

**Bylaws of**  
**Self Insurance Pool of Greater Kansas City, Inc.**  
**Amended and Restated**

**Article One**  
**Corporate Purposes and Offices**

**1.1 Statutory References.** The following references as used in these Bylaws shall refer to the complete citation of authority recited alongside each.

(a) Section 537.620 shall refer to Section 537.620 et seq. of the Revised Statutes of Missouri, as amended from time to time.

(b) Chapter 355 shall refer to "The General Not-For-Profit Corporation Law of Missouri", as codified in Chapter 355 of the Revised Statutes of Missouri, as amended from time to time.

**1.2 Purposes.** The purposes of the Self Insurance Pool of Greater Kansas City, Inc. (hereinafter "SIPGKC") shall be:

(a) SIPGKC shall establish and maintain health and welfare plans for the payment of health, dental, vision and other similar or permitted benefits and other types of risks that may be shared under Section 537.620 of the Revised Statutes of Missouri (hereinafter the "Plan").

(b) The Board shall hold all assets of SIPGKC in trust and for the exclusive benefit of the Participants, and their Dependents and Beneficiaries.

(c) Notwithstanding any other provisions of these Articles, SIPGKC shall not carry on any activities not permitted to be carried on by an association organized under Section 537.620 of the Revised Statutes of Missouri.

**1.3 Public Benefit Corporation.** SIPGKC is a Public Benefit Corporation.

**1.4 Duration.** The term for which SIPGKC is to exist is perpetual.

**1.5 Powers.** The SIPGKC shall have and exercise all powers given not-for-profit corporations under the Missouri Non-Profit Corporation Act, as amended from time to time, and shall be authorized to do any lawful act in furtherance of any and all lawful purposes for which SIPGKC may be organized under such law, to the extent such purposes are within the purposes allowable under Section 537.620 of the Revised Statutes of Missouri.

**1.6 Trust Fund.** All of the assets at any time held in the name of SIPGKC or by the Board of Directors are to be held in trust in accordance with the following terms and conditions, and are hereinafter referred to collectively as the "Trust Fund". All right, title and interest in and to the assets of the Trust Fund, including any life or other insurance policies, shall be at all times vested exclusively in SIPGKC.

**1.7 Offices.** The principal office of SIPGKC shall be 3444 Broadway, Suite 401, Kansas City, Missouri 64111. The Registered Office of SIPGKC required by The General Not-For-Profit Corporation Law to be maintained in the State of Missouri may be, but need not be identical with the principal office in the State of Missouri, and the address of either office may be changed from time to time by the Board of Directors.

**1.8 Not Business of Insurance.** The provision of health and welfare plans by SIPGKC to its Members is not, and shall not be deemed to constitute, the transaction of an insurance business, and SIPGKC is not, and shall not be deemed to be, an insurance company or insurer under the laws of any state.

## **Article Two Members and Participants**

**2.1 Members.** The Members of SIPGKC shall be institutions of elementary and secondary education that receive public funding from the State of Missouri or any other governmental source and are located in Missouri. The current Members are:

Blue Springs R-IV School District  
Grain Valley R-V School District  
Smithville R-II School District  
Fort Osage R-I School District

The amount of the initial assessment which is to be paid into SIPGKC, and the method of assessments thereafter shall be set forth in these Bylaws, and the Membership and Adoption Agreement signed by each Member.

Other institutions of elementary and secondary education that receive public funding from the State of Missouri or any other governmental source and are located in Missouri may be admitted to SIPGKC as Members upon the approval of such admission by a two-thirds (2/3) majority of the then current Members, and in accordance with such other terms and procedures set forth in these Bylaws.

**2.2 Voting.** Each Member shall have one (1) vote on all matters affecting SIPGKC. Each Member shall delegate its vote to the Director designated by it as set forth in Article Three below.

**2.3 Participants and Dependents.** Individual employees of each Member who meet the eligibility requirements and are covered by a Plan shall hereinafter be referred to as “Participants.” Dependents of a Participant who meet the eligibility requirements and are covered by a Plan shall hereinafter be referred to as “Dependents.” Each Member, Participant and Dependent covered by a Plan shall be deemed to have accepted the provisions of these Bylaws and to have authorized the Directors to act for such Member, Participant or Dependent by subscribing or making any contributions due under a Plan. A form may be issued by the Directors or their agent upon which the Members or Participants may be required to further indicate their adoption and agreement to the provisions of a Plan.

