



Municipalities building a
stable insurance future.

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RESOLUTION NO. 026-2014 - AMENDMENT TO RESOLUTION NO. 005-2012 - POLICY FOR NEW MEMBERS WITH REGARD TO INITIAL INVESTMENT

MOVED by Mr. Thayer, seconded by Ms. Drake, and unanimously adopted by voice vote by members present.

WHEREAS, Resolution No. 005-2012 adopted by the Board of Directors states:

4. "Upon the Board of Director's approval of membership into the Consortium, the municipal corporation must pay their share of the "Surplus Account" as defined in §4706(a)(5)(A) which states the following:
 - (5) a surplus account, established and maintained for the sole purpose of satisfying unexpected obligations of the municipal cooperative health benefit plan in the event of termination or abandonment of the plan, which shall not be less than:
 - (A) five percent of the annualized earned premium equivalents during the current fiscal year of a municipal cooperative health benefit plan which consists of five or more participating municipal corporations and covers two thousand or more employees and retirees; or"

Said payment must be received by the Consortium 30 days prior to the effective date of the municipal corporation's entry into the Consortium.", and

WHEREAS, the liability to the surplus reserve account of increased premium occurs on day one of the adding contracts from a new member municipality, and

WHEREAS, statistically new members pay more in premium their first year than claims, and

WHEREAS, currently the Consortium has a reserve base that didn't exist in the early years of the GTCMHIC operations, and

WHEREAS, on the date of this resolution, all Consortium members have had their Surplus Reserve funds returned, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the GTCMHIC recommends Resolution No. 005-2012, item #4 be amended as follows:

4. "At the time of acceptance of applicant by Board resolution, the Board of Directors will determine the terms for their share of the "Surplus Account" which is defined in §4706(a)(5)(A) to be

"an account, established and maintained for the sole purpose of satisfying unexpected obligations of the municipal cooperative health benefit plan in the event of termination or abandonment of the plan, which shall not be less than five percent of the annualized earned premium equivalents during the current fiscal

Consortium Members:

County of Tompkins ~ City of Ithaca ~ City of Cortland ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~ Town of Lansing ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

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year of a municipal cooperative health benefit plan which consists of five or more participating municipal corporations and covers two thousand or more employees and retirees”

The Board of Directors will consider waiving all or part or none of the new members Surplus Reserve liability by reviewing at least these impacts:

- Impact on Surplus Reserve when adding the new contracts;
- Existing unreserved fund balance available to move to the Surplus Reserve Fund; and
- The terms for returning payment if such Surplus Reserve Fund payment is deemed appropriate

Said payment must be received by the Consortium 30 days prior to the effective date of the municipal corporation’s entry into the Consortium”.

STATE OF NEW YORK)
) ss:
COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium on December 18, 2014.


Michelle Pottorff, Administrative Clerk

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