**INDEMNITY AND TRUST AGREEMENT**

**(Name of Joint Insurance Fund)**

**Note: Each Joint Insurance Fund adopts its own model indemnity and trust agreement. Check with your JIF’s Executive Director for a copy of the model used by your JIF.**

**THIS AGREEMENT** made this day of (date) in the County of (County name), State of New Jersey, By and Between the (name of JIF), hereinafter the "FUND", and the Governing Body of the (name of local unit), a duly constituted local unit of government hereinafter the "MEMBER”.

**WITNESSETH:**

**WHEREAS** several local governmental units have collectively formed a Joint Insurance Fund as such an entity is authorized and described in NJSA 40A:10 36 et seq. and the administrative regulations promulgated pursuant thereto; and,

**WHEREAS** the MEMBER 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 MEMBER accepts the FUND'S bylaws as approved and adopted and agrees to be bound by and to comply with each provision of the said bylaws and the pertinent statutes and Administrative Regulations pertaining to same and as set forth in the Risk Management Plan.

2. The MEMBER agrees to participate in the FUND with respect to the types of insurance listed in the FUND’s Plan of Risk Management.

3. The MEMBER agrees to become a member of the FUND for an initial period of three (3) years, the commencement of which shall coincide with the local unit’s Resolution to Join.

4. The MEMBER 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 the date hereof.

5. In consideration of membership in the FUND the MEMBER 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 MEMBER is pledged to the punctual payment of any sums which shall become due to the FUND in accordance with the bylaws thereof, this Agreement the Fund's Risk Management Plan or any applicable Statute.

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 MEMBER agrees to reimburse the FUND for all such reasonable expenses, fees, and costs on demand.

7. The MEMBER and the FUND agree that the FUND shall hold all monies paid by the MEMBER to the FUND as fiduciaries for the benefit of FUND claimants all in accordance with NJAC 11:15 2.1 et seq.

8. The FUND shall establish separate Trust Accounts for each of

 the following categories of risk and liability:

a) Workers' Compensation including Employer's Liability;

a. General Liability including Police Professional Liability and Employee Benefits Liability;

b. Automobile Liability;

c. Blanket Crime;

d. Property including Boiler and Machinery;

e. Public Officials and Employment Practices Liability;

f. Volunteer Directors & Officers Liability;

g. Cyber;

h. Non-Owned Aircraft Liability;

i. Environmental Impairment Liability.

The FUND shall maintain Trust Accounts aforementioned in accordance with NJSA 40A: 10 36, NJAC 11:15.2 et seq, NJSA 40A: 5 1 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 NJAC 11:15 2.2.

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