

BY-LAWS  
OF THE  
WELLNESS INSURANCE NETWORK  
(WIN)

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**Article I.     Name**

The Members hereby established a benefit Network as authorized by the said provisions of the Constitution of Illinois and the Illinois Intergovernmental Cooperation Act, which shall be known as the WELLNESS INSURANCE NETWORK. The Wellness Insurance Network (WIN) is an intergovernmental entity voluntarily established by contracting with units of local government that are public libraries or units of local government that are public library related entities.

**Article II.     Purpose – Limitation of Participation**

The purpose of WIN is to create a joint insurance pool to administer and provide certain benefits including, but not limited to, life, accidental death and dismemberment, long term disability, dental, and medical benefit programs for the Members' employees and employees' dependents. Each Member remains individually responsible for any and all benefit programs that are not a part of any WIN program.

**Article III.    Authority**

WIN is established pursuant to the intergovernmental cooperation clause as set forth in Article VII, Sec. 10 of the Constitution of the State of Illinois; 5 ILCS 220/1 et seq. and in particular, Sec 220/6 of the Illinois Compiled Statutes and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.

**Article IV.    Directors and Officers**

- A. There is hereby established a Board of Directors of WIN (BOD). The Board of Directors of WIN shall consist of seven (7) members (BOD members). Representatives from Members of WIN are eligible to run for election for the position of BOD member. Only one representative from any one Member may be elected to the Board. To be eligible to serve as a regular BOD member, the individual must be a Director or an employee designated by the Director of a participating Member.
- B. The call for candidates will be conducted from April 1 to April 30 with the electronic voting election to be held May 15 through June 15. Each participating Member will have one (1) vote for each slated position, which shall be cast by the Member's BOD member.
- C. Each elected BOD member shall serve a staggered term of three (3) years.
- D. The Board shall declare a vacancy in the office of the Board of Directors when an elected or appointed BOD member (i) declines, fails, or is unable to serve, (ii) no longer holds the position of elected official or employee for the same WIN member, or (iii) is removed by a majority vote of the BOD members. Absence without cause from all regular Board meetings

for a period of one year shall be a basis for declaring a vacancy. All vacancies shall be filled by appointment by the remaining Board members until the next regular election of BOD members, at which time a BOD member shall be elected for the remainder of the unexpired term, if any

- E. The Board of Directors of WIN shall appoint from among their number a President, Vice President, Secretary, and Treasurer. The Board of Directors may also appoint additional Officers and assign duties to them.

The President shall preside at all meetings of the Board of Directors. The President may request information from any Officer or the Board of Directors of WIN or any employee or independent contractor of WIN. The President shall vote on all matters that come before the Board. The President shall have such other powers and duties as are set forth in these By-Laws and as he/she may be given from time to time by action of the Board.

The Vice President shall carry out all duties of the President during the absence or inability of the President to perform such duties and shall carry out such other functions as are assigned from time to time by the President of the Board of Directors.

The Treasurer shall have charge and custody and shall be responsible for all funds and securities of WIN; receive and give all receipts for monies due and payable to WIN from any source whatsoever; deposit all such monies in the name of WIN in such banks, savings and loan associations or other depositories as shall be selected by the Board of Directors; invest the funds of WIN as are not immediately required in such investments as the Board of Directors shall specifically or generally select from time to time; and maintain the financial books and records of WIN; provided, however, that all investments of WIN funds shall be made only in the manner permitted to an Illinois tax-supported public library. The Treasurer shall sign checks on the authorization of the Board (75 ILCS 16/30-45) The Treasurer shall, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President of the Board of Directors. In performing these duties, the Treasurer shall work with WIN staff and/or any individual or entity that contract with WIN to provide accounting and/or related services.

The Treasurer shall account for each separate program of insurance separately and shall keep a record of the account balances in each program for each participant.

The Secretary shall keep the official records of WIN. The Secretary shall see to the keeping of the minutes of meetings of WIN and shall see to the

sending of all notices required by these By-Laws and shall carry out other clerical duties of WIN.

