

2765.0900 MEMBERSHIP.

Subpart 1. **Availability.** Plan membership is available to employers domiciled and authorized to transact business in Minnesota. Plans may also cover nonresident employers if the portion of the plan covering Minnesota resident employees is treated as a separate plan. A plan may establish other nondiscriminatory criteria for membership. Nothing in this chapter requires a plan to offer membership to an employer that does not meet the plan's underwriting standards.

Subp. 2. **Joining.** New members must be admitted according to the standards and procedures specified in the bylaws. Membership is not effective before the applicant has signed a membership agreement affirming its commitment to comply with the bylaws and this chapter. The membership agreement must disclose that under the rules governing this plan, the Minnesota commissioner of commerce may order that an assessment be levied against member employers, if necessary to maintain the plan's sound financial condition.

Subp. 3. **Leaving.** The membership agreement must state the procedures for leaving the plan. A member must notify the plan of its desire to withdraw not less than 30 days before the date upon which it desires to withdraw. If the board determines that the withdrawal would cause the plan to be in violation of the minimum number of employers and covered employees requirement of Minnesota Statutes, section 62H.01, or any other requirement of this chapter the plan shall notify the commissioner as required under subpart 5. Withdrawal from a plan is prohibited and void unless:

- A. the member will have belonged to the plan continuously:
 - (1) until the end of the current fund year; or
 - (2) until the end of the succeeding fund year for new members that join in the last three months of the fund year; or
 - (3) for a longer period if required by the bylaws; and
- B. all outstanding premiums and assessments owed by the member have been paid.

Subp. 4. **Expulsion.** At least annually the plan shall review the status and experience of each member by comparison with the criteria for expulsion in the bylaws. Expulsion is subject to the procedures and requirements for voluntary withdrawal of a member, except that:

- A. a member may be expelled with outstanding premiums or assessments owing; and
- B. a member may be expelled notwithstanding that the minimum term of membership has not been satisfied.

Subp. 5. **Minimum covered employees and employers.** A plan shall monitor the number of employees it covers. If the number of covered employees is less than 300, the plan shall notify the commissioner at monthly intervals of the number of covered employees, until the number exceeds 300 for two consecutive months. If the number of covered employees becomes less than 250, or the number of members becomes less than three, the plan shall notify the commissioner:

A. of its intent to end its self-insurance authority; or

B. of its proposal for restoring compliance with Minnesota Statutes, section 62H.01.

If the proposal is unlikely, in the commissioner's judgment, to restore compliance within 90 days, or if after 90 days the plan continues to have less than 250 covered employees or less than three members, the commissioner shall revoke the plan's self-insurance authority.

Subp. 6. **Runoff plan membership.** After revocation of a plan's self-insurance authority, or after a plan notifies the commissioner in writing of its intent to end self-insurance authority voluntarily, no member may join, leave, or be expelled from the plan.

Statutory Authority: *MS s 45.023; 62H.06*

History: *9 SR 989; 12 SR 845*

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