

**2010 MEMBER AGREEMENT
FOR THE
INTEGRATED BENEFITS MANAGEMENT PROGRAM™**

**LOCAL GOVERNMENT CENTER
PROPERTY-LIABILITY TRUST, LLC
d/b/a
LOCAL GOVERNMENT CENTER
WORKERS' COMPENSATION TRUST
("WCT")**

1. GENERAL PROVISIONS

The Integrated Benefits Management Program™ was organized for the primary purpose of assuming and spreading workers' compensation liability and unemployment compensation liability exposure of WCT Participants. The Integrated Benefits Management Program™ may also include Plans for assuming, spreading, coordinating and managing disability benefits (other than workers' compensation benefits) of Participants.

The purpose of this Agreement is to memorialize the scope of the mutual obligations of the WCT and its Participants to each other pursuant to this Agreement (in addition to any other agreement between WCT and its Participants not referred to herein). This Agreement pertains only to the Plans and does not pertain to other pooled risk management programs conducted by Local Government Center Property-Liability Trust, LLC ("PLT"), including but not limited to the provision of protection against property and liability risks.

This is not an insurance policy. This Agreement has been designed specifically for WCT and its Participants. (Read the entire Agreement carefully).

2. DEFINITIONS

Agreement or Member Agreement means this agreement as it may be amended from time to time in accordance with the provisions hereof, all endorsements hereto and the related certificate and schedules, including without limitation the information page of the certificate and schedules.

Bylaws means the bylaws of Local Government Center, Inc., as such bylaws may be amended from time to time and any rules or regulations promulgated there under.

Contribution means an amount contributed towards a Plan by a Member.

Integrated Benefits Management Program™ means the Workers' Compensation Plan, the Unemployment Compensation Plan, and any other benefit Plan that is or may be offered to Members by WCT pursuant to this Agreement.

LGC means Local Government Center, Inc., a New Hampshire non-profit corporation.

Managed Care Organization means the managed care program approved by the New Hampshire Department of Labor and ratified by the New Hampshire Advisory Council on Workers' Compensation and engaged by WCT as part of the Workers' Compensation Plan.

Member means a New Hampshire county, municipality, school administrative unit, school district, charter school established pursuant to NHRSA Chap. 194-B or other public or quasi-public entity which belongs to the New Hampshire Municipal Association, LLC and LGC.

Participant(s) means the Member(s) that are enrolled and participating in a Plan pursuant to an Application and Participation Agreement (the “Participation Agreement”).

Plan(s) means the Workers’ Compensation Plan, the Unemployment Compensation Plan, and any other benefit plan of the Integrated Benefits Management Program, as the context requires.

Term means the calendar year beginning on January 1 and ending December 31 (and any portion thereof as agreed to by WCT and the Participant) for which the Participant has paid Contributions to WCT for the protection afforded under this Member Agreement.

Unemployment Compensation Law means the unemployment compensation law of the State of New Hampshire applicable to the Participant, including any regulations promulgated there under, and any amendments to that law which are in effect during the Term.

Unemployment Compensation Plan means the protection afforded by this Agreement for a Participant’s liability under Unemployment Compensation Law.

Workers’ Compensation Law means the workers’ compensation law of the State of New Hampshire applicable to the Participant, including any regulations promulgated there under, and any amendments to that law which are in effect during the Term.

Workers’ Compensation Plan means the protection afforded by this Agreement for a Participant’s liability under Workers’ Compensation Law. As of the inception of this Agreement, the Workers’ Compensation Plan is not a Managed Care Organization. . If WCT becomes an approved Managed Care Organization, it will so notify Participants and the Participant agrees as part of the WCT Managed Care Organization to notify employees of the necessity to use health care providers within the WCT Managed Care Organization. The Participant agrees to be willing to attempt to make work available within any injured employees physical limitations up to the notification of the employee’s maximum medical improvement and physical restriction.

3. LIABILITY OF MEMBERS

A. Protection.

(i). Workers Compensation Protection (“Coverage A”):

This workers compensation protection applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death. Bodily injury must arise out of and in the course of the injured employee’s employment by the Participant. Bodily injury by accident must occur during the Term. Bodily injury by disease must be caused or aggravated by the conditions of employment. The employee’s last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Term.

WCT will pay promptly when due the benefits required of Participants by the Workers Compensation Law. WCT also will pay, as part of any claim it defends: (1) reasonable expenses incurred at its request, but not loss of revenues; (2) litigation costs charged against Participants under the Workers Compensation Law; (3) interest on a judgment as required by the Workers Compensation Law until WCT offers the amount due under this Agreement; and (4) expenses which WCT incurs.

