

BY-LAWS

of

HEALTH CARE PROVIDERS SELF-INSURANCE TRUST

ARTICLE I

NAME AND LOCATION

Section 1. This Trust shall be known as the Health Care Providers Self-Insurance Trust. Its principal office shall be located at 90 State Street, Albany, New York 12207.

ARTICLE II

PURPOSE AND POLICY

Section 1. Health Care Providers Self-Insurance Trust (hereinafter called the "Trust") is a group self-insurance organization organized pursuant to Section 50, subdivision 3-a of the Workers' Compensation Law of the State of New York. Its policies and purposes are:

- (a) To provide Workers' Compensation Self-Insurance coverage in the State of New York to employers in the health care industry.
- (b) To pay benefits promptly and on a weekly basis.
- (c) To improve safe working conditions and to promote a safety program dedicated to the prevention of occupational accidents and disease.
- (d) To improve the medical care and promote the rehabilitation of injured workers.
- (e) To establish compensation insurance rates which are comparable to, or more favorable than, other available Workers' Compensation Insurance rates.
- (f) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof.

ARTICLE III

MEMBERSHIP

Section 1. All parties to the Self-Insurance Agreement and Declaration of Trust and identified therein as members shall be Members of the Trust. All members shall be entitled to one vote on any matter submitted to a vote of the Members.

Section 2. Additional Members may be added to the Trust by vote of the Trustees of the Trust, in accordance with these By-laws and any applicable regulations governing the group self-insurance trust as adopted from time to time by the Workers' Compensation Board of the State of New York. To qualify for membership, an applicant must be a member of the New York State Association of Health Care Providers, Inc. or other approved sponsoring organization and satisfy the following underwriting criteria:

(i) A prospective Member must be financially solvent, and must meet such other criteria as to financial qualification as may be established by the Trustees;

(ii) A prospective Member's expected loss rate must be within the parameters as determined from time to time by the Trustees;

(iii) A prospective Member must satisfy all other requirements of the Fund's excess insurance carrier or carriers and the Worker's Compensation Board of the State of New York; and

(iv) A prospective Member must adhere to the safety policies and practices as outlined in the policies adopted by the Trustees from time to time.

Section 3. Any qualified applicant may apply for membership by completing and submitting to the Trust an application on a form approved by the Workers' Compensation Board of the State of New York, acceptable current financial statements and such other documents as the Trustees or the Workers' Compensation Board or the Superintendent of Insurance shall require, and paying to the Trust the required application fees as determined by the Trustees. Each applicant shall furnish to the Trust such access to its records and facilities as are deemed necessary by the Trustees in their sole and absolute discretion to permit evaluation of the eligibility for membership of the proposed Member. New Members may be admitted to the Trust at any time during the year. All applications, application fees determined by the Trustees and other required information and documentation must be received by the Trust no later than sixty days before the proposed date of admission in order to qualify the applicant for admission as of the proposed admission date. The Trustees shall consider all completed applications no later than thirty days before the proposed date of admission, and any approval may be made subject to conditions imposed by the Trustees.

Section 4. An application shall be approved only upon the affirmative vote of a majority of the Trustees then in office, in accordance with the provisions of Article IV of these By-laws. Upon approval of any application and satisfaction by the applicant of all other requirements of the Trust, these By-laws and applicable laws and regulations, the applicant shall be admitted as a Member as of the proposed date of admission approved by the Trustees.

Section 5. The approval or rejection of any application for admission by a prospective additional Member shall be subject to the sole and unfettered discretion of the Trustees, notwithstanding the qualification of the applicant and the satisfaction of the requirements of these By-laws and applicable rules and regulations, and the Trustees may approve or reject any such application for any reason, and no applicant shall be deemed to have any legal or equitable entitlement or right to membership in the Trust.

Section 6. Each Member shall pay contributions, dues or assessments each quarter as the same shall from time to time be determined by the Trustees of the Trust, or more frequently as may be required by the Workers' Compensation Board.

