

2765.0800 ADMINISTRATION.

Subpart 1. **Service company.** A plan must contract with a service company for services necessary to the plan's day-to-day operations, except services and responsibilities reserved to the members, the board, individual trustees, the financial administrator, or other contractors. The service company must have expertise in and be licensed for administering health benefits. Subject to the oversight of the board, the service company shall, directly or through subcontractors, provide all services directly related to the administration of coverage. These services include but are not limited to:

- A. accounting and record keeping;
- B. billing and collection of premiums and assessments;
- C. claims investigation, settlement, and reserving;
- D. claims payment, including claims wholly or partially subject to stop-loss insurance or member deductibles;
- E. general administration;
- F. loss control, safety programs, or both; and
- G. underwriting.

Subp. 2. **Financial administrator.** A plan must contract with a financial administrator for investment of the plan's assets and other financial or accounting services. No staff members of the financial administrator may be an owner, officer, employee, or agent of the service company, or of a subcontractor of the service company.

Subp. 3. **Record keeping.** A plan must maintain within the state of Minnesota all records necessary to verify the accuracy and completeness of all reports submitted to the commissioner under part 2765.1500. The commissioner may examine the plan's records in order to ascertain the plan's compliance with this chapter, and with other applicable statutes and rules. All records concerning claims, reserves, financial transactions, and other matters necessary to the plan's operations are the plan's property.

Statutory Authority: *MS s 62H.06*

History: *9 SR 989*

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