

**PUBLIC ALLIANCE INSURANCE COVERAGE FUND
INDEMNITY AND TRUST AGREEMENT**

THIS AGREEMENT, made this _____ day of _____, 20____, in the County of _____, State of New Jersey, by and between the Public Alliance Insurance Coverage Fund, hereinafter referred to as "**Fund**", and the Governing Body of the _____ hereinafter referred to as "**Public Entity**"; and

WHEREAS, the **Fund** seeks to provide its members with insurance coverage; and

WHEREAS, two or more public entities have collectively formed a joint insurance fund as is authorized and described in N.J.S.A. 40A:10-36 *et. seq.* and the regulations promulgated pursuant thereto; and

WHEREAS, the **Public Entity** has agreed to become a member of said **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 **Public Entity** hereby agrees to be a member of the **Fund** for an initial period three (3) years, the commencement of which shall coincide with the effective date of the **Public Entity's** membership of the Fund.
2. The **Public Entity** hereby ratifies and affirms the bylaws and other organizational and operational documents of the **Fund** and as from time to time amended and altered by the **Fund** and/or Department of Banking and Insurance in accordance with the applicable statutes and regulations as if each and every one of said documents were executed contemporaneously herewith.
3. The **Public Entity** agrees to be a participating member of the **Fund** for the period herein provided for and to comply with all of the rules and regulations and obligations associated with said membership.
4. The **Public Entity** certifies that it has never defaulted on any claim if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two (2) years prior to the date hereof.
5. The **Public Entity** agrees that as a member of the Public Alliance Insurance Coverage Fund the **Public Entity** must purchase all types of coverages offered by the **Fund** which are applicable to the **Public Entity**.
6. In consideration of renewal of membership in the **Fund**, the **Public Entity** agrees that for those types of insurance in which it participates, the **Public Entity** 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 to this

Agreement. By execution hereof the full faith and credit of the **Public Entity** is pledged to the punctual payment of any sums which shall become due to the **Fund** in accordance with the bylaws thereof, this Agreement or any applicable statute or regulation.

7. 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 **Public Entity** agrees to reimburse the **Fund** for all such reasonable expenses, fees and costs on demand.
8. The **Public Entity** and the **Fund** agree that the **Fund** shall hold all monies paid by the **Public Entity** to the **Fund** as fiduciaries for the benefit of **Fund** claimants all in accordance with applicable statutes and/or regulations.
9. The **Fund** shall establish and maintain Trust Accounts in accordance with N.J.A.C. 11:15-2.13 and such other statutes and regulations as may be applicable.
10. Each **Public Entity** that becomes a member of the **Fund** shall be obligated to execute this Agreement.
11. The Fund Commissioner designated in the Resolution to Join is hereby authorized to execute this Agreement.

By: _____
Authorized Signature

By: _____
Public Alliance Insurance Coverage Fund, Authorized Signature