

2785.0500 BOARD.

Subpart 1. **Structure.** A pool must have a board of trustees consisting of at least three persons, who must be officials or employees of the members or of the sponsoring association, if any. No member may have more than one representative on the board, unless the pool has only two members, in which case each member must have at least one representative on the board. The sponsoring association must not have majority representation on the board. No trustee may be an employee, agent, or representative of the pool's service company, financial administrator, insurer, or other person or entity under contract with the pool, except that a trustee may be an employee, agent, or representative of the sponsoring association. Trustees shall be elected by the membership, or appointed by the sponsoring association. 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 pool. The board may delegate some or all of its responsibilities to the chairperson or other trustees between board meetings. All responsibilities of the pool not expressly delegated by the board or parts 2785.0100 to 2785.1600 are the responsibility of the board. The board shall, at a minimum, have the following responsibilities:

- A. fiduciary responsibility for the pool'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 pool'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 pool's operations and status to the commissioner;
- 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 pool's operation and financial integrity; and
- H. monitoring the pool's compliance with all statutes and rules governing its operation.

Statutory Authority: *MS s 471.617; 471.982*

History: *10 SR 274*

Published Electronically: *September 14, 2007*