

**MISSOURI RURAL ELECTRIC COOPERATIVES
WORKERS' COMPENSATION GROUP SELF
INSURERS POOLING AND INDEMNITY AGREEMENT**

ARTICLE 1

PURPOSE

This Pooling Agreement is made and entered into as of the ____ day of _____, 20__, by the signatories hereto, pursuant to Section 287.280 of the Missouri Workers' Compensation Law and rules promulgated pursuant thereto, for the limited purpose of aggregating in the form of an unincorporated association the statutory workers' compensation liabilities of employers who are engaged in the same or similar type of business or industry or Members of the same trade or professional association in order to form a group self-insurance pool for payment of such liabilities in lieu of satisfying the obligation to secure insurance therefor.

ARTICLE 2

NAME

The name of this group self-insurance pool shall be the "Missouri Electric Cooperatives Insurance Plan." All business of the Pool shall be conducted under such name. The Board of Trustees shall take all actions required, if any, to register such name under applicable laws requiring registration of trade names or fictitious names.

ARTICLE 3

DEFINITIONS

The following terms when used in this Pooling and Indemnity Agreement shall have the meanings set forth below:

"Board of Trustees" shall mean the Board of Trustees created by the Bylaws of the Pool.

"Bylaws" shall mean Bylaws of the Pool adopted, if any, pursuant to Section 7.11 hereof, including any amendments or other changes thereto.

"Member" shall mean a person meeting the membership eligibility requirements set forth in Section 4.1 hereof and accepted as a member of the Pool.

"Pool" shall mean the Missouri Electric Cooperatives Insurance Plan created by this Pooling and Indemnity Agreement.

"Pooling and Indemnity Agreement" shall mean this Pooling and Indemnity

Agreement between and among the charter Members and any subsequent Members, including any amendments hereto.

ARTICLE 4

MEMBERSHIP

4.1 Eligibility. Any electric cooperative, electric corporation or electric limited liability company having two or more employees and having at least three (3) years of prior electrical power services business history, and cooperatives, corporations or limited liability companies which are wholly owned and controlled by rural electric cooperatives, and the Missouri Electric Cooperatives Employees' Credit Union, shall be eligible for membership in the Pool, subject to approval by the Board of Trustees. Any cooperative, corporation, limited liability company or said credit union desiring to become a Member must make application to the Pool on the form prescribed by the Board of Trustees. The prospective Member shall submit to the Board of Trustees, for submission to the Missouri Division of Workers' Compensation, its Articles of Organization or Articles of Incorporation, and if not organized under the laws of Missouri, a certificate of Authority to do Business in Missouri."

4.2 Duties and Obligations. Each Member shall:

- (a) Execute a counterpart signature page to this Pooling and Indemnity Agreement;
- (b) Comply at all times with the provisions of this Pooling and Indemnity Agreement and the Bylaws of the Pool;
- (c) Report periodically to the Pool or its designee such statistical information concerning such Member's workers' compensation claims history and experience, as the Pool may require from time to time;
- (d) Pay in accordance with the provisions of Article 9 hereof self-insurance premiums owed by such Member and assessments levied against such Member by the Pool, Division of Workers Compensation or the Director of Insurance; and
- (e) Execute upon request such authorizations and other documents as may be required by the Pool from time to time.

4.3 Termination. Prior to the Pool being submitted for approval by the State of Missouri, a Member may terminate membership at any time. Once the Pool has been approved and coverage of Member commenced, Member shall have no right voluntarily to terminate membership in or withdraw from the Pool prior to December 31, 2003. After December 31, 2003, a Member may terminate membership in the Pool for any

reason, but only at the end of any Pool fiscal year, by delivering at least thirty (30) days' prior written notice to the Board of Trustees and the Division and paying any outstanding and unpaid premiums and assessments owed by such Member. Except as expressly provided herein, a terminated Member shall have no rights arising out of this Pooling and Indemnity Agreement against the Pool or any other Member.

4.4 Expulsion. A Member may be expelled from membership in the Pool at any time by an affirmative vote of a majority of the Board of Trustees upon the occurrence of any one of the following events:

- (a) the filing by or against such Member of a petition in bankruptcy, receivership, conservatorship, liquidation or similar creditor protection proceeding;
- (b) the insolvency of such Member;
- (c) the failure by such Member to make any payment pursuant to this Pooling and Indemnity Agreement when and as such payment is due;
- (d) the failure by such Member to comply with safety loss prevention policies adopted by the Board of Trustees, which failure is not cured within thirty (30) days after the receipt by such Member from the Board of Trustees of notice stating with reasonable particularity the nature and description of such failure;
- (e) the determination by the Board of Trustees that a Member's workers' compensation claims experience is adverse to the interests of the Pool; or
- (f) the breach by such Member of any provision of this Pooling and Indemnity Agreement or the Bylaws, if any.