- F. WIN shall purchase a bond in sufficient amount as determined by the Board of Directors to assure the fidelity of the President, Vice President, Treasurer, and any other Officer, employee, or entity that contract with WIN who shall have the right to authorize the transfer or payment of WIN funds. The Board of Directors, by motion, may increase or decrease the amount of such bonds or change the persons covered.
- G. A quorum shall consist of a majority of the Board of Directors. Except as provided in Paragraph H below, or elsewhere in these By-Laws, a simple majority of a quorum shall be sufficient to pass upon all matters.
- H. A greater vote than a majority of a quorum shall be required to approve the following matters:
  - 1. The Board of Directors may establish one or more rules requiring approval by a vote greater than a majority of a quorum; provided, however, that such rules may only be established by a greater than a majority vote at least equal to the greater than majority percentage stated within the proposed rule;
  - 2. The admission of a new Member shall require a two-thirds (2/3) vote for approval by the Board of Directors.
  - 3. Any amendment of these By-Laws shall require a two-thirds (2/3) vote for approval by the Board of Directors; provided, however, no amendment shall have the effect of depriving a member of a vested contractual right without the consent of the Member.
  - 4. Termination of WIN shall require a two-thirds (2/3) vote for approve by the Board of Directors (Article IX)
- I. No one serving on the Board of Directors shall receive any salary from WIN; provided, however, BOD members shall be reimbursed for lawful expenses incurred as Officers of WIN.
- J. Regular meetings of the Board and the Trustees shall be held as necessary to carry out the purpose and business of WIN. A minimum of four (4) meetings shall be held each Fiscal Year. At least two meetings shall be held before January 1st of the Fiscal Year, and at least two meetings shall be held during the second half of the Fiscal Year. Meetings will follow a previously prepared agenda containing all business items requested by any BOD member, Trustee and/or any Member for consideration. The agenda shall be provided to each Member five (5) days in advance of such

meeting. The Board or Trustees may also request that professionals, advisors and other service providers attend the meetings of the Board or the Trust and may in their discretion permit any other person to attend. Meetings of the Board or Trustees may be called by its President or by any two BOD members or Trustees. Five (5) days written notice of regular or special meetings of the Board or Trustees shall be given to each Board member or Trustee and an agenda specifying the subject(s) of any regular or special meeting shall accompany such notice. Unless otherwise agreed to by a Member and the Board, notice shall be electronically emailed to the Member's last known email address. Business conducted at special meetings shall be limited to those items specified in the agenda. The time, date and location of regular meetings of the Board and Trustees shall be determined by the Board and Trustees. Such notice may be give by electronic mail or U.S. mail. All meetings shall be posted and held as required by the Illinois Open Meetings Act.

#### **Article V. Powers and Duties of the Board of Directors**

The Board of Directors shall determine the general policy of WIN, which policy shall be followed by all WIN Officers, agents, employees, and independent contractors employed by WIN. Subject to the specific limitations herein, the Board of Directors shall have the authority to do the following:

(a) To delegate any or all of its duties and obligations to any entity(ies) or individual(s), as may be necessary to administer and accomplish the purposes of the Plan, including: an agent(s), broker(s), employee(s), independent contractor(s), claim administrator(s), attorney(s), accountant(s), auditor(s), consultant(s), investment manager(s), and such other persons as may be necessary to administer and accomplish the purposes of the Plan.

(b) To enter into written contracts in order to procure the necessary services, supplies, insurance and/or property necessary to accomplish the purposes of the Plan.

(c) To establish Members' monthly contributions for payments to the Plan, as described below, on an annual basis.

(d) To require Members to make additional supplementary payments to the Plan during the fiscal year, as may be required in extraordinary circumstances to avoid insolvency.

(e) To place all or part of the assets of the Plan in the Wellness Insurance Network Trust, pursuant to its written Trust agreement. Such Trust shall be administered by the Board, the members of which shall serve as Trustees of the Trust. As Trustees shall have the sole duty and obligation to carry out the purposes of the Trust, in accordance with the Trust agreement. The Trustees may

establish an investment policy and may delegate the duty to invest trust assets to one or more investment manager that has been selected by the Board.

- (f) To study issues with Members and make recommendations.
- (g) To recommend to its Members programs and educational materials relating to claim reductions.
- (h) To direct the collection, accounting and distribution of funds to be used for the administration of the Plan and the providing of benefits hereunder as provided in this Agreement and the Trust agreement.
- (i) To cause to be purchased stop loss, and other types of insurance as authorized by the Board.
- (j) To approve changes in its operating policies and procedures.
- (k) To approve the fees for all authorized service providers.
- (l) To procure fidelity bonds, fiduciary liability insurance, errors and omissions coverage, and any other insurance or coverage for BOD members, Trustees of the Trust, Officers, consultants, claims administrators, employees, representatives or other persons, as required by the WIN Agreement or by law, or as deemed appropriate by the Board.
- (m) To review and determine employee claim disputes not resolved by the Plan's claim administrator in accordance with the WIN Agreement.
- (n) To expel any Member from the participation in the Plan for failure to perform its obligations under the WIN Agreement or as otherwise permitted hereunder.
- (o) To perform such other activities as are necessarily implied or required to carry out the purposes of the Plan or the specific activities enumerated herein.
- (p) To hire employees to perform any duties including but not limited to conducting day-to-day or managerial functions, reviewing benefit claims and appeals, studying issues, recommendations or proposals and making recommendations to the Board.
- (q) To retain brokers, consultants or other professionals and to appoint a claim administrator, who shall be responsible for the processing of benefit payment applications and for paying benefit claims under the direction and control of the Board, provided that the claim administrator shall report directly to the Board, shall be bonded to provide faithful performance of its duties and

