

APPENDIX C

**BYLAWS
OF THE
GOVERNMENT INSURANCE NETWORK (GIN)**

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Article I. Name

The organization shall be known as the Government Insurance Network (“GIN” or “Network”). No certificate of membership in GIN shall be issued.

Article II. Purpose-Limitation of Participation

The purpose of the Network is to create a joint insurance pool to administer and provide certain benefits including, but not limited to, health, life, dental, and vision for the members of GIN (“Members”) eligible employees, employees’ dependents, and retirees and the officers and employees of other governmental entities and the quasi-governmental, and non-profit public service entities with which some or all Members have separately arranged to list (“Listed Entities”), and the Board of Directors has approved, as if such officers and employees were employed by the Member pursuant to a group plan (the “Plan”). Each Member remains individually responsible for any and all benefit programs that are not a part of any Network Plan. Membership in GIN is not transferable or assignable.

The Network is not intended to transact insurance business within the State of Illinois. The intent of the parties is to separately establish benefit programs and to utilize the Network to achieve reduced costs of administration and insurance purchases by providing similar services to all Members and to require Members to pay for the costs of such benefits or to share such costs in the manner from time-to-time established by the Board of Directors.

Article III. Authority

GIN is established pursuant to the Illinois Constitution, Article VII, Sec 10 and the Intergovernmental Cooperation Act 5 ILCS 220/1, *et seq.*, and in particular, Sec 220/6.

Article IV. Directors and Officers

- A. The governing board of GIN, responsible for management, control, administration and affairs of the Network, and the Plan shall be referred to as the "Board of Directors" (the "BOD" or “Board”). The voting members of the BOD shall be composed of one representative of each Member who is an employee of the Member, and who shall have the authority to vote on any official action taken by the Board of Directors (each a "Director"). The Member shall designate to the Secretary who its one Director representative will be. Each Director may send a designee in his or her absence who shall also be an employee of the Member. The Director designee may participate in the discussions at the Board meeting and will be authorized to exercise the Member’s voting authority. No Director may represent more than one Member, and each Member shall have one (1) vote on the Board of Directors. Each Director or designee is responsible to the Network and other members of the BOD to make his or her best effort to be present

in person or electronically at each BOD meeting. ~~While physical presence is strongly encouraged, Directors who cannot be physically present at any meeting may attend remotely utilizing appropriate technology that allows for real time audio and/or visual participation and voting in the meeting upon confirmation that communication is with all participants as it progresses. Except where it is not practicable, BOD members who cannot be physically present at any meeting who wish to participate through electronic means shall give notice to the President of the BOD at least twenty four (24) hours before the meeting time.~~ Each of the Directors from the Members of GIN is eligible to run for election for the position of BOD officers.

- B. If a Board vacancy occurs, the respective unit of local government seat will be filled by an employee of that Member. If a Director designated by a Member cannot fulfill his/her obligations, for any reason, as set forth herein, and/or the Member desires to designate a new Director, it must notify the President of the BOD in writing of its selection of a new person to represent the Member as a Director. Each Member shall retain the right to remove and replace without cause any Director appointed by such Member.
- C. The Board of Directors of GIN shall elect from among their number a President, Vice President, Secretary, and Treasurer. The Board of Directors may also elect additional Officers and assign duties to them.

The President shall preside at all meetings of the Board and shall have such other powers and duties as are set forth in the Bylaws or by other action of the Board of Directors. Subject to the direction and control of the Board, he/she shall be in charge of the business and affairs of GIN; he/she shall see that the resolutions and directives of the Board are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board; and, in general, he/she shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Board. He/she shall approve the agenda for and preside at all meetings of the Board. Except in those instances which the authority to execute is expressly delegated to another officer or agent of GIN or a different mode of execution is expressly prescribed by the Board or these Bylaws, he/she may execute for GIN any contracts or other instruments which the Board has authorized to be executed, and he/she may accomplish such execution either individually or with the Secretary or any other officer or agent thereunto authorized by the Board, according to the requirements of the form of the instrument.

The Vice President shall carry out all duties of the President during the absence or inability of the President to perform such duties and shall carry out such other functions as are assigned from time to time by the President and/or the Board of Directors.

