

Acceptance of New Districts Workers' Compensation

An educational agency desiring to join School Risk and Insurance Management Group (SRIMG) shall submit a properly executed copy of the Joint Powers Agreement prior to **January 1st** preceding the fiscal year in which they wish to become members.

Participation in the SRIMG Workers' Compensation Program shall begin July 1st, unless the Executive Committee shall authorize another date.

The new member district becomes a member on the effective date of the agreement, and is entitled to the rights and privileges, and is subject to the obligations of membership. The new member district's contribution formula will be as follows:

$$\text{Payroll} \times \text{SRIMG rate} \times \text{EMF} = \text{Contribution}$$

Payroll = the estimated payroll amount for the new member district for the fiscal year.

SRIMG rate = the Joint Powers Board approved Workers' Compensation base rate for all districts within SIG for the fiscal year in which the new member becomes effective.

EMF (Experience Modification Factor) = the Executive Director, with concurrence from the Executive Committee will establish the EMF for the first two years the new district is a member of SRIMG. The experience modification factor shall be limited to a range from .500 to 1.500. The Executive Director will set the EMF based on historical claims data and market conditions. In the third year of membership, the EMF will be calculated in the same manner as it is for all continuing districts. The new district will also sign an agreement, approved by its governing board, which recognizes the provisions of Section 8 of the Joint Powers Agreement. This provision states that no member may terminate its membership as a party to this agreement for three years after becoming a member. The agreement will state that if the district terminates its membership in the Workers' Compensation Program before the three-year period ends, it agrees to pay an early withdrawal penalty of 25% of its annual contribution to SRIMG or \$25,000, whichever is larger. The penalty is due 60 days after the end of the fiscal year. Interest will accrue at 12% per annum after the due date.

There shall be no buy-in cost for new districts joining SRIMG.