4.5 Post Termination or Expulsion Coverage The Pool shall maintain coverage of the workers' compensation liability claims of a terminated or expelled Member, at the expense of such Member, for thirty (30) days after delivery of notice of termination or expulsion, as the case may be, unless the Pool receives before such time notice that such terminated or expelled Member has procured workers' compensation insurance, became an approved individual self-insurer or a member of another approved group self-insurer.

4.6 Authority. No Member shall have any authority to act for, or to assume responsibility or obligation on behalf of, any other Member or the Pool.

4.7 Evidence of Membership. The Pool shall issue to each Member a certificate specifically identifying the Pool's workers' compensation insurance coverage

and its liability limits for employers' liability coverage.

4.8 Transfer of Membership A Member may not sell, assign, transfer or otherwise dispose of, or pledge, hypothecate or otherwise encumber, its membership interest in the Pool or any part thereof. Any act in violation of this Section shall be null and void ab initio.

4.9 Voting. Each Member shall have one (1) vote for all matters for which a vote of the Members is required.

ARTICLE 5

FUNDS

The Pool shall establish, maintain, operate and administer such funds as are specified and permitted in the Bylaws of the Pool.

ARTICLE 6

INSURANCE

The Pool shall maintain such insurance, including specific and aggregate excess insurance for the workers' compensation liability of its Members as shall be determined by the Trustees consistent with the Bylaws of the Pool, regulatory requirements and the business judgment of the Trustees.

ARTICLE 7

MISCELLANEOUS

7.1 Amendments. This Pooling and Indemnity Agreement may be amended in writing at any time upon the affirmative vote of all of the Members of the Pool.

7.2 Situs of Pool. This Pooling and Indemnity Agreement has been executed by the parties hereto in the State of Missouri. The enforcement and interpretation of the terms and provisions herein contained and the operation of the Pool under its Bylaws shall be made in accordance with the laws of the State of Missouri.

7.3 Laws, Rules and Regulations. The Board of Trustees shall cause the administration of the Pool in accordance with the laws, rules, and regulations of the State of Missouri, as are in effect from time to time.

7.4 Fiscal Year. The fiscal year of the Pool shall be as specified in the Bylaws.

7.5 Entire Agreement. This Pooling and Indemnity Agreement and the Bylaws of the Pool contain the entire agreement between the Members regarding the

subject matter hereof.

7.6 Counterparts. This Pooling and Indemnity Agreement may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute but one and the same agreement.

7.7 Notices. Any notice, payment, demand or communication required or permitted to be given by the provisions of this Pooling and Indemnity Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party to whom the same is directed, or if sent by certified mail, postage prepaid, addressed to such Member's last known address as shown on the records of the Pool or to such other address as shall be furnished in writing by any party to the other.

7.8 Joint and Several Liability. The Members of the Pool shall be jointly and severally liable for all obligations incurred during membership in the Pool pursuant to workers' compensation obligations provided to its Members by the Pool.

7.9 Place of Business. The principal place of business of business of the Pool shall be located at a place in Missouri as the Board of Trustees may from time to time determine, notice of which shall be given by the Board of Trustees to the Members.

7.10 Expenses of Formation. Except for the costs of the preparation of this Pooling and Indemnification Agreement, all expenses and fees incurred in formation of the Pool shall be paid by the Pool.

7.11 Authority of the Board. The Board of Directors shall have the power to make and adopt such policies, rules and regulations, including rates, rate design, and establishment of assessments and penalties, not inconsistent with Missouri or Federal law, this Pooling and Indemnity Agreement or bylaws, as it may deem advisable for the management of the business and affairs of the Missouri Rural Electric Cooperatives Workers' Compensation Group Self Insurers Pools

7.12 Bylaws. The initial Bylaws of the Pool are attached hereto and incorporated by reference as though set forth herein. Each Member agrees to abide by the Bylaws as attached hereto and as they may be amended in the future. The Bylaws contain provisions for managing the business and regulating the affairs of the Pool binding upon all the Members of the Pool.

7.13 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successor or assign of each party hereto.

Original Date: 1992

Revision Dates: 12/05/06

10/5/05

2/2001

6/1998

7/1993

MISSOURI RURAL ELECTRIC COOPERATIVES
WORKERS' COMPENSATION GROUP SELF-
INSURERS POOL

By: _____
President

MEMBER

By: _____