The Treasurer shall have charge and custody and shall be responsible for all funds and securities of the Network; receive and give all receipts of monies due and payable to the

Network from any source whatsoever; deposit all such monies in the name of Network in such banks, savings and loan associations or other depositories as shall be selected by the Board of Directors; invest the funds of the Network as are not immediately required in such investments as the Board of Directors shall specifically or generally select from time to time; and maintain the financial books and records of the Network; provided, however, that all investments of Network funds shall be made only in those securities which may be purchased pursuant to Illinois law. The Treasurer shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President and/or the Board of Directors. Notwithstanding the duties and responsibilities of the Treasurer herein provided, the Board of Directors by vote may, except as otherwise limited by law, delegate, wholly or in part, the responsibility for, and the regular or routine administration of, one or more of the Treasurer's duties to one or more agents, other officers, or employees of the Network who are not Directors. To the extent that the Board does delegate the duties of the Treasurer, the Treasurer shall be released from such duties and responsibilities. The powers, duties, and compensation of any agents for the Treasurer shall be approved by the Board of Directors.

The Secretary shall create and maintain a file of all minutes of the BOD. The Secretary shall be designated as the custodian of the minutes of the BOD. The Board of Directors by vote may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of the Secretary's duties to one or more agents, other officers, or employees of the Network who are not Directors. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws, and keep a register of the post office and e-mail address of each Director, which address shall be furnished to the Secretary by such Director.

Other Officers. Officers whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed, from time to time, by the BOD.

- D. GIN shall purchase a bond in sufficient amount as determined by the Board of Directors to assure the fidelity of the President, Vice President, Treasurer, and any other Officer, employee, or entity that contract with GIN who shall have the right to authorize the transfer or payment of GIN funds. The Board of Directors, by motion, may increase or decrease the amount or such bonds or change the persons covered.
- E. Each Director who is present in person or electronically at any meeting of the BOD shall be entitled to cast one vote. A quorum shall consist of a simple majority (more than half) of the entire Board of Directors unless otherwise noted in these Bylaws. The "entire

Board,” as used in these Bylaws, shall mean the total number of Directors when there are no vacancies. A quorum is required for the Board to conduct any business provided that if less than a quorum of the Directors is present at said meeting, a majority of the Directors present at that meeting may adjourn the meeting to another time without further notice. A simple majority or a quorum shall be sufficient to pass upon all matters unless otherwise provided by the GIN Agreement or these Bylaws.

On all questions, the yeas and nays shall be taken and entered on the records of the proceeding of the Board. Except as hereinabove provided, all voting at meetings of the Board shall be by acclamation. The vote of any member of the Board present at any meeting who votes "present" or "abstain" upon any matter shall be added to the votes upon the proposition raised as cast by the majority.

Any matter moved for passage or approval shall be deemed to have passed if it shall receive the affirmative vote of a simple majority of the members of the Board present at a meeting at which a quorum is present (including votes added to the votes cast by the majority, in accordance with the preceding paragraph) except when passage requires more than a simple majority under these Bylaws as set forth in subparagraphs (1) through (6) of Section F of this Article IV.

F. A greater vote than a majority of a quorum shall be required to approve the following GIN matters:

1. The Board of Directors may establish one or more rules requiring approval by a vote greater than a majority of a quorum; provided, however, that such rules may only be established by a greater than a majority vote at least equal to the greater than majority percentage stated within the proposed rule;
2. The admission of a new Member requires approval by affirmative vote of two-thirds (2/3) of the entire Board of Directors. The active membership of such new Member shall become effective on the date on which such two-thirds (2/3) approval is granted by the BOD. The new Member shall sign a copy of the Intergovernmental Agreement and of these Bylaws for the purpose of acknowledging its commitment to assume the rights and fulfill the responsibilities of membership in GIN, and shall transmit to the Secretary of GIN a certified copy of the Ordinance or Resolution of such new Member providing for such signing.
3. The determination and approval of the benefit levels, benefit plans, and the recommended insurance provider(s), as well as the proposed term(s) of the plan(s) requires approval by affirmative vote of two-thirds (2/3) of the Board of Directors.

4. After notice as otherwise provided herein, any amendment or these Bylaws shall require approval by affirmative vote of two thirds (2/3) of the Board of Directors; provided, however, no amendment shall have the effect of depriving a member of a vested contractual right without the consent of the Member.
5. Expulsion of a Member shall requires approval by affirmative vote of two-thirds (2/3) by the remaining Board of Directors and Section 6.2 of Article VI of the Intergovernmental Agreement to Establish Government Insurance Network (“IGA”).
6. Termination and dissolution of GIN shall require a two-thirds (2/3) vote for approval by the entire Board of Directors. Upon the adoption of a resolution of dissolution by two-thirds (2/3) of the Members of GIN, GIN shall follow the steps outlined in Section 6.2 of Article VI of the IGA.