### **Article Three Board of Directors**

**3.1 Management and Number.** The property, business and affairs of SIPGKC shall be controlled and managed by the Board of Directors (hereinafter referred to as “Board of Directors” or “Directors”). The number of Directors of SIPGKC shall be equal to the number of Members then participating in SIPGKC, but shall not be less than three (3). The names of the initial Directors are listed in the Articles of Incorporation. There shall be one Director designated by each Member for so long as such Member remains in SIPGKC.

**3.2 Designation and Vacancies.** The Superintendent of each Member then participating in SIPGKC shall be the Director for such Member, unless the Superintendent shall designate another officer to serve as Director on such Member’s behalf.

Each Director shall hold office until such Director’s successor shall have been designated and qualified or until such Director’s death, resignation, removal or until the Member by virtue of which the Director holds a seat is no longer a part of a Plan. Whenever any vacancy in a position of the Board of Directors shall occur due to death, resignation or removal, the Superintendent of the Member by virtue of which the Director holds a seat may fill the vacancy, but in the meantime, the remaining Directors shall have the full power to act even though their active number may be less than the number of Members at any time.

The Executive Director of SIPGKC shall serve as an Ex-Officio Director of SIPGKC.

**3.3 Quorum.** Two-thirds (2/3) of the full Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless a greater number is required by the Articles of Association or these Bylaws.

**3.4 Actions Requiring Two-Thirds Vote.** Any proposed action regarding a change in the contribution rate determined pursuant to Article Six below, a change in an insurance carrier or third party administrator, or termination of a Plan as set forth below, shall require a two-thirds (2/3) vote of the entire Board of Directors.

**3.5 Place and Manner of Meetings.** All regular and special meetings of the Board of Directors shall be held at any place within or without the State of Missouri as may be designated by the Board of Directors. If the Board of Directors fails to designate a place for the meeting to be held, the meeting shall be held at the principal business office of SIPGKC.

Notwithstanding the foregoing, all regular and special meetings may be held by any means of communication whereby all persons participating in the meeting can hear each other. To the extent permitted by applicable law, a Director may appoint another Director as proxy to vote or otherwise act for the Director by signing an appointment form either personally or by an attorney-in-fact.

**3.6 Date of Meetings.** Unless a different date is agreed to by the Board of Directors, the annual meeting of the Board of Directors shall be held on the second Tuesday in the month of October, at such time as may be specified in the notice of meeting. If the day fixed for the annual meeting shall be a holiday, such annual meeting shall be held on the next business day. Regular meetings of the Board of Directors shall be held as frequently and at such time and place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be held at any time upon call of any three (3) Directors, the President or Secretary.

**3.7 Notice.** Notice of each regular or special meeting of the Board of Directors shall be given to each Director, addressed to such Director at such Director's usual business address, at least five (5) days prior to the meeting in case of notice by mail and at least forty-eight (48) hours prior to the meeting in case of notice by personal delivery, telephone, telegram, facsimile, electronic mail or other similar communication. Such Notice shall be deemed given to a Director when directed to such Director at such Director's address as it appears on the records of the SIPGKC; if mailed, when deposited in the United States mail, postage prepaid; otherwise, when receiving confirmation of delivery.

**3.8 Open Meeting Law.** Notice of all meetings of the Board of Directors shall be provided in accordance with Chapter 610 of the Revised Statutes of Missouri where notice of such meeting shall be required by such Chapter. Records shall be maintained in accordance with Chapter 610 of the Revised Statutes of Missouri.

**3.9 Waiver.** Attendance of a Director at any meeting shall constitute a waiver of notice except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Notice may also be waived by a Director by signing a waiver of notice before or after the time of said meeting and such waiver shall be deemed equivalent to the giving of such notice.

**3.10 Action by Directors without Meeting.** If all the Directors severally or collectively consent in writing to any action to be taken by the Directors, such consents shall have the same force and effect as a unanimous vote of the Directors at a meeting duly held. The Secretary shall file such consents with the minutes of the meetings of the Board of Directors.

**3.11 Directors' Compensation, Expenses and Taxes.** The Directors shall receive no compensation for their services as Directors hereunder. The Directors shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by them as Directors. 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 from the Trust Fund.

**3.12 Removal.** The Board of Directors of SIPGKC shall have the power to remove any Director who has unexcused absences for fifty percent (50%) or more of the meetings of the Board of Directors, or who otherwise materially fails to perform such person's duties as a Director as set forth in these Bylaws. Such determination shall be made by the Board of Directors in its sole discretion. Upon such removal, the Member by virtue of which such Director held a seat shall designate a new Director as soon as practicable in accordance with this Article.

