

2780.4300 ADMINISTRATORS, DIRECTORS, AND FISCAL AGENTS.

Subpart 1. **Designation.** The group self-insurer shall designate a fiscal agent and/or administrator to administer the financial affairs of the fund. Such fiscal agent or administrator shall furnish a fidelity bond with the self-insurer as obligee, in an amount sufficient to protect the fund against the misappropriation or misuse of any money or securities. Such fiscal agent or administrator shall not be an owner, officer, or employee of the service company or any affiliate of the service company.

Subp. 2. **Control of funds.** All funds shall remain in the control of the group self-insurer or its authorized administrator. One or more revolving funds for payment of compensation benefits due may be established for the use of the authorized service company. The service company shall furnish a fidelity bond covering its employees, with the self-insurer as obligee, in an amount sufficient to protect all money placed in such revolving fund. Should the fidelity bond of the fiscal agent and/or administrator also cover the money in the revolving fund, the service company shall not be required to furnish a fidelity bond.

Subp. 3. **Use of funds.** No director, fiscal agent, or administrator of a group self-insurer shall utilize any of the money collected as premiums for any purpose unrelated to workers' compensation insurance. No director, fiscal agent, or administrator shall borrow any money from the self-insurer's fund or in the name of the self-insurer's fund.

Statutory Authority: *MS s 176.181*

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