

2780.2900 BYLAWS AND PLANS OF OPERATION.

Subpart 1. **Adopting.** The directors of each group self-insurer shall cause to be adopted a set of bylaws or plan of operation that shall govern the operation of the group. All bylaws or plans of operation or amendments thereto shall be subject to prior approval by the commissioner, pursuant to part 2780.2100, item A.

Subp. 2. **Content.** These bylaws or plans of operation shall contain the following subjects:

- A. qualifications for group self-insurer membership, including underwriting considerations;
- B. the method for selecting the board of directors, including the directors' terms of office;
- C. the procedure for amending the bylaws or plan of operation;
- D. investment of all assets of the fund;
- E. frequency and extent of loss control or safety engineering services provided to members;
- F. a schedule for payment and collection of premiums;
- G. expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses;
- H. delineation of authority granted to the administrator;
- I. delineation of authority granted to the service company;
- J. basis for determining premium contributions by members, including any experience rating program;
- K. procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner; and
- L. basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.

Subp. 3. **Annual review.** The directors shall review at least annually the following items for the purpose of determining whether these areas of concern are being adequately provided for:

- A. service company performance;
- B. loss control and safety engineering;
- C. investment policies;
- D. collection of delinquent debts;

- E. expulsion procedures;
- F. initial member review;
- G. administrator performance; and
- H. claims handling and claims reporting.

Subp. 4. **Mandatory filing.** All group self-insurers shall file copies of its current bylaws or plan of operation with the commissioner. Any changes in the bylaws or plan of operation shall be filed with the commissioner no later than 30 days prior to their taking effect. The commissioner reserves the right to order the group self-insurers to rescind or revoke any bylaw or plan of operation if it is in violation of parts 2780.0100 to 2780.9920.

Statutory Authority: *MS s 176.181*

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