

§2395. Revisions to residual market mechanism plan of operation

1. Plan manager. The board shall appoint a plan manager who reports to and serves at the pleasure, direction and control of the board. The board has the exclusive right to retain any individual or organization as plan manager and to terminate the plan manager. The board is exclusively responsible for establishing the terms and conditions, including compensation, under which the plan manager serves.

[PL 1995, c. 289, §11 (NEW).]

2. Appointment of employer representatives. The 5 members of the board of governors serving as representatives of the business community of the State are appointed by the Governor for staggered 3-year terms, with at least one member appointed each year. All members whose terms have not expired on or before July 3, 1995 continue on the board until their terms expire.

[PL 1995, c. 289, §11 (NEW).]

3. Staff and consultants. The board may employ, or otherwise retain, staff and consultants as the board considers necessary or appropriate to effect the purposes of this chapter and chapter 440 and to otherwise administer pool operations. The board or its designee is exclusively responsible for establishing the responsibilities and compensation of all staff employed by the pool and are exclusively responsible for establishing the terms and conditions, including compensation, of all consultants retained by the pool.

[PL 1995, c. 289, §11 (NEW).]

4. Transfer of policies. An insurer may transfer any rights, obligations and liabilities of a workers' compensation insurance policy issued pursuant to the residual market mechanism.

[PL 1995, c. 289, §11 (NEW).]

5. Authority to borrow money. The pool may, when directed by the board, borrow money and enter into financing transactions in the name of and on behalf of the pool and issue evidences of indebtedness in connection with those transactions. To secure the payment of any indebtedness incurred pursuant to this subsection, the pool may pledge and create a lien upon any or all of its receivables or revenues or grant such other security interests in its property as the board determines reasonable and proper for the security of the holders of indebtedness. The terms and conditions of any borrowing, including, but not limited to, dates, maturities, interest and rates, must be established by the board.

[PL 1995, c. 289, §11 (NEW).]

6. Report required. Beginning in 1996, the board shall file an annual report on or before June 1st to the Governor, the superintendent, the President of the Senate and the Speaker of the House of Representatives and the joint standing committee of the Legislature having jurisdiction over banking and insurance matters. The report must identify the following information:

A. The pool's most recent audited financial statements; [PL 1995, c. 400, §1 (NEW).]

B. The total claims payments made by the pool in the preceding 12 months; [PL 1995, c. 400, §1 (NEW).]

C. The most recent actuarial report, including cash flow and deficit projections for the pool; [PL 1995, c. 400, §1 (NEW).]

D. A report of changes to the operations of the pool; [PL 1995, c. 400, §1 (NEW).]

E. A summary of the number of open claims and aggregate reserves for each policy year; and [PL 1995, c. 400, §1 (NEW).]

F. Any information required to be maintained by the pool pursuant to section 2393, subsection 2, paragraph E and section 2394, subsection 1. [PL 1995, c. 400, §1 (NEW).]

[PL 1995, c. 400, §1 (NEW).]

SECTION HISTORY

PL 1995, c. 289, §11 (NEW). PL 1995, c. 400, §1 (AMD).

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