responsibilities, and shall provide acceptable insurance coverage for errors and omissions.

(r) To review and evaluate new Member applications as outlined in the WIN Agreement dated July 1, 2010.

**Article VI. Liability of WIN, Its Officers and Directors**

No BOD member shall be liable for any action taken or omitted by any other BOD member. BOD members, Officers and employees of the Board, shall be indemnified and held harmless by WIN for claims by third parties arising out of the good faith discharge of their duties in the administration of the Plan or the Trust. Such indemnification shall include, but not be limited to, court costs and reasonable attorneys' fees. Plan assets may be used to defend and hold harmless any BOD members, Officers and employees of the Board hereunder. The Board may utilize plan assets to purchase insurance providing fiduciary liability coverage and/or errors and omissions coverage for itself as an entity and for its Officials and employees in connection with the administration and operation of the Plan and Trust.

If any claim or action not covered by insurance is instituted against a BOD, Officer or employee of WIN allegedly arising out of an act or omission occurring within the scope of his or her duties, WIN shall at the request of them:

- A. Appear and defend against the claim or action; and
- B. Pay or indemnify the BOD member, Officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
- C. Pay or indemnify the BOD member Officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of WIN.

The term BOD member, Officer or employee shall include former BOD members, Officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts.

**Article VII. Programs of Insurance and/or Self-Insurance**

WIN may purchase insurance policies from insurance companies having a Certificate of Authority issued by the Department of Insurance of the State of Illinois.

**Article VIII. Fiscal Year – Budget**

- A. The fiscal year of WIN shall commence on July 1 and end on June 30.

- B. During the last quarter of each fiscal year, the Board of Directors of WIN shall approve a preliminary budget for the administration of each Benefit for the next fiscal year. Copies of the preliminary budget shall be sent to each Member via electronic mail, and the Board of Directors shall set a hearing date on the budget at which time all Members of WIN will be given an opportunity to be heard. The preliminary budget shall set forth the method by which payments of Members are to be determined for the following fiscal year. The Board of Directors shall annually approve a final budget. Before the fall membership meeting, the Board of Directors will determine the amounts of the annual rates to be made applicable to each Member.
- C. Failure of the Board of Directors to approve a preliminary or final budget within these time limits shall not relieve the Members of the obligation to make annual or supplementary payment to WIN as hereinafter provided.
- D. Funds shall be audited annually after each June 30, by a firm of Certified Public Accountants.

**Article IX. Term and Termination**

These By-Laws will follow the guidelines for Term and Termination as outlined in Article VII – Term and Termination of the Wellness Insurance Network Agreement dated July 1, 2010.

**Article X. Notices**

All notices of claims or any other notice required to be given pursuant to these By-Laws shall be sent by registered or certified mail, postage prepaid, return receipt requested and addressed as follows:

Assurance c/o WIN  
111 N. Canal St., Suite 550  
Chicago, IL 60606

add to:

Member Library  
[Address of main library building]  
Attention: Library Director

**Article XI. Order of Business**

- A. The order of business at regular meetings shall be as follows:
  - 1. Call to Order
  - 2. Approval of Agenda

3. Approval of Minutes
4. Treasurer's Report
5. Presentation and Approval of Bills
6. Committee/Administration Reports
7. Director's Report
8. Communications
9. Old Business
10. New Business
11. Public Comments
12. Adjournment

- B. At the "Approval of the Agenda" section of the meeting, trustees are entitled to bring up any matter to the Board to be included on the agenda in new business. The Board then has many options, including: debate the matter, act on the matter, refer to committee, table, or postpone indefinitely.
- C. Proceedings of all meetings shall be governed by Robert's Rules of Order.

## **Article XII. Amendments**

These By-Laws may be amended at any regular meeting of the Board of Directors, by a favorable vote of five (5) members, providing the amendment was stated in the call for the meeting and was presented at a regularly scheduled board meeting, and voted on at a subsequent regularly scheduled board meeting.