

§3956. Selection of administrator

1. Selection of administrator. The board shall select an insurer or 3rd-party administrator through a competitive bidding process to administer the reinsurance provided by the association.

[PL 2011, c. 90, Pt. B, §8 (NEW).]

2. Contract with administrator. The administrator selected pursuant to subsection 1 serves for a period of 3 years pursuant to a contract with the association. At least one year prior to the expiration of that 3-year period of service, the board shall invite all insurers, including the current administrator, to submit bids to serve as the administrator for the succeeding 3-year period. The board shall select the administrator for the succeeding period at least 6 months prior to the ending of the 3-year period.

[PL 2011, c. 90, Pt. B, §8 (NEW).]

3. Duties of administrator. The administrator selected pursuant to subsection 1 shall:

A. Perform all administrative functions relating to the association; [PL 2011, c. 90, Pt. B, §8 (NEW).]

B. Submit regular reports to the board regarding the operation of the association. The frequency, content and form of the reports must be as determined by the board; [PL 2011, c. 90, Pt. B, §8 (NEW).]

C. Following the close of each calendar year in which premiums are collected for reinsurance, determine reinsurance premiums less any administrative expense allowance, the expense of administration pertaining to the reinsurance operations of the association and the incurred losses of the year, and report this information to the superintendent; and [PL 2019, c. 653, Pt. B, §16 (AMD).]

D. Pay reinsurance amounts as provided for in the plan of operation under section 3953, subsection 3. [PL 2011, c. 90, Pt. B, §8 (NEW).]

[PL 2019, c. 653, Pt. B, §16 (AMD).]

4. Payment to administrator. The administrator selected pursuant to subsection 1 must be paid, as provided in the contract of the association under subsection 2, for its direct and indirect expenses incurred in the performance of its services. As used in this subsection, "direct and indirect expenses" includes that portion of the audited administrative costs, printing expenses, claims administration expenses, management expenses, building overhead expenses and other actual operating and administrative expenses of the administrator that are approved by the board as allocable to the administration of the association and included in the bid specifications pursuant to subsection 1.

[PL 2011, c. 90, Pt. B, §8 (NEW).]

SECTION HISTORY

PL 2011, c. 90, Pt. B, §8 (NEW). PL 2019, c. 653, Pt. B, §16 (AMD).

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