

**MONTANA ASSOCIATION OF COUNTIES
WORKERS' COMPENSATION TRUST
BY-LAWS**

February 2017

TABLE OF CONTENTS

ARTICLE I – NAME AND LOCATION	2
ARTICLE II – ELIGIBILITY	2
ARTICLE III – BOARD OF TRUSTEES.....	2
ARTICLE IV – OFFICERS	3
ARTICLE V – MEETINGS	3
ARTICLE VI – OBLIGATIONS OF MEMBERS.....	4
ARTICLE VII – FINANCES AND DIVIDENDS	4
ARTICLE VIII – GENERAL PROVISIONS/COLLECTION OF CONTRIBUTIONS	4
ARTICLE IX – TERMINATION OF MEMBERSHIP.....	5
ARTICLE X – AMENDMENTS	6

**MONTANA ASSOCIATION OF COUNTIES
WORKERS' COMPENSATION TRUST
BY-LAWS**

**ARTICLE I
NAME AND LOCATION**

1. The name of this organization shall be the Montana Association of Counties Workers' Compensation Trust hereinafter referred to as the "Trust".
2. Its principal office shall be located at 2715 Skyway Drive, Helena, State of Montana.
3. Other offices for the transaction of business may be located at such places as the Board of Trustees, hereinafter referred to as the "Board", may from time to time determine.
4. These By-Laws are adopted pursuant to and in compliance with the laws of the State of Montana and with the rules of the Montana Department of Labor and Industry Employment Relations Division, hereinafter referred to as "Department".

**ARTICLE II
ELIGIBILITY**

Members of the Trust must be members of the Montana Association of Counties, an incorporated association organized under the laws of the State of Montana, and meet such other qualifications as may from time to time be set by the Board and appropriate governmental authorities.

**ARTICLE III
BOARD OF TRUSTEES**

1. The business and property of the Trust shall be supervised by the Board. The Board shall consist of the Executive Committee of the Montana Association of Counties: The President, the 1st Vice President, the 2nd Vice President, the Fiscal Officer, the Past President, the Urban County Representative, and the MACo Executive Director. Except as herein or by law otherwise required, the Board shall act by majority vote of the trustees present at a meeting at which a quorum is present. A majority of the Board then in office shall constitute a quorum to do business. Each trustee shall have one vote. A Board member may vote by proxy only if the proxy is in writing, if it is limited to particular matters or motions specified in the proxy, and if the proxy specifies how the absent Board member's vote is to be cast.

The Board shall:

- (a) Supervise the administration of the Trust.
- (b) Employ legal counsel, accountants and such other professional services, as it from time to time shall deem appropriate to promote the safe and proper operation of the Trust, with financially stable members who are amenable to proper operation of the Trust and good safety procedures.
- (c) Set requirements for the admission of members to the Trust and for continuing membership, which shall include such precautions as it from time to time shall deem appropriate to promote the safe and proper operation of the Trust, with financially stable members who are amenable to proper operation of the Trust and good safety procedures.
- (d) Endeavor to see that the Trust is safely and prudently administered to ensure its financial stability.
- (e) Perform any other function incident to their offices and in keeping with the laws of the State of Montana.

2. In the case where an elected member of the Executive Committee is from a county that is not a member of the Trust, the position will be filled by the remaining Trustees. In filling the position, the Trustees shall give preference to those past presidents of the Montana Association of Counties who are eligible and willing to serve as a Trustee. If no past president is eligible and willing to serve, the Trustees shall appoint some other eligible member as a Trustee. The member appointed shall serve in the context of the

non-Trust member Executive Committee person. A member-appointed Trustee by the Board shall serve until the next general meeting of the membership at which time nominations shall be accepted for the Board position filled by appointment, to be voted upon by the members present with the member-elected serving in context of non-Trust member Executive Committee person.

3. The Chair of the Board shall be the President of the Montana Association of Counties, the Vice Chair shall be the 1st Vice President of the Montana Association of Counties. The MACo Fiscal Officer shall serve as Board Treasurer and Fiscal Officer, and the MACo Executive Director shall serve as Secretary of the Board. In addition, the Board may appoint such assistant secretaries, assistant treasurers and additional officers as it deems advisable. All officers so elected or appointed shall serve at the pleasure of the Board.

4. The Board may delegate to MACo staff the authority to act on all claim matters between full board meetings.

5. The Board may delegate to MACo staff the task(s) of ensuring that the Montana Association of Counties Workers' Compensation Trust meets the Safety Culture Act Standards set by the Montana Department of Labor and Industry.

6. The Board shall not extend credit to any member for payment of premiums or for any other purpose whatsoever and shall not borrow any money from the Trust or in the name of the Trust without a two-thirds (2/3) vote of the Board and without the approval of the Department.