**3.13 Basic Responsibilities of the Directors.** The Directors shall have the following categories of responsibilities:

(a) To develop and enact a "funding policy and method" by which to invest, manage, and control the Trust Fund.

(b) To pay benefits required under a Plan to be paid to Participants, Dependents or Beneficiaries. Upon request by any Participant, Dependent or Beneficiary, the Directors shall have the power to review all claims for benefits denied in whole or in part under a Plan (including, but not limited to the denial of pre-certification or the medical necessity of hospital or medical treatment). In exercising their fiduciary responsibilities, the Directors shall have discretionary authority to determine whether and to what extent Participants, Dependents or Beneficiaries, are entitled to benefits and to construe disputed or doubtful Plan terms.

(c) To maintain records of receipts and disbursements for each Plan Year.

(d) Notwithstanding the foregoing, the Directors may delegate any of their duties under the Bylaws to one or more persons, firms or corporations engaged in the insurance and claims consulting business or any other business or profession.

**3.14 Investment Powers and Duties of the Directors.**

(a) The Directors shall invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income in such investments as the Directors shall deem advisable, as shall meet the requirements of Section 537.620 and Chapter 355. The Directors shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of a Plan.

(b) Directors may from time to time transfer to a common, collective, or pooled trust fund all or such part of the Trust Fund as the Directors may deem advisable, and such part or all of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The Directors may from time to time withdraw from such common, collective or pooled trust fund all or such part of the Trust Fund as the Directors may deem advisable.

(c) The Directors in their sole discretion shall have the power to select an insurance company suitable for the issuance of insurance policies under a Plan (hereinafter "Insurance Company"). If life or other insurance policies have been issued under a Plan, the Directors shall apply for, own and pay premiums on such insurance policies and such insurance policies shall be issued in the name of SIPGKC. All dividends payable by the Insurance Company by virtue of the policies issued under a Plan shall be originally the property of SIPGKC for the purposes hereinafter set forth. The Directors shall be authorized and are hereby empowered in their sole discretion to apply any part or all of such dividends or any savings realized in the operation of a Plan to the necessary and proper expense of a Plan and the maintaining of the insurance in force or to the creating and maintaining of a surplus for future contingencies relating to the payment of premiums for and relating to the payment of claims under the policy of any insurer of a Plan that may become insolvent or for other contingencies, to be held by the Directors. The Directors may agree with the Insurance Company that said Insurance Company shall be allowed to retain any such dividends, savings, or unexpended amounts for the purpose of building up a reserve fund to be held by said Insurance Company for the benefit of the Participants and Dependents, if the Directors see fit to make such arrangements.

**3.15 Other Powers of the Directors.** The Directors, in addition to all powers and authorities under common law and statutory authority, including Section 537.620 and Chapter 355 shall have the following powers and authorities, to be exercised in the Directors' sole discretion:

(a) To borrow or raise money for the purposes of a Plan in such amount, and upon such terms and conditions, as the Directors shall deem advisable; and for any sum so borrowed, to issue a promissory note as Directors, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Directors shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

(b) To keep such portion of the Trust Fund in cash or cash balances as the Directors may, from time to time, deem to be in the best interest of a Plan, without liability for interest thereon;

(c) To accept and retain for such time as it may deem advisable any securities or other property received or acquired by it as Directors hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(d) 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;

(e) To settle, compromise, or submit to arbitration any claims, debts, or other damages due or owing to or from SIPGKC, to commence or defend suits or legal or administrative proceedings, and to represent SIPGKC in all suits and legal and administrative proceedings;

(f) To employ suitable agents and counsel and to pay their reasonable expenses and compensation;

(g) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Directors may deem necessary to carry out the purposes of a Plan;

(h) To apply for and procure from responsible insurance companies such endowment or other insurance contracts on the life of any Participant or Dependent or other Contracts as required to insure or protect the benefits under a Plan as the Directors shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such endowment or other insurance contracts; to collect, receive, and settle for the proceeds of all such endowment or other insurance contracts as and when entitled to do so under the provisions thereof;

(i) To pool all or any of the Trust Fund from time to time, with assets belonging to any other qualified employee benefit trust, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of the Trust Fund and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests;