G. While physical presence is strongly encouraged, a Director may attend any meeting through electronic technology if the Director meets the following conditions: a quorum of the Board is physically present throughout the meeting and a majority of the Board members present at an open meeting votes to approve the Director’s electronic attendance at the meeting. The following rules shall govern the attendance through electronic technology at meetings of the Board.

1. Except where it is not practicable, Directors who cannot be physically present at any regular, special, emergency, rescheduled, or reconvened meeting for one of the reasons contained herein and who wish to participate through electronic technology such as video or audio conference, telephone call, electronic means (including, without limitation, electronic chat or instant messaging, or other means of instantaneous interactive communication) shall give notice to the President of the Board or designee at least twenty-four (24) hours before the meeting time.
2. After a roll call establishing that a quorum is physically present, the presiding officer at the meeting of the Board shall call for a motion that the Director in question may be permitted to attend the Board meeting electronically, after specifying the reason entitling the absent Director to attend electronically. The motion must be approved by a vote of a majority of the Board of Directors physically present at that meeting.
3. The Director participating electronically and other Directors must be able to communicate effectively, and any members of the public in attendance at the meeting in question must be able to hear all communications at the meeting site.

4. Directors may participate in a Board meeting without being physically present if physical attendance is prevented by:
 - a. personal illness or disability;
 - b. absence for personal employment purposes or for GIN business; or
 - c. a family or other emergency.
5. When one or more Directors participate in a meeting by electronic technology, all votes shall be by roll call.
6. A quorum cannot be created by means of participation by electronic technology. As a condition for a meeting to be conducted and for anyone to participate electronically, a quorum must be physically present at any meeting for the meeting.
7. When speaker phones are used to allow a Director to participate in a meeting without being physically present, the Director using the speaker phone must, each time before speaking, identify himself or herself by name and be recognized by the presiding officer.
8. The minutes of the meeting shall include all Directors recorded as either present or absent and whether the Directors were physically present, or present electronically.
9. Any voice, electronic, or other transmission by electronic technology made during a meeting of the Board by a Director who is attending through electronic technology shall be made available to the public concurrent with such transmission, except for closed meetings.

H. No one serving on the Board of Directors shall receive any salary or other remuneration from GIN.

HI. No Director, or any member of a Director's immediate family shall be an owner, officer, director, partner, or employee of any contractor or agency retained by the Network, including any third party contract administrator.

Article V. Powers and Duties of the Board of Directors

The Board shall determine the general policy of GIN which shall be followed by the Member and the Director and/or alternate Director of the Member. No one serving on the Board of Directors of GIN shall receive any salary or other payment from GIN for providing such service thereto. Subject to the voting and quorum requirements set forth in these Bylaws, the Board shall have the authority to take any action necessary to do the following:

- A. To enter into written contracts in order to procure the necessary services, supplies, insurance and/or property necessary to accomplish the purpose of the Plan.
- B. To establish Members' monthly contributions for payments to the Plan, as described below, on an annual basis.
- C. To require Members to make additional supplementary payments to the Plan during the fiscal year, as may be required in extraordinary circumstance to avoid insolvency.
- D. To place all or part of the assets of the GIN Plan into funds necessary for the administration and operation of the Network and establish an investment policy.
- E. To study issues with Members and make recommendations.
- F. To recommend to its Members programs and educational materials relating to claim reductions.
- G. To direct the collection, accounting and distribution of funds to be used for the administration of the Plan and the providing of benefits hereunder.
- H. To cause to be purchased stop loss, and other types of insurance as authorized by the Board.
- I. To approve changes in its operating policies and procedures.
- J. To approve the fees for all authorized service providers.
- K. To procure fidelity bonds, fiduciary liability insurance, errors and omissions coverage, and any other insurance or coverage for Board members, officers, consultants, claims administrators, employees, representatives or other persons, as required by this Agreement or by law, or as deemed appropriate by the Board.
- L. To expel any Member from the participation in the Plan for failure to perform its obligations under this Agreement or as otherwise enumerated herein.
- M. To hire employees to perform any duties including but not limited to conducting day to day or ministerial functions, reviewing benefit claims and appeals, studying issues, recommendations or proposals and making recommendations to the Board.
- N. To retain brokers, consultants, employees, independent contractors, insurance consultants, a cooperative (group) administrator, attorneys, auditors, or other professionals as to accomplish the purposes of the Network. To appoint a claim administrator, who shall be responsible for the processing of benefit payment applications and for paying benefit claims under the direction and control of the Board, provided that the claim administrator shall be bonded to provide faithful performance of its duties and responsibilities and shall provide acceptable insurance coverage for errors and omissions.
- O. To provide to the Members an annual audit of the financial affairs of the Network to be made by a certified public accountant at the end of each fiscal year in accordance with generally accepted auditing principals and to otherwise file all necessary audits and actuarial opinions as required by the Illinois Department of Insurance and/or the Director of Insurance.