7. Any member may be expelled from the Trust by the majority vote of the Board in compliance with the provisions of Article VIII of these By-Laws.

8. Board members shall be reimbursed per diem provided by the MACo offices for each duly called meeting attended, for actual and reasonable expense incurred in carrying out duties as a Board member.

ARTICLE IV **OFFICERS**

1. The Chair of the Board shall preside at all meetings of the Board and of the members of the Trust and shall have general supervision over the affairs of the Trust and over other officers; and shall perform all such other acts and duties as are incident to the executive office, which is comparable to that of president of a corporation. In case of the absence or disability of the Chair, the duties shall be performed by the Vice Chair.

2. The Executive Director shall be the Secretary and shall also be a Board member. The Secretary shall record the minutes of all meetings and prepare agendas, records, etc., and other duties normally required of a Secretary.

3. The Board shall appoint an investment trustee to hold and invest the funds of the Trust. The investment trustee shall have discretion as to the securities in which the funds of the Trust are invested or reinvested, provided that all such investments shall be limited to investments which are permissible under the law and which meet the criteria established for Trust investments by the Board. The Board may from time to time change the investment trustee at its discretion.

ARTICLE V **MEETINGS**

1. The Trust shall operate on a fiscal year beginning on October 1 and ending on September 30. The Trust shall hold an annual meeting, and the meeting shall be generally held in January or February. Efforts will be made by the Board to coordinate the meeting time with other MACo activities such as the annual loss control workshop or the MACo midwinter meeting. The Secretary shall furnish each member written notice of the time, date and place at least ten (10) days prior to the date of the meeting.

2. At each annual meeting of the members of the Trust, the Chair of the Board shall submit a statement of the claims experiences of the Trust during the preceding fiscal year, together with a financial report of the Trust for the same period.

3. Special meetings of the Board may be called by the Chair, by the Vice Chair in the absence of the Chair, or by any three members of the Board. By unanimous consent of the Trustees, special meetings of the Board may be held without notice; otherwise, notice of all regular and special meetings of the Board shall be mailed to each Board member at least ten (10) days prior to the time

fixed for the meeting. All notices of special meetings of the Board shall state the purpose therefore. in the event all of the members of the Board shall consent in writing to any action taken or to be taken by the Board, such action is valid action as though it had been authorized at a meeting of the Board.

4. A quorum for the transaction of business at any regular or special meeting of the Board shall consist of a majority of the Board members then in office.
5. The Board shall meet no less often than each four months.
6. Special meetings of the members may be called by the Chair of the Board, by the Vice Chair of the Board in the absence of the Chair, by any three members of the Board, or by petition signed by one-third of the members. All notices of special meetings of the members shall state the purpose therefore, and in the event a special meeting is sought to be called by petition, the petition shall state the specific purpose for such special meeting. No business other than that specified in the notice or petition shall be considered at the special meeting called in that manner.
7. Each member of the Trust shall have one vote.
8. Fifty (50) percent of the members shall constitute a quorum to do business.
9. A Trustee or member may vote by proxy only if the proxy is in writing, is limited to particular matters or motions specified in the written proxy and the written proxy gives direction to the member or Trustee holding the proxy regarding how the absent Trustee's or member's vote is to be cast. Written proxies shall be delivered to the Trust Secretary at or prior to the convening of the meeting.

Proxies shall be in substantially the following form:

GRANT OF PROXY

In accordance with Article III, Section 9 of the By-Laws of the Montana Association of Counties Workers' Compensation Trust, we/I hereby grant our/my proxy to (insert name of individual and member entity county) for the purpose of voting on (specify the matter(s) for which the proxy is granted) for the meeting of the Member Entities or Trustees to be held on (insert date of meeting) and direct that our/my vote be cast as follows:_____.

(Signature of Member Entity Representative or Trustee).

Dated this day of _____, 20 .

ARTICLE VI
OBLIGATIONS OF MEMBERS

In addition to the other obligations set forth in these By-Laws, members shall:

1. Pay promptly all payments due the Trust at such times and in such amounts as shall be established by the Trust.
2. Designate a voting representative and alternate for member meetings.
3. Allow officers and employees of the Trust reasonable access to all premises of the member and all member financial records as required for administration of the Trust.
4. Cooperate fully with the Trust's attorneys, claims adjusters, and other agents and employees of the Trust in activities relating to the operations of the Trust.

5. Report to the Trust immediately all incidents or injuries which could reasonably be expected to result in claims for workers' compensation and occupational disease benefits.