Section 7. Membership shall be continued for qualified Members, except that the Trustees may exclude or suspend any Member from continued membership or decline to renew the membership of any Member whose membership would otherwise expire for failure to comply with these Bylaws, failure to comply with the underwriting criteria enumerated in Section 2 of this Article, failure to comply with applicable laws relating to Workers' Compensation, failure to submit for review by the Trustees upon request and upon application for renewal of membership acceptable current financial and other information deemed by the Trustees to be necessary to confirm such compliance or failure to pay contributions due. Notice of termination or non-renewal shall be in writing and be given at least ten (10) days prior to the date of termination or non-renewal and shall be effective ten (10) days after the filing of due notice with the Chairman of the Workers' Compensation Board or the Self-Insurance Division of that Board; provided, however, that in accordance with Section 9 of this Article, no such termination or nonrenewal shall relieve a member of liability for contributions, dues or assessments, or otherwise pursuant to the Self-Insurance Agreement and Declaration of Trust, arising during or with respect to any period during which the Member was a participant in the Trust.

Section 8. Each employer upon becoming a Member shall designate the Trust and its Chairman as its agent and representative with respect to all matters relating to coverage and claims arising under the Workers' Compensation Law and related statutes and shall abide by all the By-laws of the Trust.

Section 9. Cancellation or termination of membership in the Trust shall terminate any and all benefits that would otherwise accrue to such Member or participant. Notwithstanding such cancellation or termination of membership, such Member or participant shall remain liable for any and all contributions, dues and assessments, and otherwise pursuant to the Self-Insurance Agreement and Declaration of Trust, applicable during any period during which a Member was a participant in the Trust.

ARTICLE IV

TRUSTEES

Section 1. The Trust shall be managed by no fewer than seven (7) nor more than eleven (11) Trustees, who shall be designated in the manner hereinafter set forth. Should the total number of Trustees designated hereunder be less than the maximum provided for herein, the number designated by the New York State Association of Health Care Providers, Inc. ("HCP") pursuant to the paragraph of this section next following shall at all times exceed by one the number designated by the Trustees as hereinafter set forth.

No fewer than three (3) nor more than five (5) Trustees, each of whom shall be a member of HCP and a participant in this Trust, shall be designated by the Chairperson of HCP ("HCP Chairperson"). The three Trustees so designated prior to October 1, 1994 shall be divided into three classes, each comprising one such Trustee, for the purpose of staggering their terms of office. The term of office of the first such class shall expire at noon on November 1, 1995; of the second such class, at noon on November 1, 1996; and of the third such class, at noon on November 1, 1997. After such initial classification and designation, a Trustee (or, in the event that a total of more than three (3) Trustees has been designated by the HCP Chairperson pursuant to this paragraph and subject to the limitation contained in the last sentence of the first paragraph of this section, Trustees) to replace each Trustee whose term expires as provided herein shall be designated by the HCP Chairperson to hold office for a full term of office, as hereinafter set forth.

The Trustees shall, by vote of a majority of them, designate no fewer than two (2) nor more than four (4) additional Trustees, each of whom shall likewise be a member of HCP and a participant in this Trust. The two Trustees first so designated shall be divided into two classes, each comprising one such Trustee, likewise for the purpose of staggering their terms of office. The terms of office of such Trustees shall commence at noon on January 1, 1995. The term of office of the first such class shall expire at noon on November 1, 1996; and of the second such class, at noon on November 1, 1997. After such initial classification and designation, a Trustee (or, in the event that a total of more than two (2) Trustees has been designated by the Trustees pursuant to this paragraph and subject to the limitation contained in the last sentence of the first paragraph of this section, Trustees) to replace each Trustee whose term expires as provided herein shall be designated by the Trustees to hold office for a full term of office, as hereinafter set forth.

The initial classification and designation of Trustees provided for in this section shall take place as soon as practicable, but in no event later than December 31, 1994. A successor Trustee thereafter designated pursuant to this section shall hold office for a term of three years, or until his or her prior resignation or removal. No Trustee designated pursuant to this section shall serve more than two consecutive terms (irrespective of the length of either such term); but no person otherwise eligible for designation as a Trustee shall be precluded from such designation solely by virtue of prior, non-consecutive service as a Trustee.

