have the same powers and duties as those conferred upon the resigning or removed Trustee hereunder. Upon acceptance of such appointment by the successor Trustee, the resigning or removed Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Trust Fund. The Trustees are authorized to pay or reserve for payment any expenses of the resigned or removed Trustee upon appropriate proof thereof.

(D) **Report by Trustees.** Within **sixty (60) days** after the resignation or removal of a Trustee, the remaining Trustees may furnish to a designated representative of the County a written statement of account with respect to the portion of the year for which the removed or resigned Trustee served. The County's designated representative forthwith upon his receipt of such statement of account, shall acknowledge receipt thereof in writing and advise the remaining Trustees of his approval or disapproval thereof. Failure by the County's designated representative to disapprove any such statement of account within **thirty (30) days** after his receipt thereof shall be deemed approval thereof. The approval or deemed approval of the statement of account by the County's designated representative shall serve to release and discharge the remaining Trustees from any liability or accountability to the County as respects the propriety of the Trustees' acts or transactions shown in the statement of account, except with respect to any acts or transactions shown in the statement of account as to which the County's designated representative shall file written objections with the Trustees within the **ninety (90) day** time period prescribed.

(E) **Waiver of Notice.** In the event of any resignation or removal of a Trustee, the remaining Trustees and the County may in writing waive any notice of resignation or removal as may be provided hereunder.

20-4-8 AMENDMENT AND TERMINATION OF TRUST AGREEMENT.

(A) **Amendment.** Any or all of the provision of this Trust Agreement may be amended at any time and from time, in whole or in part, by an instrument in writing. However, no such amendment shall authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the former employees and their dependents; no such amendment shall cause or permit any portion of the Trust Fund to revert to or become the property of the County prior to complete satisfaction of all liabilities of the Plan with respect to benefits to retired employees and their eligible dependents; and no such amendment which affects the rights or duties of the Trustees may be made without the Trustees' written consent.

(B) **Termination.** This Trust Agreement may be terminated at any time by the County, an upon such termination, or upon the dissolution or liquidation of the County, the Trust Fund shall be paid out by the Trustees as and when directed by the Plan Administrator or the County, in accordance with the provisions of **Section 20-4-2** hereof and the terms of the Plan.

20-4-9 GENERAL.

(A) **Source of Funds.** This Trust Fund shall constitute the primary source of funds which may be used to pay the medical benefits awarded under the Plan, and the County shall not be liable in any way or in any manner for the payment of any such medical benefits to the extent that monies are available from the Trust Fund.

(B) **Limited Effect of Plan and Trust Agreement.** Neither the establishment of the Plan nor this Trust Agreement nor any modification thereof, nor the creation of any fund or account, nor the payment of any medical benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustees, the County or any officer or employee thereof, except as may otherwise be specifically provided in the Plan or in this Trust Agreement. Under no circumstances shall the terms of employment of any employee be modified or any way affected by the Plan or this Trust Agreement.

(C) **Protective Clause.** Neither the County, the Plan Administrator, nor the Trustees shall be responsible for the validity of any contract of insurance issued in connection with the Plan or this Trust Agreement or for the failure on the part of the insurer to make payments provided by such contract, or for the action of any person which may delay payment or render an insurance contract null and void or unenforceable in whole or in part.

(D) **Construction of Trust Agreement.** This Trust Agreement shall be construed and enforced according to the laws of Illinois and all provisions hereof shall be administered according to the laws of such State. If any provisions of this Trust Agreement shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of the Trust Agreement.

(E) **Gender and Number.** Whenever any words are used herein in the masculine, feminine or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein the singular or plural form, they shall be construed as though they were also used the other form in all cases where they would so apply.

(Ord. No. 08-969; 06-30-08)