

§4610. Plan of operation

1. Establishment of plan. A plan of operation shall be established as follows.

A. The association shall submit to the superintendent a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the association. The plan of operation and any amendments thereto shall become effective upon approval in writing by the superintendent. [PL 1983, c. 846 (NEW).]

B. If the association fails to submit a suitable plan of operation within 180 days following the effective date of this chapter or if at any time thereafter the association fails to submit suitable amendments to the plan, the superintendent shall, after notice and hearing, adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this chapter. These rules shall continue in force until modified by the superintendent or superseded by a plan submitted by the association and approved by the superintendent. [PL 1983, c. 846 (NEW).]

[PL 1983, c. 846 (NEW).]

2. Compliance. All member insurers shall comply with the plan of operation.

[PL 1983, c. 846 (NEW).]

3. Requirements of plan. The plan of operation shall, in addition to requirements enumerated elsewhere in this chapter:

A. Establish procedures for handling the assets of the association; [PL 1983, c. 846 (NEW).]

B. Establish the amount and method of reimbursing members of the board of directors under section 4607; [PL 1983, c. 846 (NEW).]

C. Establish regular places and times for meetings of the board of directors; [PL 1983, c. 846 (NEW).]

D. Establish procedures for records to be kept of all financial transactions of the association, its agents and the board of directors; [PL 1983, c. 846 (NEW).]

E. Establish the procedures whereby selections for the board of directors will be made and submitted to the superintendent; [PL 1983, c. 846 (NEW).]

F. Establish any additional procedures for assessments under section 4609; and [PL 1983, c. 846 (NEW).]

G. Contain additional provisions necessary or proper for the execution of the powers and duties of the association. [PL 1983, c. 846 (NEW).]

[PL 1983, c. 846 (NEW).]

4. Delegation of association powers and duties. The plan of operation may provide that any or all powers and duties of the association, except those under section 4608, subsection 11, paragraph C and section 4609, are delegated to a corporation, association or other organization which performs or will perform functions similar to those of this association, or its equivalent, in 2 or more states. Such a corporation, association or organization shall be reimbursed for any payments made on behalf of the association and shall be paid for its performance of any function of the association. A delegation under this paragraph shall take effect only with the approval of both the board of directors and the superintendent and may be made only to a corporation, association or organization which extends protection not substantially less favorable and effective than that provided by this chapter.

[PL 1983, c. 846 (NEW).]

SECTION HISTORY

PL 1983, c. 846 (NEW).

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