Participants are responsible for any payments in excess of the benefits regularly provided by the Workers Compensation Law including those required because of a Participant's:

1. serious and willful misconduct, including knowing violations of the Workers Compensation Law;
2. knowingly employing an employee in violation of law;
3. failure to comply with a health or safety law or regulation; or
4. failure to reinstate, discharge or coercion of or other discrimination against any employee in violation of the Workers Compensation Law.

If WCT makes any payments in excess of the benefits regularly provided by the Workers Compensation Law on a Participant's behalf, the Participant will reimburse WCT promptly.

(ii) Employers Liability Protection ("Coverage B"):

This employers liability protection applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death. Bodily injury must arise out of and in the course of the injured employee's employment by the Participant. Bodily injury by accident must occur during the Term. Bodily injury by disease must be caused or aggravated by the conditions of employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Term.

WCT will pay all sums a Participant legally must pay as damages because of bodily injury to Participant's employees, provided the bodily injury is covered by this Employers Liability Protection. The damages WCT will pay, where recovery is permitted by law, include damages:

1. for which a Participant is liable to a third party by reason of a claim or suit by that third party to recover the damages claimed against such third party as a result of injury to the Participant's employee;
2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that the damages described in (1), (2) and (3) above are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by the Participant; and
4. because of bodily injury to a Participant's employee that arises out of and in the course of employment, claimed against the Participant in a capacity other than as employer.

This protection is not applicable to:

1. liability assumed under a contract;
2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. bodily injury to an employee while employed in violation of law with Participant's actual knowledge or the actual knowledge of any of Participant's executive officials;
4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by the Participant;
6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against, failure to reinstate or termination of any employee, or any personnel practices, policies, acts or omissions;
8. bodily injury to any person in work subject to any federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. fines or penalties imposed for violation of federal or state law; and
11. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1 872) and under any other federal law awarding damages for violation of those laws or regulations issued there under, and any amendments to those laws.

(iii) Unemployment Compensation Protection.

WCT will assume and discharge, by payment, any lawful awards entered by the Department of Employment Security of the State of New Hampshire against any Participant in the Unemployment Compensation Plan of WCT, which awards shall have been upheld by the applicable courts where an appeal by either party is taken.

B. WCT Defense. WCT will defend at its expense any claim, proceeding or suit against the Participant for benefits or damages covered by this Agreement with counsel chosen, assigned and directed (including replacement thereof) by WCT. WCT also will have the right to (i) control the prosecution or defense of any claim prior to the time, if applicable, such claim proceeds to or results in a suit and (ii) investigate and settle claims, proceedings or suits covered by this Agreement. WCT has no duty to defend or continue defending after it has paid the applicable limit of liability under this Agreement.

C. Limits of Liability. WCT's liability to pay for damages is limited. WCT's limits of liability are shown in the Workers' Compensation Trust Program Summary of Amounts of Protection.

D. Pooling. If a Participant in the Workers' Compensation Plan of the Integrated Benefits Management Program™ incurs aggregate workers' compensation losses during any Term of this Agreement which exceed (i) the Participant's fund designated by WCT for payment of workers' compensation claims of such Participant and (ii) applicable insurance, such excess, up to the established retention for the aggregate balance of all funds designated by WCT for payment of workers' compensation claims for all Participants in the Workers' Compensation Plan of the Integrated Benefit Management Program™, shall be discharged by all Participants in the Workers' Compensation Plan, jointly and severally, according to a formula established by PLT from time to time. Losses in excess of the established retention may be borne by the excess carrier or carriers according to the terms and conditions of the excess policy(ies) as may be purchased by WCT from time to time.

E. Indemnity. The Members that are Participants of the Workers' Compensation Plan, the Unemployment Compensation Plan or any other Plan shall be liable for any obligation of their respective Plans only and shall not be liable for any claim or payment that arises under the law or agreement applicable to another Plan. In the event that the assets of the Workers' Compensation Plan, Unemployment Compensation Plan or any other Plan or of PLT or LGC, respectively, are required to or otherwise pay an obligation of the other Plan, then the Participants of the Plan the obligation of which was paid by another Plan or by PLT or LGC, shall jointly and severally indemnify and hold harmless the party (i.e. the Plan(s), PLT or LGC) paying such obligation. In the event that the Participants of the Workers' Compensation Plan or the Unemployment Compensation Plan are required to indemnify the other or another Plan or PLT or LGC, then WCT shall be entitled to assess the applicable Participants of the Workers' Compensation Plan and/or Unemployment Compensation Plan the amounts necessary to indemnify such other Plan, PLT or LGC.