- P. To delegate any or all of its duties and obligations, not otherwise limited by law, to any entity(ies) or individual(s), as may be necessary to administer and accomplish the purpose of the Plan, including: an agent(s), broker(s), employee(s), independent contractor(s), claim administrator(s), attorney(s), accountant(s), consultant(s), investment manager(s), and such other persons as may be necessary to administer and accomplish the purpose of the Plan.
- Q. Within the budgetary limits established by the Members, to perform such other activities as are necessarily implied or required to carry out the purpose of the Plan or the specific activities enumerated herein.
- R. To fill any vacancy in any of the officers of the Board.
- S. To fix the frequency, time and place of regular Board meetings.
- T. To take any other action authorized by law and deemed necessary to accomplish the purposes of these Bylaws.

Article VI. Meetings of the Board

Regular meetings of the Board shall be held as necessary to carry out the purpose and business of the Network. A minimum of four (4) meetings (at least once each quarter of the fiscal year) shall be scheduled each fiscal year. The dates of regular meetings of the Board shall be established at the beginning of each fiscal year by a majority vote of the BOD. Meetings of the BOD will be held at specific times and places which are convenient and open to the public. ~~any place within the State of Illinois designated by the BOD from time to time, but under special circumstances they may be held elsewhere with prior approval of the BOD.~~ No further notice of regularly scheduled meetings of the BOD need be given to the Directors or Members provided, however, that the conduct of all Board meetings, as well as notice of all regular and special Board meetings, shall be in accordance with the Illinois Open Meetings Act, 5 ILCS 120/1, et seq. Meetings will follow a previously prepared agenda containing all business items requested by any Board Member and/or any Member for consideration. The agenda shall be provided to each Member five (5) business days in advance of such meeting. Special meetings of the Board may be called at any time by the President or by any two (2) Directors. Whenever practicable, the person or persons calling such special meeting shall give at least five (5) business days notice (by telephone, by electronic telecommunications or by written notice) to each and all of the other Directors at his/her address as shown by the records of GIN. If given by electronic telecommunications, such notice shall be deemed to be delivered when the electronic telecommunication is sent, provided, however, that the electronic communication must be filed with the minutes of the proceeding of the BOD. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon and the business to be transacted. In the event that the President, or any two (2) Directors, shall determine that there is

a financial or other emergency to GIN, an emergency special meeting of the BOD may be held if reasonable notice thereof is given by telephone or electronic telecommunications prior to such meeting.

Notice of any meeting of the Board may be waived by electronic telecommunications or in writing signed by the person or persons entitled to notice either before or after the time of the meeting. The attendance of a Director at any BOD meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Officers shall be elected from among the Board members and shall include one President, one Vice President, one Secretary and one Treasurer. All checks authorized by the Board must be signed by any two of these four (4) Officers. The Officers shall be elected by a majority vote of the BOD. Each Officer shall serve two (2) year terms until he or she is replaced by a subsequent election or until the effective date of his or her resignation. There shall be no term limits for elected Officers. Officers shall be elected at GIN's first organizational meeting, which shall take place within 30 days of the commencement of GIN, and thereafter at the last regular meeting of a fiscal year in which elections are to be held. Officers shall serve until their successors have been chosen and begin their terms. The Board may from time to time establish other offices and may elect a Board member to serve in any of the newly established offices. Election of an Officer shall not of itself create contract rights. Any Officer may be removed by the vote of two-thirds (2/3) of the entire Board whenever in its judgment the best interests of GIN would be served thereby. An Officer may resign his or her office by giving the President written notice of such resignation at least thirty (30) days in advance of the effective date of such resignation. In the event that an Officer resigns, dies, becomes disabled or is otherwise unable or unwilling to act, such Officer may be replaced by a majority vote with the new election to be held at the next BOD meeting.

