

**Indemnity and Trust Agreement**  
**New Jersey Municipal Self Insurers' Joint Insurance Fund**

**THIS AGREEMENT**, made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, in the County of \_\_\_\_\_, State of New Jersey, by and between, the New Jersey Municipal Self Insurers' Joint Insurance Fund, referred to as "FUND", and the management committee of the \_\_\_\_\_, a public body corporate and politic constituting a political subdivision of the State of New Jersey, hereinafter referred to as "LOCAL UNIT".

**WITNESSETH:**

**WHEREAS**, several local units have collectively formed or are in the process of forming a Joint Insurance Fund as such an entity is authorized and described in N.J.S.A. 40A:10-36 et seq. and the administrative regulations promulgated pursuant thereto; and

**WHEREAS**, the LOCAL UNIT has agreed to become a member of the FUND in accordance with and to the extent provided for in the Bylaws of the FUND and in consideration of such obligations and benefits to be shared by the membership of the FUND;

**NOW THEREFORE**, it is agreed as follows:

1. The LOCAL UNIT accepts the FUND'S Bylaws as approved and adopted and agree to be bound by and to comply with each and every provision of the said Bylaws and the pertinent statutes and administrative regulations pertaining to same.
2. The LOCAL UNIT agrees to participate in the FUND with respect to the types of insurance listed in the Resolution to Join the Fund.
3. The LOCAL UNIT agrees to become a member of the FUND for an initial period, the commencement of which shall coincide with the effective date of the FUND'S coverage.
4. The LOCAL UNIT certifies that it has never defaulted any claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to that date hereof.
5. In consideration of membership in the FUND, the LOCAL UNIT agrees that it shall jointly and severally assume and discharge the liability of each and every member of the FUND, all of whom as a condition of membership in the FUND shall execute a verbatim counterpart of this Agreement and by execution hereof the full faith and credit of the LOCAL UNIT is pledged to the punctual payments of any sums which shall become due to the FUND in accordance with the Bylaws thereof, this Agreement or any applicable statute. However, nothing herein shall be construed as an obligation of the LOCAL UNIT for claims and expenses that are not covered by the FUND, or in an amount which exceeds the FUND'S limit of liability.

6. If the FUND in the enforcement of any part of this Agreement shall incur necessary expense or become obligated to pay attorney's fees and/or court costs, the LOCAL UNIT agrees to reimburse the FUND for all such reasonable expenses, fees, and costs on demand.
7. The LOCAL UNIT and the FUND agree that the FUND shall hold all monies in excess of the individual LOCAL UNIT'S retained loss fund paid by the LOCAL UNIT to the FUND as fiduciaries for the benefit of FUND claimants all in accordance with N.J.A.C. 11:15-2.1 et seq.
8. The FUND shall establish separate Trust Accounts for each of the following categories of risk and liability, if applicable.
  - a. workers' compensation and employers' liability;
  - b. public liability, including motor vehicle;
  - d. property damage, including automobile physical damage; and
  - e. public official liability.

The FUND shall maintain Trust Accounts aforementioned in accordance with N.J.S.A. 40A:10-36 et seq., N.J.S.A. 40:5-1 et seq., and such other statutes as may be applicable. More specifically, each of the aforementioned separate Trust Accounts shall be utilized solely for the payment of claims, allocated claim expense and excess insurance or reinsurance premiums for each such risk or liability or as "surplus" as such term is defined by N.J.A.C. 11:15-2.2.

9. Each local unit who shall become a member of the FUND shall be obligated to execute this Agreement.

By: \_\_\_\_\_

Date: \_\_\_\_\_