



# CITY OF FRANKLIN, NEW HAMPSHIRE

*"The Three Rivers City"*

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## RESOLUTION #03-15

### City of Franklin Worker's Compensation Contribution Assurance Program (CAP)

**BE IT RESOLVED:** The City of Franklin, City Council hereby accepts the offer of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) to enter into its Workers' Compensation Contribution Assurance Program (CAP) as of the date of the adoption of this resolution, and to be contractually bound to all the terms and conditions of Primex<sup>3</sup> risk management pool membership during the term of the Workers' Compensation Contribution Assurance Program (CAP). The coverage provided by Primex<sup>3</sup> in each year of membership shall be as then set forth in the Coverage Documents of Primex<sup>3</sup>.

The City of Franklin agrees to the conditions of the Workers' Compensation Contribution Assurance Program as outlined above and was voted on by its City Council on the 3rd day of November, 2014.

Approved: \_\_\_\_\_  
Mayor

Passed: \_\_\_\_\_

I certify that said vote has not been amended or repealed and remains in full force and effect as of the date of this Certification and that Katie Gargano is the City Clerk for the City of Franklin, Franklin, New Hampshire.

A true copy, attested: \_\_\_\_\_  
Katie Gargano, City Clerk

\_\_\_\_\_  
Date

**Workers' Compensation Program  
Contribution Assurance Program (CAP) Agreement  
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT  
PLEASE READ CAREFULLY**

Primex<sup>3</sup> is offering members in our **Workers' Compensation Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (**CAP**). **CAP** is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (**CAP Period**). By signing this Agreement, you agree to extend your Membership Agreement for **two (2) years** and Primex<sup>3</sup> agrees to guarantee that your annual contribution increase will not exceed ten percent (10%) of the prior year's contribution. Because performance matters with Primex<sup>3</sup>, you may realize an annual increase that is less than the **CAP** through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex<sup>3</sup> Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex<sup>3</sup> programs. Participation in **CAP** for each year of the **CAP Period** is conditioned upon a two-year commitment to participation in the Primex<sup>3</sup> Workers' Compensation Program.

The following **CAP Period** years qualify for the Contribution Assurance Program (**CAP**):

**FY 2016 July 1, 2015 to June 30, 2016**

(maximum 10% increase over July 1, 2014 to June 30, 2015 contribution)

**FY 2017 July 1, 2016 to June 30, 2017**

(maximum 10% increase over July 1, 2015 to June 30, 2016 contribution)

By signing this Agreement, the **City of Franklin** agrees to extend its risk pool membership and participation in the Primex<sup>3</sup> **Workers' Compensation Program** for two coverage period years, through **June 30, 2017**. The **City of Franklin** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **City of Franklin** agrees that the ten percent (10%) maximum increase currently available for this **CAP Period** does not apply to any other year or period of years, and upon expiration of the **CAP Period** in this Agreement, any subsequent participation in a Primex<sup>3</sup> **CAP** will be subject to underwriting review, membership criteria, **CAP** criteria, determination of contribution and the maximum increase in place for the subsequent **CAP Period**.

The **City of Franklin** further acknowledges that by extending its Membership Agreement for two (2) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) of the two (2) year term, as there is no right to cancel or terminate during year one (1) but shall be reinstated for the end of year two (2).

The **City of Franklin** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex<sup>3</sup> Workers' Compensation Program, but not continuation of **CAP** which must be separately offered and accepted.

Primex<sup>3</sup> acknowledges that the Member is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The Member also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the Member by notice to Primex<sup>3</sup> made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The Member, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the Member agrees to return the difference between the **CAP** increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **City of Franklin** with legal authority to contractually bind the **City of Franklin** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex<sup>3</sup> risk management pool and participation in the Workers' Compensation Program.

\_\_\_\_\_  
Authorized Representative  
of the Governing Body

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name