2765.1100 PREMIUMS AND DIVIDENDS.

Subpart 1. **Premium payments.** The fund year must be the basis for calculating members' premiums. A plan may permit installment payments if payment is always due before premium is to be earned. Any delinquencies in payments by employees must be paid on their behalf by the employer, with the employer having the right to seek reimbursement from the employee. A plan shall promptly take appropriate action to collect any members' premiums or assessments that are past due. Collection costs are the obligation of the delinquent member. Payments determined to be uncollectible must be presented to the stop-loss insurer for reimbursement, as required by part 2765.1300, subpart 4.

Subp. 2. **Dividends.** A plan may declare and pay a dividend or distribution from its surplus only if:

A. the dividend would not cause the plan's surplus to be negative;

B. the plan does not have a stop-loss aggregate advancement liability; and

C. the dividend is apportioned on the basis of the relative amounts of premium paid by members and covered employees, and provides for proportional payments to members and covered employees.

Statutory Authority: *MS s 62H.06*

History: *9 SR 989*

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