In addition to the Trustees designated as hereinabove set forth, the President of and the Counsel to HCP shall both serve as Trustees.

The absence of a Trustee for three (3) consecutive meetings without reasonable excuse may, in the discretion of the Chairman, constitute cause to terminate his service as a Trustee. Upon notice from the Chairman such vacancy or any other vacancy shall be filled by a person who meets the qualifications to hold such office.

Section 2. The Trustees shall elect annually from their membership, by majority vote, a Chairman and a Secretary-Treasurer. Any vacancy in office shall be filled by the Trustees. The Trustees shall have the discretion to create and fill such other and further offices as they shall deem necessary or desirable for the fulfillment of the purposes for which the Trust was created.

Section 3. The Trustees shall administer the operations and business of the Trust and shall establish the contribution rates to be charged Members or participants and shall establish and promulgate By-laws to effectuate the policies and purposes of the Trust.

Section 4. The Trustees shall regularly report to the Members the operations, conditions and status of the Trust. The Trustees shall appoint a Certified Public Accountant to audit the records of the Trust and to submit its records.

Section 5. The Trustees shall meet at least two times per year at the call of the Chairman, upon at least five days notice to all Trustees. Special meeting may be called by the Chairman or upon request of three Trustees. Two days written notice for such meetings shall be sent by the Chairman to all Trustees. The Trustees may meet by means of conference phone call during which each Trustee can, at all times, both speak and hear. Notwithstanding the foregoing, the Trustees may meet without notice provided that all Trustees sign a waiver of notice of the meeting and ratify the actions taken at such meeting.

Section 6. A quorum for the transaction of business at any regular or special meeting of the Trustees shall consist of not less than a majority of the Trustees.

Section 7. The order of business at all meetings of the Trustees shall be as follows:

1. Roll Call.
2. Reading of Minutes.
3. Communications.
4. Report of Chairman.
5. Treasurer's Report.
6. Reports of Committees.
7. Director's Report.
8. Safety Director's Report.

9. Unfinished Business.
10. New Business.

Section 8. Each Trustee shall be protected in acting upon any paper or document believed by him or her to be genuine and to have been made, executed or delivered by the proper party purporting to have made, executed or delivered the same, and shall be protected in relying and acting upon the opinion of legal counsel in connection with any matter pertaining to the administration or carrying out the functions of the Trust.

The Trustees shall not be liable for any action taken or omitted by them in good faith, or for the acts of any agent, employee, attorney or accountant selected by them with reasonable care, or for any act or omission of any other member of the Board. The foregoing shall not relieve any member of the Trustees of liability for the commission of any act of misfeasance and malfeasance.

ARTICLE V

MEETING OF MEMBERS

Section 1. The annual meeting of the membership shall be held during the annual conference of HCP or on such other date as may be fixed by the Trustees. At least ten days written notice of such meeting shall be given to each Member. Each Member shall be entitled to one vote on any matter voted on at such meeting.

Section 2. Special meetings of Members may be called by the Chairman upon two days written notice to the Members sent either by certified mail return receipt requested or by facsimile transmission, and must be called by him upon the written request of 2/3 of the members.

Section 3. A quorum for the transaction of business at any regular or special meeting of members shall consist of not less than 1/3 of the Members, present in person.

ARTICLE VI

FUNDS

Section 1. All funds of the Trust shall be deposited in banks or trust companies designated by the Trustees.

Section 2. All checks for the withdrawal of funds shall be signed in such manner as may be fixed by resolution duly adopted by the Trustees from time to time.

ARTICLE VII

DUTIES OF OFFICERS

Section 1. The Chairman shall preside at all meetings of the Trustees and shall serve as the chief policy official of the Trust. He shall appoint all committees of the organization and shall define their powers and duties, except as otherwise provided, and shall be a member ex-officio of such committees. He shall submit regular reports of the operation of the Trust to its Members. He shall furnish to each Trustee a proposed budget consisting of an itemized statement of estimated revenue and anticipated and proposed expenditures for the fiscal year.

