

Overview of 2008 Changes to CIS Trust Agreement

The 2008 CIS Trust Agreement establishes the CIS Trust to provide consolidated administration services for three separate trust funds. The changes clarify that each underlying trust fund retains its own identity and the ability to continue as an autonomous trust should LOC or AOC ever want to change the consolidated administration approach. The property, liability, workers' compensation trust fund, (formerly known as CIS Trust) is renamed the CIS Property/Casualty Trust Fund. The two employee benefits trust funds, EBS and AOCIT, are jointly referred to as CIS Benefits.

The 2008 agreement recognizes that, while ORS Chapter 190 was the vehicle by which LOC and AOC created the CIS TRUST, CIS itself does not rely on general Chapter 190 powers in the administration of the various trust funds. Members enter into individual contracts for coverage with the CIS Trust, not intergovernmental agreements with one another. Each trust fund has its own specific statutory authority.

Specific Changes Include the following: (References are to Section of the 2008 Agreement).

Opening Paragraph

Succinctly describes the CIS Trust as a group of pooled trust funds.

Recitals

1. Establishes LOC/AOC credentials as the parties to the Agreement
2. Summarizes the history of the various individual trust agreements (Exhibits A, B & C) and the prior Agreements dealing with consolidated administration
3. Objectives – same as before

Article 1 Definitions. An expanded set of definitions now incorporate all terms referenced in the Agreement.

Article 2 The CIS Trust. Clarifies that CIS is a trust, a public body and a public corporation. Identifies the statutory basis for each of the underlying trust programs. Confirms separate status of the underlying trust funds which are consolidated for administrative purposes only.

Article 3. Board of Trustees. No significant change. Addition of language recognizing telephonic meetings.

Article 4. Purposes. No substantive change.

Article 5. Powers. Sections re-arranged. Specific administrative detail deleted

Article 6. Use of Funds. No substantive change.

Article 7. Participation and Termination . No substantive change.

Article 8. Interest in Assets of CIS Benefits Trust Programs. Clarification that these provisions relate to EBS and AOCIT.

Article 9. Dissolution/Termination. Addresses the dissolution of the CIS TRUST, the consolidated administration function. Allows the underlying trusts to dissolve according to their own terms.

Article 10. Amendments. No substantive change

Article 11. Severability. No change

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