(j) To possess, manage, insure against loss by fire or other casualties, develop, subdivide, control, partition, mortgage, lease or otherwise deal with any and all real property; to satisfy and discharge or extend the term of any mortgage thereon; to execute the necessary instruments and covenants to effectuate the foregoing powers, including the giving or granting of options in connection therewith; to make improvements, structural or otherwise, or abandon the same if deemed to be worthless or not of sufficient value to warrant keeping or protecting; to abstain from the payment of taxes, water, rents, assessments, repairs, maintenance and upkeep of the same; to permit to be lost by tax sale or other proceeding or to convey the same for a nominal consideration or without consideration; to set up appropriate reserves out of income for repairs, modernization and upkeep of buildings, including reserves for depreciation and obsolescence, and to add such reserves to principal, and, if the income from the property itself should not suffice for such purposes, to advance out of other income any sums needed therefore, and to advance any income of the Trust for the amortization of any mortgage on property held in the Trust Fund.

(k) To engage a qualified claims auditor to conduct an audit at least biennially on the claims payment and other functions and practices of the claims administrator of the Plan.

**3.16 Plan Administrator.** The Board of Directors may appoint itself, the President, or some other party as Plan Administrator as evidenced in the Plan Document of a Plan. A Plan Administrator shall have sole responsibility for determining the existence, non-existence, nature and amount of the rights and interests of all persons in the Trust Fund.

Notwithstanding the foregoing, the Plan Administrator may delegate any of its duties under a Plan or these Bylaws to one or more persons, firms, or corporations engaged in the insurance and claims consulting or any other business. Such delegation of duties shall be made in writing and copies thereof delivered to the Directors.

**3.17 Duties of the Directors Regarding Payments.** Upon direction of the Plan Administrator, the Directors shall, from time to time, in accordance with the terms of a Plan, make payments out of the Trust Fund. The Directors shall not be responsible in any way for the application of such payments.

**3.18 Decisions Binding.** Wherever in these Bylaws it is provided that the Directors may perform any act or permit any action to be performed, or may consent to any act or procedure, or wherever discretionary powers are given to the Directors in connection with any act, permission or procedure, it is distinctly understood and agreed that the Directors in their sole and uncontrolled discretion may determine what act to perform or what not to perform, and what to permit and what not to permit. Any and all parties to these Bylaws or claiming any interest hereunder shall be absolutely bound by the action or decision of the Directors in accordance with the discretionary power given to them, and the Directors and Members thereof shall not be liable to anyone for any damages suffered or claimed to have been suffered thereby.

**3.19 Participation by Directors.** No Director shall have any right to make a decision or as a Director take any action respecting such Director's participation in a Plan, but all matters respecting such Director's position as a Participant under a Plan shall be decided by a majority of the remaining Members of the Board of Directors.

**3.20 Annual Report of the Directors.** Within sixty (60) days after the end of the Plan Year, the Directors shall furnish a written statement of account with respect to the Fiscal Year for which contributions were made setting forth:

- (a) The net income, or loss, of the Trust Fund;
- (b) The gains, or losses, realized by the Trust Fund upon sale or other disposition of the assets;
- (c) The increase, or decrease, in the value of the Trust Fund;

- (d) All payments and distributions made from the Trust Fund; and
- (e) Such further information as the Directors deem appropriate.

**3.21 Delegation.** Notwithstanding the foregoing, the Directors may contract with one or more persons or firms engaged in the insurance and claims consulting business or any other business, to advise and assist SIPGKC with any of its duties under a Plan and Trust. Additionally, the Directors may delegate to one or more officers of SIPGKC, any of their responsibilities hereunder.

**3.22 Executive Committee.** At such time as the Board of Directors may grow beyond five (5) members, the Board of Directors shall have the power to appoint an Executive Committee. The Executive Committee shall consist of the President, Vice-President, Secretary, Treasurer, and one or more At-Large Members elected by the Board of Directors. The Executive Director of SIPGKC shall serve as an Ex-Officio Member of the Executive Committee.

The Board of Directors may grant to the Executive Committee the power to approve claims under Health Plans and other expenditures, hear matters on review, and such other and further powers as shall be agreed by the Board of Directors. Each Member of the Executive Committee shall have one vote on all matters brought before the Executive Committee.

#### **Article Four Officers**

**4.1 Officers.** The Board of Directors shall elect the officers of SIPGKC at the annual meeting in each even numbered year. The Officers of SIPGKC shall be President, Vice-President, Secretary, Treasurer, and such other assistant officers as the Board of Directors may from time to time elect. It is the intention that the persons holding such offices rotate unless the Board finds good reason for not rotating the leadership. If more than one Vice-President be elected, the Board may determine the seniority of each of said Vice-Presidents. Any two or more offices may be held by the same individual.