Robert's Rules of Order, latest edition, shall be applicable to the conduct and business of such meetings on all matters not covered by these Bylaws.

Article VII. Liability by GIN, Its Officers and Directors

The members of the Board of Directors and the Officers and employees of GIN shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other actions made, taken or omitted by any agent, employee or independent contractor. No BOD member shall be liable for any action taken or omitted by any other BOD member. BOD members, Officers and employees of the Board, shall be indemnified and held harmless by GIN for claims by third parties arising out of the good faith discharge of their duties in the administration of the Plan or the Trust. Such indemnification shall include, but not be limited to, court costs and

reasonable attorneys' fees. Plan assets may be used to defend and hold harmless any BOD members, Officers and employees of the Board hereunder. The Board may utilize plan assets to purchase insurance providing fiduciary liability coverage and/or errors and omissions coverage for itself as an entity and for its Officials and employees in connection with the administration and operation of the Plan and Trust.

If any claim or action not covered by insurance is instituted against a BOD, Officer or employee of GIN allegedly arising out of an act or omission occurring within the scope of his or her duties, GIN shall at the request of them:

- A. Appear and defend against the claim or action; and
- B. Pay or indemnify the BOD member, Officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
- C. Pay or indemnify the BOD member Officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of GIN.

For the purposes of this Section, the terms “BOD member”, “Officer” or “employee” shall include former BOD members, Officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts.

Article VIII. Programs of Insurance and/or Self-Insurance

GIN may purchase insurance policies from insurance companies having a Certificate of Authority issued by the Department of Insurance of the State of Illinois.

Article IX. Fiscal Year – Budget

- A. The fiscal year of GIN shall commence on July 1 and end on June 30.
- B. During the last quarter of each fiscal year, the Board of Directors of GIN shall approve a preliminary budget for the administration of each Benefit for the next fiscal year. The preliminary budget shall set forth the method by which payments of Members are to be determined for the following GIN fiscal year. The Board of Directors shall annually approve a final budget.

- C. Failure of the Board of Directors to approve a preliminary or final budget within these time limits shall not relieve the Members or the obligation to make annual or supplementary payment to GIN as hereinafter provided.
- D. Funds shall be audited annually after June 30, by a firm of Certified Public Accountants.

Article X. Finances

- A. New Member Reserve Contributions: As a condition of new Membership, the new Member must pay into the Plan Accounts two (2) months of participation as funding for the reserve account.
- B. Surplus: At the end of each fiscal year, the Board will determine how any surplus in Plan Account funds will be utilized in the best interests of GIN. Where the Board has elected to return any surplus Plan Account funds to the Members, it will be allocated to each Member as a percentage of total premium paid in by the Member for that fiscal year compared to the total premiums paid by all Members for that fiscal year. In lieu of receiving a refund of surplus Plan Account funds, each Member may elect to place the refund of the surplus funds in the GIN reserve fund.
- C. Early Withdrawal from Plan: Any Member voluntarily withdrawing from GIN at any date prior to the end of the fiscal year shall immediately pay into the Plan Accounts, as reserves, an equivalent of two (2) months of participation and must meet the requirements of Section 6.1 of the IGA.

Article XI. Term and Termination

These Bylaws will follow the guidelines for Term and Termination as outlined in Article VI of the Intergovernmental Agreement to Establish Government Insurance Network.

Article XII. Notices

All notices of claims or any other notice required to be given pursuant to these By- Laws shall be sent by registered or certified mail, postage prepaid, return receipt requested and addressed as follows:

Assurance c/o GIN
111 N. Canal St., Suite 550
Chicago, IL 60606

City of Elmhurst
209 N. York Street

Elmhurst, IL 60126

Village of Frankfort
452 W. Nebraska Street
Frankfort, IL 60423

Village of Lemont
418 Main Street
Lemont, IL 60439

Village of New Lenox
1 Veterans Parkway
New Lenox, IL 60451

Village of Romeoville
1050 West Romeo Road
Romeoville, IL 60446

Village of Shorewood
(including the Will County Governmental League as a Listed Entity)
One Towne Center Blvd
Shorewood, IL 60404

Village of Westmont
31 W. Quincy St
Westmont, IL 60559

Article XIII. Amendments

These Bylaws may be amended, altered, added to or repealed as to any or all of the matters referred to in these Bylaws at any regular meeting of the Board of Directors by providing that the proposed amendment, alteration, addition or repeal was stated in the call for the meeting and voted on at a subsequent regularly scheduled Board meeting.