ARTICLE VII
FINANCES AND DIVIDENDS

1. The Board shall operate at least one (1) bank account. This account shall be the primary working account of the Trust.
2. All monies of the Trust shall be deposited in the aforementioned account, or such other account as the Board from time to time shall determine to be appropriate.
3. The MACo staff shall collect all premium contributions and shall immediately remit them to the depository bank for deposit as directed by resolution of the Board. The MACo staff shall determine and bill for all appropriate insurance premium costs, all self-insurance bond costs, all industrial and/or state taxes, and services fees.
4. That portion of each member's contribution which shall not be required to pay claims, pay administration expenses and fees or required for appropriate reserves may be returned to the members of the Trust from time to time. No surplus accumulations may be returned if such payment will impair the capital stability and/or security of the Trust. Any member who withdraws and/or is not in good standing shall not be eligible to receive any return from surplus accumulation until the applicable statutes of limitation shall expire on all open or potential claims for the fiscal year involved. "Open claims" for this purpose shall mean any situation where notice of injury was given to the member, whether or not the member reported the same. In the event the Board is unable to identify or deliver a refund for any reason, such monies shall remain in the Fund for the benefit of the remaining members.
5. All costs of administration of the Trust not otherwise provided for herein shall be paid out of the aforementioned account.
6. An annual audit shall be made of the Trust by accountants selected by the Board. The expense of this audit will be paid out of the aforementioned account. Copies of each year's audit shall be made available to each member (upon request) during that year.
7. Each fiscal year shall be maintained separately for accounting purposes for the benefit of the Trust members active during the year.

ARTICLE VIII
GENERAL PROVISIONS AND COLLECTION OF CONTRIBUTIONS

1. The Board shall require each member of the Trust to be a member in good standing of the Montana Association of Counties.
2. Each member shall deliver to MACo an accounting of its actual payroll and make payment of its contributions no later than fifteen days following the end of each calendar quarter.
3. At the inception of each successive year, the Board will determine each member's deposit for that year (which will be based on the member's loss experience for the prior year) and shall promptly after the determination notify each member thereof. Each member's deposit shall be subject to review by the Board.
4. It is required that members adopt a risk management or safety statement approved by the Board. Members must follow the loss reduction and prevention procedures established by the Board.
5. Members must keep accurate records and cooperate with the Board, MACo staff, and the representatives of the applicable state agencies having jurisdiction over workers' compensation or safety matters. It is required that each member take all necessary action to carry out the recommendation of any loss control inspections.
6. The Board shall issue reasonable operating procedures and regulations for the operation of the Trust. All such procedures shall be reduced to writing and a copy given to each member and shall be deemed binding immediately upon receipt.

ARTICLE IX
TERMINATION OF MEMBERSHIP

1. Membership of any member in the Trust shall automatically terminate upon the occurrence of any of the following:

(a) Whenever the member ceases to be a member in good standing of MACo.

(b) Whenever the member resigns from the Trust. A member may resign only after giving 90 days' written notice to the Trust of its intent to resign. Prior to acceptance of any resignation, the Trustees may require the member to meet with the Trustees to explain the member's reason for resigning. The withdrawn member shall not be entitled to any reimbursement of premiums that have been paid or dividends and reimbursements that may become payable in the future, and shall continue to be obligated to make any payments which may be due in the future should the Trust need such funds to meet its obligations for claims and claim administration for the years in which the withdrawn member was a member of the Trust. A member of the Trust that subsequently terminated such membership in the Trust and that chooses to again become a member of the Trust must petition the Board, and receive approval from the Board, before again becoming a member.

(c) Whenever the term expires for which premiums and deposited have been paid by the member.

2. Membership of any member in the Trust may be terminated by majority vote of the Board and the member expelled from the Trust upon the occurrence of any of the following:

(a) Failure of the member to pay any premiums or assessments required, on or before the due date thereof. All delinquent payments shall be paid with interest. The interest will be set on the highest rate paid by the financial institution investing the majority of the workers' compensation funds during the delinquent period. Payments will be considered delinquent forty-five (45) days following the due date.

(b) Failure of the member to timely file any report or census required by MACo, the Department, or the Law.

(c) Failure of the member to maintain a safety/loss control program acceptable to the Board.

(d) The member's filing of any report or census required to be filed with contains any materially false statement or omits any material information required.

(e) Failure of the member to otherwise meet the requirements of Law, the Department, or the Board.

For purposes of this Section 2 only, a member shall be given thirty (30) days' written notice of the grounds asserted for termination of membership, during which time the member shall be given an opportunity to correct all deficiencies in order to remain a member in good standing. This compliance period may be extended by the Board on its own motion or upon application of the member, but only for good cause shown.

Notice of termination shall be given by the Board to the member and the Department simultaneously. Notice to the member shall be sent by registered or certified mail, return receipt required.

ARTICLE X
AMENDMENTS

Amendments to these By-Laws may be made by a vote of two-thirds (2/3) of the members present at any annual or regular meeting or at any special meeting called for that purpose. Any amendment proposed for submission at any meeting of the Board or the members shall be set out in full in the notice of such meeting.