**4.2 Election and Term.** Officers shall be elected annually by the Board of Directors at its first meeting in such even-numbered years, and shall hold office at the pleasure of the Board of Directors. At any meeting the Board of Directors may elect such other officers to hold office at the pleasure of the Board of Directors.

**4.3 Removal.** Any officer elected by the Board of Directors may be removed at any time by the Board of Directors.

**4.4 Vacancies.** If any office shall become vacant by reason of death, resignation, and removal or otherwise, the Directors may choose a successor or successors for the remainder of the unexpired term.

**4.5 Compensation of Officers.** The Board of Directors or such committee as it may designate, may fix the compensation for the officers of SIPGKC and may fix the compensation for such other officers and agents as it may from time to time be appointed.

## **Article Five Duties of Officers**

**5.1 President.** The President shall preside over all of the Board of Directors.

The President, along with the Secretary or any other proper officer of SIPGKC authorized by the Board of Directors may sign deeds, conveyances, bonds, mortgages, contracts or other instruments which the Board of Directors has authorized to be executed. Unless the Board of Directors shall order otherwise by resolution, the President may borrow such funds, make such contracts, and execute such agreements, financing statements, certificates, documents and other instruments as may be incident thereto, as the ordinary conduct of SIPGKC's business may require.

Unless the Board provides otherwise, the President shall be an ex-officio Member of all standing committees.

The President shall have such other or further duties and authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Directors.

**5.2 Vice-Presidents.** Any Vice-President elected by the Board of Directors shall perform such duties as shall be assigned to such Vice-President and shall exercise such powers as may be granted to such Vice-President by the Board of Directors or by the President of SIPGKC. In the absence of the President, Vice-Presidents, in order of their seniority, may perform the duties and exercise the powers of the President with the same force and effect as if performed by the President.

**5.3 Secretary.** The Secretary shall keep the minutes of the Board of Directors' meetings in one of the books provided for that purpose.

The Secretary shall be custodian of the corporate records and of the seal (if any) of SIPGKC. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

In general, the Secretary shall perform all duties incident to the office and such other duties as may from time to time be assigned to the Secretary by the President or by the Board of Directors.

**5.4 Treasurer.** The Treasurer shall have responsibility for the funds and securities of SIPGKC. The Treasurer shall receive and give receipts for moneys due and payable of SIPGKC from any source whatsoever, and shall deposit all such moneys in the name of SIPGKC in such banks, trust companies or other depositories as shall be selected by the Board of Directors or any officer of SIPGKC to whom such authority has been granted by the Board of Directors.

The Treasurer shall disburse or permit to be disbursed the funds of SIPGKC as may be ordered or authorized generally by the Board of Directors.

The Treasurer shall render to the President of SIPGKC and the Board of Directors whenever they may require it an account of all the transactions as Treasurer and of those under the Treasurer's jurisdiction and of the financial condition of SIPGKC.

In general, the Treasurer shall perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors.

**5.5 Assistant Officers.** Each assistant officer that may be selected pursuant to these Bylaws shall hold office at the pleasure of the Board of Directors. In the absence or non-availability of the principal, the assistant may perform with the same force and effect as if performed by the principal. The assistant shall also have such lesser or greater authority and perform such other duties as the Board of Directors may prescribe.

**5.6 Contracts, Checks, Loans and Deposits.** All contracts and agreements authorized by the Board of Directors and all checks, drafts, bills of exchange or other orders for payment of money, notes or other evidences of indebtedness issued in the name of SIPGKC shall be signed by such officer or officers, agent or agents, or employees (including the Executive Director) as may from time to time be permitted by these Bylaws, or as may be designated in writing by the Board of Directors, the President or such officer or officers as the Board of Directors may appoint. The designation may be general or confined to specific instances. The Board of Directors may authorize the use of facsimile signatures on any such document.

## **Article Six Contributions**

**6.1 Contributions.** Each new Member shall pay to SIPGKC, on such days as shall be decided by the Board of Directors, an appropriate initial Member contribution determined by the Board in accordance for the benefits to be provided and based upon the rating structure in accordance with these Bylaws and as may be further set forth in the applicable Membership and Adoption Agreement.

In addition, each Member shall pay to SIPGKC, on such days as shall be decided upon by the Board of Directors, such periodic contributions as the Board shall determine based on the rating structure in accordance with these Bylaws.

