

2765.0500 BOARD.

Subpart 1. **Structure.** A plan must have a board of trustees consisting of officials or employees of the members. No member may have more than one representative on the board. No trustee may be an employee, agent, or representative of the plan's service company, financial administrator, insurer, or other person or entity under contract with the plan. Trustees shall be elected by vote of the membership. There shall be an odd number of trustees, with staggered terms to provide continuity. One trustee shall be designated the chairperson. The board shall meet no less than four times annually.

Subp. 2. **Duties.** The board is responsible for operation of the plan. The board may delegate some or all of its responsibilities to the chairperson or other trustees between board meetings. All responsibilities of the plan not expressly delegated by the board or this chapter are the responsibility of the board. The board shall, at a minimum, have the following responsibilities:

- A. fiduciary responsibility for the plan's operation and financial condition;
- B. selection, supervision, and evaluation of the service company, financial administrator, accountant, insurer, and any other contractors;
- C. on the basis of the plan's overall financial condition, authorizing changes in premium, reserve, or investment practices; and declaring assessments or dividends as appropriate;
- D. approving all reports concerning the plan's operations and status to the commissioner and the members;
- E. monitoring delinquent premiums, loss experience, and the financial condition of individual members; and authorizing disciplinary action or expulsion as appropriate;
- F. authorizing acceptance or rejection of applications for membership;
- G. as permitted by the bylaws, making or recommending changes to the bylaws for the improvement of the plan's operation and financial integrity; and
- H. monitoring the plan's compliance with all statutes and rules governing its operation.

Statutory Authority: *MS s 62H.06*

History: *9 SR 989*

Published Electronically: *October 19, 2004*