Section 2. The President of HCP shall serve as President of the Trust, in which capacity he shall be the Trust's chief executive officer. The President shall, in accordance with these by-laws and policies established by the Trustees, be responsible for the management and operation of the Trust and for implementing the budgets adopted by the Trustees. He (and in his absence or incapacity, the Chairman or Secretary-Treasurer) shall execute contracts and other documents on behalf of the Trust, secure all bonds and/or insurance policies that may be required of the Trust by the Chairman of the Workers' Compensation Board and/or other governmental authorities and take other appropriate actions necessary to implementation of the policies adopted by the Trustees.

Section 3. The Secretary-Treasurer shall have access to all official papers of the Trust and the records of its proceedings. He shall attend meetings of the Trustees and keep the minutes of such meetings. He shall also attest, when required, written contracts or other documents and shall perform all such other duties as are incident to his office. Additionally, he shall collect all contributions, dues and assessments and such other funds as may be due to Trust. All moneys received by him shall immediately be deposited in the name of the Trust in such banks or trust companies as may be designated by the Trust and shall not be drawn upon except by checks signed by the Chairman of the Trust. He shall pay all bills and other indebtedness when ordered to do so by the Trust and shall make a detailed report at the meeting of the Trustees. His accounts shall be audited by a Certified Public Accountant selected by the Trust.

Section 4. The officers of the Trust are empowered to invest and reinvest all funds of the said Trust in housing, mortgages, and in Government and other securities as they may in their sole discretion, select; to purchase, lease for any term of years, sell, exchange, convey or dispose of any property, whether real or personal, or any interest therein, all of which shall be at such prices and upon such terms and conditions as said officers may deem advisable to carry out the purposes of the Trust and whether or not any of the foregoing are authorized by law for the investment of Trust funds generally; to borrow money in such amounts and upon such terms and conditions as shall be deemed advisable by the officers to carry out the purposes of the Trust and to pledge any securities and to mortgage any property, real or personal, or any interests therein, for the payment of any such loan; to lend moneys upon such terms and conditions as they may deem advisable; and to do all acts, whether or

not expressly authorized herein, which the officers may deem necessary or proper to effectuate the foregoing and for the protection of the property held hereunder.

Section 5. The acts of the officers shall be subject to the review and approval of the Trustees.

ARTICLE VIII

STANDING COMMITTEES

Section 1. The Chairman shall make provision for committees of the Trust to undertake the following committee functions:

- (a) Education and Planning Committee.
- (b) Accounting, Reserves and Premium Rate Committee.
- (c) Safety Advisory Committee.
- (d) Membership Committee.

In the event that the number of Trustees shall not exceed five, the Trustees shall undertake all of these activities as a committee of the whole.

Section 2. The Trustees or the Chairman may from time to time create additional standing or special committees as may be deemed necessary and the Chairman shall make appointments to and designate the duties of such committees.

ARTICLE IX

ADMINISTRATION

Section 1. A Management Agreement shall be negotiated with HCP for the purposes of efficiently securing the benefits for which the Trust was established and to carry out the intent of the Workers' Compensation Law. HCP shall have custody of all official records of the Trust. HCP shall provide the employees of the Trust and shall perform all necessary and incidental tasks necessary for the orderly functioning of the Trust. A third party administrator shall be engaged to administer the self-insurance program including, but not limited to, the processing of reports of accidents or occupational diseases of employees of the members, determining the validity of claims, advising the members with respect to such claims, filing of all required reports with the Workers' Compensation Board and doing all other things and acts necessary in compliance with the Workers' Compensation Law and the Rules and Regulations promulgated by the Chairman of the Workers' Compensation Board for the proper disposition of claims for benefits. The Chairman or his designee shall be empowered to sign

certificates of insurance to be furnished to the Members of the Trust. The Chairman shall periodically review the reserves.