The Directors shall receive all contributions paid in cash or other property acceptable to the Directors, and all contributions so received together with the income therefrom and any increment thereon shall be held, managed and administered by the Directors pursuant to the Articles of Incorporation and these Bylaws without distinction between principal and income.

**6.2 Contributions Irrevocable.** The entire amount of all monies paid over to the Board of Directors required pursuant to the foregoing provisions of the Articles of Incorporation, or Membership and Adoption Agreement shall constitute an irrevocable contribution by the respective Members, and neither any Member, Participant, Dependent, nor Beneficiary shall be entitled to receive any part of the contributions made or required to be made to the Trust Fund, or the earnings thereon, in lieu of the stated benefits to be provided by a Plan, except that any contribution made as a result of a mistake of fact may be returned within one (1) year after payment of such contribution, or as otherwise permitted by the Articles of Incorporation, these Bylaws or the Membership and Adoption Agreement.

**6.3 Rate Structure.** Contribution rates for each benefit will be determined annually. SIPGKC will retain an actuary to calculate and recommend each Member's contribution rate based on the factors listed below, and all ratings and financial accountings will derive from and apply to such rates. The annual rate will be discussed, finalized and acknowledged by a two-thirds (2/3) vote of the entire Board of Directors.

(a) **Incurred But Not Reported Reserve.** The Incurred But Not Reported Reserve (IBNR) shall be estimated annually by the SIPGKC's then retained actuarial/consulting firm based on then current data source compilation and actuarial standards of practice and methodology. Currently the methodology is the "Completion Factor" development method. This method uses previous patterns of payments (number of months from incurred month to paid month) to estimate incurred claims from those paid to date. The IBNR reserve shall be reported by SIPGKC as required by these Bylaws and applicable law.

(b) **Claims Experience.** As permitted by Section 537.620 and other applicable law, each Member's rate will be determined by that Member's claims experience of that Member's participants and dependents, demographic factors and industry characteristics.

The Board of Directors may establish such other and further underwriting guidelines for plan design and structure to which each Member agrees to adhere, in order to ensure that a particular Member's Plans design or structure will not unduly result in adverse selection or otherwise substantially increase the risk attributable to that particular Member's plan and participation in SIPGKC.

(c) **Administrative Expenses.** Any administrative expenses sustained by SIPGKC in any fiscal year shall be borne by the Members in the proportion that the number of Participants of each Member during the immediately preceding month bears to the total number of Participants of all Members for such month.

(d) **Deficits and Assessments.** The Board of Directors shall notify a Member of any allocable deficit and assessment at any time during the plan year in the event:

(1) A deficit occurs at any time during a plan year of SIPGKC for which the Member was a Member at any time during such plan year;

(2) The Board of Directors determines that an assessment is required in order to provide additional funds for the obligations of SIPGKC; and

(3) The Member was covered by the type(s) of benefits requiring the assessment during the time the need for assessment was created and/or determined.

The calculation of the Member's deficit shall be based on the definitions of the capitalized terms in this Section 6.3, as follows:

	Claims Experience
+	Administrative Expenses
-	Contributions paid
-	Other revenue (e.g. pharmacy rebates)

Each Member shall pay its assessment at such time as dictated by the Board of Directors, but in no event longer than ninety (90) days, and irrespective of whether or not such Member is at that time of assessment a Member of SIPGKC.

As set forth in Section 537.620, no Member shall be assessed more than two hundred percent (200%) of the previous year's contributions paid for all coverages.

This obligation of membership shall survive the Member's termination of membership in SIPGKC.

**6.4 Withdrawal of Member.** Any Member which desires to withdraw from Membership in SIPGKC must provide written notice to the Secretary of SIPGKC at least nine months prior to the date of such Member's withdrawal. Withdrawal from Membership will occur only at the end of a Plan year (June 30) after the requisite notice has been given and will be effective on July 1 immediately following said Plan year.

A withdrawing Member shall not have any right, title or interest in any funds held by SIPGKC resulting from the Member's participation in SIPGKC. All accrued and unpaid contributions of any withdrawing Member shall be paid prior to such Member's withdrawal from Membership in SIPGKC.

If any withdrawing Member defaults as to the terms of this Article regarding payment of contributions or as to the provisions regarding the nine (9) months notice prior to withdrawal from Membership, the defaulting Member shall pay liquidated damages to SIPGKC in the amount equal to six (6) months contributions together with the aggregate amount of any accrued and unpaid contributions owed by the defaulting Member during such Plans year.

