

**2785.0100 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 2785.0100 to 2785.1600, the terms defined in this part have the meanings given them.

Subp. 2. **Board.** "Board" means a pool's board of trustees.

Subp. 3. **Bylaws.** "Bylaws" means the statements and organizational documents adopted by a plan that prescribe its purpose, government, and administration.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

Subp. 5. **Coverage.** "Coverage" means the right of a covered person or entity to benefits or indemnification provided directly or indirectly by a pool, by virtue of the coverage document.

Subp. 6. **Coverage document.** "Coverage document" means the document specifying the characteristics and duration of coverage provided through a pool. Characteristics of coverage include the kind of loss or benefit that the pool will reimburse, subject to specific exclusions, limitations, or deductibles.

Subp. 7. **Days.** "Days" means calendar days.

Subp. 8. **Employee health benefit pool.** "Employee health benefit pool" means a pool that covers employee health benefits, disability benefits, or both.

Subp. 9. **Financial administrator.** "Financial administrator" means an entity employing persons trained and experienced in money management and investments, and possessing no less than five years' experience as an organization in money management and investments with demonstrated competence.

Subp. 10. **Fund year.** "Fund year" means a pool's 12-month fiscal year.

Subp. 11. **Member.** "Member" means a political subdivision or private employer member of a pool. Reference to actions of a member include actions on behalf of the member's covered employees or other covered persons.

Subp. 12. **Political subdivision.** "Political subdivision," in reference to employee health benefit pools, means the same as defined in Minnesota Statutes, section 471.617, subdivision 2, and in reference to all other pools means the same as defined in Minnesota Statutes, section 471.98, subdivision 2.

Subp. 13. **Pool.** "Pool" means any self-insurance fund or agreement for the reciprocal assumption of risk established by or among two or more political subdivisions for coverage of their respective risks, but also includes private employers for the purpose of a public/private pool. Reference to actions of a pool include actions by the pool's designated agents.

Subp. 14. **Premium.** "Premium" means the amount paid or to be paid for coverage by members. Premium does not include assessments or penalties.

Subp. 15. **Public/private pool.** "Public/private pool" means a workers' compensation pool including as members a political subdivision and one or more private employers.

Subp. 16. **Runoff pool.** "Runoff pool" means a pool that no longer has authority to self-insure, but that continues to exist for the purpose of paying claims, preparing reports, and administering transactions associated with the period when the pool provided coverage.

Subp. 17. **Self-insure.** "Self-insure" means to assume primary liability or responsibility for certain risks or benefits, rather than transferring liability or responsibility to some other entity.

Subp. 18. **Service company.** "Service company" means an entity licensed under Minnesota Statutes, section 60A.23, subdivision 8, and rules adopted thereunder, as a self-insurance plan administrator, or an entity named in Minnesota Statutes, section 60A.23, subdivision 8, paragraph (1), clause (a) or (b).

Subp. 19. **Sponsoring association.** "Sponsoring association" means a statewide nonprofit organization of political subdivisions that sponsors or organizes a pool, and which has as its primary purpose providing services to Minnesota political subdivisions that are not related to insurance or self-insurance.

Subp. 20. **Surplus.** "Surplus" means a pool's total assets minus total liabilities. Surplus includes paid-in capital and retained earnings. The amount of a pool's surplus is determined according to the instructions provided for a pool's financial statements.

Subp. 21. **Workers' compensation pool.** "Workers' compensation pool" means a pool that covers workers' compensation liability, employer's liability, or both.

**Statutory Authority:** *MS s 471.617; 471.982*

**History:** *10 SR 274*

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