F. Subrogation. WCT is entitled to all rights of (and for the purposes of this Agreement shall be deemed) an "employer's insurance carrier" against recoveries from third parties to the full extent of the Workers' Compensation Law. WCT shall be subrogated to any and all rights of the Participant to the extent required to effectuate such rights, actual or deemed, of WCT.

4. OTHER

A. Right to Inspect. WCT and its duly authorized representatives shall be permitted at all reasonable times during the existence of this Agreement to inspect the Member's workplace and/or its books or records insofar as they relate to the protection afforded by this Agreement, the contributions assessed and the reimbursements made by WCT. WCT's inspections are not safety inspections although WCT may recommend changes to help reduce losses. WCT has no duty to ensure the health or safety of Participants' employees or the public, and it does not warrant that a Participant's workplace is safe or healthful or that it complies with applicable laws, regulations, codes or standards.

B. Nonpayment of Contribution. In the event of nonpayment of any Contribution required from the Participant, WCT will provide notice of cancellation of this Agreement in writing to the Participant and to the Commissioner of the Department of Labor. In such case, all coverage will terminate thirty (30) days after the mailing of such notice and filing with the Department of Labor. Either WCT or the Participant may elect to non-renew this Agreement as of the next ensuing Term of this Agreement upon written notice to the other, provided said notice is provided at least forty-five (45) days prior to the expiration of the then Term.

C. Notice to WCT. In the case of any loss, incident, or other event that is or is likely to result in an obligation under a Plan, the claims department of LGC with regard to the Unemployment Compensation Plan and the Workers' Compensation Plan must receive notice of such event as soon as practicable after the Participant has such notice itself. WCT may waive a Participant's failure in a specific instance to provide such proper notice as soon as practicable after the Participant had such notice if WCT, in its sole and absolute discretion, determines that WCT was not prejudiced by such lack of notice. A waiver by WCT in any particular instance shall not constitute or be construed as a waiver in subsequent circumstances. Notice should include a basic description of the event and the names and addresses of any persons having knowledge of the claim, and timely completion of forms required by the State of New Hampshire (e.g. First Report of Injury).

D. Participant Cooperation. The Participant shall cooperate with WCT and, upon WCT's request, assist in (i) making settlements, (ii) the conduct of lawsuits, (iii) enforcing any right of contribution, recovery or indemnity against any person who or organization that may be liable to the Participant in connection with any claim, and/or (iv) any other reasonable administration of this Agreement. In this regard, further and without limitation, the Participant shall (a) attend hearings and trials, (b) assist in securing and getting evidence, (c) assist in obtaining the attendance of witnesses at depositions, hearings, trials and other related proceedings, and (d) refrain from any action or inaction that would interfere with WCT's rights to recover from others.

E. Dispute Resolution. Any dispute between WCT and the Participant arising under or regarding the interpretation or application of this Agreement, the amount of any loss covered by this Agreement or the procedures utilized by WCT to effectuate this Agreement shall be determined by arbitration before a panel of three (3) arbitrators. One arbitrator shall be chosen and paid by WCT, one chosen and paid by the Participant, and the third chosen by the two arbitrators previously chosen and paid one half (½) by WCT and one half (½) by the Participant. The award or order of the arbitration panel shall be final except insofar as appealable under the New Hampshire Law governing Arbitration of Disputes (RSA Chapter 542 as amended). The foregoing regarding dispute resolution between a Participant and WCT shall be effective except to the extent it is superseded by applicable Workers' Compensation Law or Unemployment Compensation Law.

F. Maintenance of Separate Records. WCT will maintain separate internal records and bookkeeping entries for each Plan and any other pooled risk management program provided by PLT.

G. New Hampshire Law. This Agreement shall be interpreted in accordance with the laws of the State of New Hampshire.

H. Amendment. No change to the terms of this Agreement is effective unless modified by written addendum or endorsement to this Agreement issued by WCT, which becomes effective on the date set forth in that addendum or endorsement.

I. Integration. The only agreements and understandings between the Participant and WCT are as stated in this Agreement and the accompanying Summary of Amounts of Protection, and as may be set forth or referred to in or incorporated by the Participation Agreement of WCT and the Participant and any other agreement required by WCT to institute or effectuate participation.