62F.09 STABILIZATION RESERVE FUND.

Subdivision 1. **Creation.** There is created a stabilization reserve fund administered by the association or its designee.

Subd. 2. **Policyholder charge.** Each policyholder shall pay to the association a stabilization reserve fund charge of 33 percent of each premium payment due for insurance through the association. This charge shall be separately stated in the policy. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.

Subd. 3. **Association payments.** The association shall promptly pay into the stabilization reserve fund charges which it collects from its policyholders and any retrospective premium refunds payable under the group retrospective rating plan.

Subd. 4. **Handling of fund assets.** All money paid into the fund shall be held in trust by a corporate trustee selected by the directors. The corporate trustee may invest the money held in trust, subject to the approval of the association. All gains or losses from the investment of stabilization reserve fund money shall be credited to the fund. All expenses of administration of the fund shall be charged against the fund. Stabilization reserve fund money shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders of the association under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification by the association of the amount due. If all moneys accruing to the fund are exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any money remaining in the fund after all retrospective premium charges have been paid shall be returned to policyholders under procedures authorized by the association.

History: *1976 c 242 s 10; 1986 c 313 s 6*