

**RESOLUTION TO AGREE TO JOIN OTHER LOCAL UNITS OF
GOVERNMENT TO FORM A JOINT HEALTH INSURANCE FUND**

WHEREAS, N.J.S.A. 40A:10-36 *et seq.*, and the regulations promulgated thereunder at N.J.A.C. 11:15-2.1, *et seq.*, provide for the establishment and operation of Joint Insurance Funds for local government units, including Joint Insurance Funds for Group Health Benefits, all of which must be reviewed and approved by the State of New Jersey and which must comply with the Local Fiscal Affairs Law and the Local Public Contracts Law, as well as the statutes and regulations specifically governing them; and

WHEREAS, the Mayor and his Administration, cognizant of the ever increasing costs of providing health care to the Township of West Orange's employees and its impact on the Township's budget, desired to explore the potential benefits of establishing such a Joint Insurance Fund for Group Health Benefits, also known as a Joint Health Insurance Fund, with other local government units to take advantage of the economic and service benefits they may provide; and

WHEREAS, to that end, a preliminary investigation indicates that there may be advantages, economic and otherwise, to the Township participating in the formation of a Joint Health Insurance Fund; and

WHEREAS, having concluded from the aforesaid investigation that the establishment of a Joint Health Insurance Fund may yield benefits to the Township, the Mayor seeks the support and involvement of the Township Council in establishing a Joint Health Insurance Fund;

NOW, THEREFORE, BE IT, AND HEREBY IT IS, RESOLVED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF WEST ORANGE, THAT:

1. The Township of West Orange may join together with other local units of government to file an application to establish a Joint Health Insurance Fund;
2. The obligation of the Township of West Orange to join in the establishment of said Joint Health Insurance Fund is conditioned upon the subsequent receipt, review and express approval by the Mayor and Township Council in accordance with N.J.A.C. 11:15-3.3 and N.J.A.C. 11:15-3.6, of the Member Agreement and By-laws of the Joint Health Insurance Fund and, that if said Member Agreement and By-laws are not received, reviewed and expressly approved by the Mayor and Township Council, the Township of West Orange shall be under no obligations to take any further action whatsoever in connection with the establishment of a Joint Health Insurance Fund;

3. The obligation of the Township of West Orange to actually join in the establishment of said Joint Health Insurance Fund is further expressly conditioned on the approval by the New Jersey Department of Banking and Insurance of said application for the establishment of such a Joint Health Insurance Fund and, that, if the New Jersey Department of Banking and Insurance does not approve said application, the Township of West Orange shall be under no obligation to take any further action whatsoever in connection with the establishment of a Joint Health Insurance Fund;
4. The Member Agreement and By-laws to be approved by the Mayor and Council of the Township of West Orange shall be executed by a duly authorized official of the Township of West Orange, and such agreement shall include (but not be limited to) the following terms:
 - a. The extent of participation by the Township of West Orange in the contemplated Joint Health Insurance Fund is limited to the self funding of health benefits, and;
 - b. The extent of membership in the Joint Health Insurance Fund shall be for an initial term of no more than three years , in compliance with N.J.S.A. 40A:11-15(6) and N.J.A.C. 11:15-3.10, and;
 - c. That as a condition of participation in the contemplated Joint Health Insurance Fund, that each Fund member attest that it has never defaulted on claims if self-insured, and if not self-insured, has not been cancelled for non-payment of insurance premiums for a period of at least two years prior to application.

Susan McCartney, Council President

Karen Carnevale, Municipal Clerk

Adopted: August 20, 2013