Section 2. A Program Administrator under the supervision of the Chairman shall be engaged to act as manager of the group self-insurance program. Such person shall work with the Trustees and the third party administrator to establish an accident prevention program. He shall meet with the Trustees as often as practicable to review the experience of the Members so as to prevent recurrence of accidents and review and revise safety rules and regulations to be carried out by the Members.

Section 3. Each Member shall report promptly all accidents and occupational diseases and shall keep a permanent record of said injuries sustained in the course of employment. Such record shall include the name of the injured, his occupation, the time, date, place of injury, description of occurrence, treatment given, name and address of physician and shall show any lost time. The Member shall promptly notify the Trust in writing of all subsequent loss of time of any employee due to injury or occupational disease and submit the required payroll reports. The Member shall send promptly to the Trust all medical bills and any information or communications received from any physician, attorney, claimant or any other person relating to claims.

Section 4. Each Member shall keep complete payroll records. The Trust shall be permitted to examine the Members' payroll books and other related payroll records to verify remuneration earned by the employees.

Periodically the Members shall file a reconciliation statement comparing wages reported to the Trust with the wages reported to the New York State Unemployment Insurance Fund.

Section 5. All Members are required to post a notice of compliance at all employees' entrances and places of congregation, and also in the first-aid room or medical bureau, if any.

Section 6. No officer, director, or employee of the Health Care Providers Self-Insurance Trust may represent or participate directly on behalf of an injured workman or his dependents in any workers' compensation proceedings.

Section 7. The Trust shall:

- (a) Keep an accurate and complete record of all accidents to employees of the participating employers and report such accidents as provided by law.
- (b) Authorize medical aid, pay compensation and file reports in accordance with the Workers' Compensation Law.
- (c) Maintain adequate reserves at all times to carry compensation claims to final settlement and advise the Members of such reserves.

- (d) Permit the representatives of the Chairman of the Workers' Compensation Board to examine its establishment and records at any time for the purpose of ascertaining its full compliance with the foregoing.
- (e) Advise the Division of Self-Insurance of the Workers' Compensation Board on appropriate forms whenever a Member's membership in the Trust is terminated and of each new member.
- (f) File reports with the Chairman of the Workers' Compensation Board as requested by the Chairman and as follows:
 - (1) an itemized statement of assets and liabilities as of the close of the fiscal year, to be filed not later than three months thereafter.
 - (2) a classified payroll for the twelve months' period ending March 31 of each year.
 - (3) a statement of all outstanding death and disability claims as of March 31 of each year segregated by State fiscal year of accident occurrence.
 - (4) a statement of compensation payments made by the Trust for the year ending March 31, analyzed by the State fiscal year of accident occurrence.

The reports called for in 2, 3 and 4 shall be filed on or before April 30.

- (g) All references herein to the Workers' Compensation Law and Rules and Regulations include the provisions of the United States Longshoremen's and Harbor Workers' Compensation Act, applicable to New York operations.

ARTICLE X

AMENDMENTS

Section 1. These By-laws may be amended by a majority vote of all of the Trustees provided such amendment is first presented in writing at one regular meeting of the Board and voted upon at the next regular meeting after all members of the Board shall have been given notice by mail of the proposed amendment not less than ten days prior to the meeting at which the amendment is to be voted upon.

ARTICLE XI

FISCAL YEAR

Section 1. The fiscal year of the Trust shall be the period November 1 to October 31.

ARTICLE XII

CONSTRUCTION

Section 1. These By-laws shall be construed in accordance with the laws of the State of New York and the Rules and Regulations of the Workers' Compensation Board.

Section 2. Whenever a masculine pronoun is used it shall be deemed to represent both the masculine and the feminine forms of such pronoun. Similarly, whenever a feminine pronoun is used it shall be deemed to represent both the masculine and the feminine forms of such pronoun.

Section 3. These By-laws shall be liberally construed in order to effectuate the intention of the Settlers of this Trust.

[as amended through June 24, 1999]