**6.5 Continuation Coverage Premium.** Where the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"), as amended from time to time, requires that certain covered employees and qualified beneficiaries (as defined therein) be allowed to purchase continuation coverage insurance, the Directors are authorized to accept contributions for such continuation coverage premiums either from the Member, or from the Participant or Beneficiary, notwithstanding any other provision of these Bylaws to the contrary.

**6.6 Failure to Make Contributions by Due Date.** If any Member fails to make its contribution within ten (10) working days after the date on which said payment is due, such contribution shall bear interest at the rate of return then provided by SIPGKC's regular banking institution on Trust Fund assets plus two percent (2%). In addition, the Board of Directors has the right, should Member not cure such deficiency within ten (10) days after the Board of Directors provides written notice to such Member of its delinquency, to immediately terminate such Member's participation in SIPGKC.

Upon such termination, no claims submitted by Participants, Dependents or Beneficiaries (attributable to events or services occurring after the period for which the last contribution of such defaulting Member was credited) of the defaulting Member, or received by the claims administrator or the carrier subsequent to the date of the termination, shall be paid by SIPGKC. Nothing herein shall relieve the defaulting Member of its responsibility for its share of any deficit attributable to any period before such termination.

**6.7 Plans Design Changes.** Each Member agrees to not make any changes in its employee benefit plans which, in whole or in part, could adversely affect the experience of SIPGKC, without the express prior approval of the Board of Directors.

## **Article Seven Fiscal Year**

**7.1 Fiscal Year.** The initial fiscal year of SIPGKC shall end June 30, and may be changed by the Board of Directors.

## **Article Eight Amendment, Termination and Mergers**

**8.1 Amendment.** The Directors shall have the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of these Bylaws. 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 Participants, Dependents or Beneficiaries; and no such amendment shall cause or permit any portion of the Trust Fund to revert to or become the property of anyone other than the Participants, Dependents or Beneficiaries.

**8.3 Termination.** SIPGKC shall have the right at any time to terminate the Plan, by delivering to the Members written notice of such termination. Upon such termination, all net assets shall be distributed pro rata to the Members.

**8.4 Merger or Consolidation.** The Trust Fund may be merged or consolidated with, or its assets and/or liabilities may be transferred to any other Trust only if the benefits which would be received by the Participants, Dependents or Beneficiaries of a Plan, in the event of a termination of a Plan immediately after such transfer, merger or consolidation, are at least equal to the benefits the Participants, Dependents or Beneficiaries would have received if a Plan had terminated immediately before the transfer, merger or consolidation.

## **Article Nine Indemnification**

**9.1 Standard of Care.** The Directors and a Plan Administrator shall discharge their respective duties with respect to the Trust Fund solely in the interest of the Participants, Dependents and Beneficiaries, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The duties of the Directors shall only be those specifically undertaken pursuant to the Articles of Association or these Bylaws.

**9.2 Trust Fund Assets.** The Directors shall have no responsibility for any Trust Fund assets until such time as they are in fact received by the Directors for deposit.

**9.3 Allocation of Responsibility.** No Director, Delegate or employee of SIPGKC shall be liable for an act or omission of another person in carrying out any fiduciary responsibility where such fiduciary responsibility is allocated to such other person by these Bylaws or pursuant to a procedure established in these Bylaws.

#### **9.4 Indemnification.**

(a) Except as otherwise provided by law, no person under the Bylaws shall be liable for an act or omission of another person in carrying out any responsibility where such responsibility is allocated to such other person by the Bylaws or pursuant to a procedure established in the Bylaws.

(b) SIPGKC shall indemnify, hold harmless and advance litigation expenses to its Directors, officers, employees and agents of SIPGKC, and persons serving at the request of SIPGKC to the fullest extent permitted by the laws of the State of Missouri, including but not limited to the Missouri Non-Profit Corporation Act (including but not limited to Sections 355.476 to 355.501), and the rules governing organizations organized under Section 537.620 (including but not limited to Sections 537.117 and 537.118).

(c) The right to indemnification conferred in this Article 9 shall not be exclusive of any other right which any person may have or hereafter acquire under the Article of Incorporation, Bylaws, or any agreement, resolution of the Board of Directors or otherwise.

(d) No amendment to, or repeal of, this Article shall apply to or have any effect on the liability or alleged liability of any Director of SIPGKC for or with respect to any acts or omissions of such Director occurring prior to the date when such provision becomes effective.

