

ORDINANCE NO. 118

WHEREAS, The Mercer County Regional Council of Governments (hereinafter called the C.O.G.) was formed August, 1971 to enable its members to realize financial and governmental efficiencies through joint cooperative action; and

WHEREAS, the C.O.G. has determined that such efficiencies can be achieved through a Group Workers' Compensation Program; and

WHEREAS, the Supervisors of Pymatuning Township desire to have the Township of Pymatuning participate in the Group Workers' Compensation Program sponsored by the C.O.G. for the purpose of achieving financial and governmental efficiencies with regard to Workers' Compensation;

NOW, THEREFORE, BE IT ORDAINED that the Township of Pymatuning:

I. Agrees to participate in the Group Workers' Compensation Program sponsored by the Mercer County Council of Governments which participation involves the following conditions of agreement:

(a) Participation by a group of municipalities capable of supporting a minimum group standard premium of \$300,000;

(b) Payment of an annual premium which shall be allocated as follows:

- (1) 21.4% to overhead costs;
- (2) 3.4% to the Program's legal consultants;
- (3) 8.8% for excess insurance coverage, and
- (4) 66.4% to the Program's trust fund;

(c) Use of a "fronting" company which company shall be responsible for any monies owed under the Program which are in excess of the participating group's modified standard premium.

2. Agrees to participate in the Group Workers' Compensation Program sponsored by the Mercer County C.O.G. for a minimum of three years from the start-up date (i.e. Annual Renewal Date) of the Program and from year to year thereafter unless the municipality should give notice of withdrawal from the Program at least ninety (90) days prior to the Annual Renewal Date.

3. Agrees to participate in the Group Workers' Compensation Program sponsored by the Mercer County C.O.G. under the following financial arrangements:

An annual premium which shall be paid as follows:

(a) 25% on the start-up date and 25% thereafter on the Annual Renewal Date, and

(b) 15% for five consecutive months following the month in which a 25% installment is to be paid,

(c) Which premium shall be no more than the standard modified premium, i.e. a premium figured by multiplying the municipality's payroll for each payroll class devised by the Pennsylvania Compensation Rating Bureau (hereinafter referred to as the P.C.R.B.) by the P.C.R.B.'s class rate for that class and multiplying each of those figures by the P.C.R.B.'s Experience Modification Factor and adding those results together.

4. Agrees to participate in the Group Workers' Compensation Program sponsored by the Mercer County C.O.G. which Program will be implemented through the following structure:

(a) The Program will be "fronted" by an insurance company chosen by the participants in the Program. This Company will provide claims

investigation and servicing and will make assignments to defense counsel.

(b) The Program will have a Trust Fund, with a Trustee hired and appointed by the participants in the Program. The Trust Fund is created for the purpose of funding basic claims, payments, administration and reserves as well as payikng defense counsel.

(c) The Program will have Excess Insurance Coverage to protect against catastrophic event claims.

(d) The Program will have a legal counsel which will act as consulting/overseer to the Executive Director and the Steering Committee.

(e) The Program will have an agent broker responsible for receiving claims, issuance of policies and collection and distribution of premiums.

(f) The Program will have a Steering Committee acting as liason between the elected officials of the participating municipalities and the trustee, the agent/broker, any insurance companies and the legal counsel.

FURTHER, BE IT ORDAINED that the appropriate municipal officers are hereby authorized to execute all appropriate documents to cause Pymatuning Township to become a participant in the Workers' Compensation Program sponsored by the Mercer County Council of Governments.

ENACTED AND ORDAINED this 10TH day of JUNE, 1982.

ATTEST:

PYMATUNING TOWNSHIP

By Charles P. Gershart
Supervisor

William E. Blake
Supervisor

Harry H. Bruner
Supervisor

Lucinda Lukman
Secretary of the Township