

2785.0800 ADMINISTRATION.

Subpart 1. **Service company.** A pool must contract with a service company for services necessary to the pool's day-to-day operations, except services and responsibilities reserved to the members, the board, individual trustees, the financial administrator, the accountant, or other contractors. The service company must have expertise in and be licensed for the coverages the pool provides. Subject to the oversight of the board, the service company shall, directly or through subcontractors, provide all services directly related to the administration of coverage. These services include but are not limited to:

- A. accounting and record keeping;
- B. billing and collection of premiums and assessments;
- C. claims investigation, settlement, and reserving;
- D. claims payment, including claims wholly or partially subject to stop-loss insurance or member deductibles;
- E. general administration;
- F. loss control, safety programs, or both; and
- G. underwriting.

Subp. 2. **Financial administrator.** A pool must contract with a financial administrator for investment of the pool's assets and other financial or accounting services. No staff member of the financial administrator may be an owner, officer, employee, or agent of the service company, or of a subcontractor of the service company.

Subp. 3. **Record keeping.** A pool must maintain within Minnesota all records necessary to verify the accuracy and completeness of all reports submitted to the commissioner under part 2785.1600. The commissioner may examine the pool's records in order to ascertain the pool's compliance with parts 2785.0100 to 2785.1600, and with other applicable statutes and rules. All records concerning claims, reserves, financial transactions, and other matters necessary for the pool's operations are the pool's property.

Statutory Authority: *MS s 471.617; 471.982*

History: *10 SR 274*

Published Electronically: *September 14, 2007*