(e) Notwithstanding the foregoing, nothing herein shall be interpreted so as to restrict, abolish or otherwise in any way impair the ability of any Director, Delegate or employee of SIPGKC to claim sovereign or governmental immunity, or access to the legal expense fund in connection with their performance of duties as Directors, Delegates or employees of SIPGKC on behalf of each of the Members.

### **Article Ten General Provisions**

**10.1 Rights.** Neither a Plan nor the Articles of Association or these Bylaws shall be deemed to constitute a consideration or an inducement for the employment of any employee of SIPGKC or a Member. Nothing contained in a Plan shall be deemed to give any employee of SIPGKC or a Member the right to be retained in the service of SIPGKC or a Member or to interfere with the right of SIPGKC or a Member to discharge any employee at any time regardless of the effect which such discharge shall have upon such employee under a Plan.

**10.2 Alienation.** No benefit which shall be payable out of the Trust Fund to any person (including a Participant, Dependent or Beneficiary) shall be subject in any manner to anticipation, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities,

engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall be recognized by the Directors, except to such extent as may be required by law. Except, however, this provision shall not apply to the extent a Participant, Dependent or Beneficiary is indebted to a Plan, for any reason, under any provision of these Bylaws and at the time a distribution is to be made to or for a person's benefit, such proportion of the amount distributed as shall equal such indebtedness shall be paid by the Directors to apply against or discharge such indebtedness.

Prior to making a payment, however, the Participant, Dependent or Beneficiary must be given written notice by SIPGKC that such indebtedness is to be deducted in whole or part from Subscriber's benefits. If the Participant, Dependent or Beneficiary does not agree that the indebtedness is a valid claim against Member's benefits, Member shall be entitled to a review of the validity of the claim in accordance with the procedures provided in a Plan.

In the event a Participant's or Dependent's benefits are garnished or attached by order of any court, SIPGKC may bring an action for declaratory judgment in any court of competent jurisdiction to determine the proper recipient of the benefits to be paid by a Plan. During the pendency of said action, any benefits that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action.

**10.3 Construction of Agreement.** These Plans shall be construed and enforced according to the laws of the State of Missouri, as expressly set forth herein.

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

**10.5 Legal Action.** In the event any claim, suit or proceeding is brought regarding the Trust Fund and/or Plans established hereunder to which the Directors or SIPGKC may be a party, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

**10.6 Prohibition against Diversion of Funds.** It shall be impossible by operation of SIPGKC, Plans or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral agreement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to a Plan or any funds contributed thereto to be used for, or diverted to purposes other than the exclusive benefit of Participants, Dependents or Beneficiaries.

**10.7 Directors' Protective Clause.** Neither the Directors, nor their successors, shall be responsible for the validity of any contract of insurance issued hereunder or for the failure on the part of the insurer to make payments provided by any such contract, or for the action of any person which may delay payments or render a contract null and void or unenforceable in whole or in part.

**10.8 Insurer's Protective Clause.** Any insurer who shall issue contracts of insurance hereunder shall not have any responsibility for the validity of a Plan or for the tax or legal aspects of a Plan. The insurer shall be protected and held harmless in acting in accordance with any written direction of the Directors, and shall have no duty to see to the application of any funds paid to the Directors, nor be required to question any actions directed by the Directors. Regardless of any provision of the Articles of Association or these Bylaws governing a Plan and Trust Fund, the insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any contract which it issues hereunder, or the rules of the insurer.

**10.9 Receipt and Release for Payments.** Any payment to any Participant, Participant's legal representative, Dependent, Beneficiary, or to any guardian or conservator appointed for such Participant, Dependent, or Beneficiary in accordance with the provision of a Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against SIPGKC, and the Directors and Officers of SIPGKC. The Directors may require such Participant, Dependent, legal representative, Beneficiary, guardian or conservator, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Directors.

**10.10 Headings.** The headings and subheadings of this Agreement have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

**10.11 Bylaws Binding.** These Bylaws shall be binding upon the heirs, executors, administrators, successors and assigns of any and all parties hereto, present and future.

**10.12 Severability.** If any provision of these Bylaws shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and these Bylaws shall be construed and enforced as if such provision had not been included.

**WHEREFORE,** the foregoing Amended and Restated Bylaws were adopted by the Board of Directors of the Self Insurance Pool of Greater Kansas City, Inc., on this 8th day of June, 2023.