

**Proposed Revisions
to the October 28, 2016 Revised Draft SJVIA Participation Agreement
Presented by: City of Ceres and City of Waterford**

Legend: Additions are in *blue italicized* text; deletions are in ~~strikeout~~ text.

1.6 Assessments.

- A. If *Participating Entity's premiums (SJVIA revenues) do not fully fund its expenses (SJVIA fixed and claims) in the prior program year* ~~the Selected Programs are not adequately funded for any reason,~~ the SJVIA may impose an assessment on the Participating Entity *in the following program year* to ensure necessary funding for the Selected Programs. *Assessments shall be reviewed and reconsidered each year. Assessments shall not be based on any other SJVIA financial obligation.*

- B. *If an assessment is being considered, the SJVIA shall notify the Participating Entity no later than June 15 of the current year and, at that time, shall provide the Participating Entity with all relevant information and documentation substantiating the shortfall. The SJVIA shall also delegate a contact for the Participating Entity to discuss the provided information with. The contact shall schedule a discussion of the assessment information with the Participating Entity by July 1 of the current year.* Assessments shall only be made upon determination and approval of the SJVIA Board of Directors after *the full disclosure and discussion detailed above* ~~considering alternatives, including factoring inadequate funding into renewal rates.~~

- C. The Participating Entity is obligated to pay assessments under this section for 12 months after the end of participation in the SJVIA.

1.7 Reserves and Loan Repayment. *If the SJVIA implements any fee or rate adjustment for rebuilding the reserves and/or the founding member loan repayment, it shall remain separate from any assessment described in Section 1.6. Such adjustments shall be approved by the Board of Directors at the same time it approves renewal rates, and shall only be implemented at the beginning of a program year. The Participating Entity is not obligated to pay any fee or rate adjustment after the termination date of this agreement, noted in Section 3.1.*

1.8 Information, Assistance, Cooperation.

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2.5 Underwriting Methodology. *The SJVIA shall follow the provisions of the Underwriting Methodology, as previously adopted, for all new members and all Participating Entities, including Founding Members. Any revision of the Underwriting Methodology shall be presented and discussed with Participating Entities no less than forty-five (45) days before expected implementation or SJVIA Board of Director consideration, whichever is earlier.*

2.6 Financial Transparency.

- A. *Beginning with Fiscal Year 2016-17, the SJVIA shall maintain financial data for each Participating Entity, including Founding Members. Financial data includes but is not limited to budgeted and actual revenues and expenditures. Financial information and reports, including but not limited to the SJVIA budget, shall be presented in a format that includes each entity's data.*

- B. *No later than August 2017, the SJVIA shall present at a public meeting a financial report of revenues, expenditures and reserve activity (contribution to or use of reserve) from SJVIA inception through June 30, 2017, explicitly identifying County of Fresno, County of Tulare and Other Members.*

3.1 Term. This agreement is effective on _____ and terminates on _____. If the Participating Entity reasonably expects to discontinue its participation in the SJVIA after that termination date, it shall provide written notice of nonrenewal to the SJVIA delivered not less than 120 days before the beginning of the next plan year. *If the SJVIA does not approve renewal rates by the August SJVIA Board Meeting, the Participating Entity may provide written notice of nonrenewal by October 31.* ~~Participating Entity acknowledges that failure to give such notice may result in an assessment as provided in Section 1.6 of this agreement.~~

3.3 Termination for Breach; Reinstatement.

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- D. *If the SJVIA fails to meet its obligations under Article 2 of this Agreement, the Participating Entity may terminate this agreement with thirty (30) days written notice, effective at the expiration of the last period for which full premium payment is made under each applicable Insurance Contract. The notice requirements in Section 3.1 do not apply.*