

§ 58-62-46. Plan of operation.

(a) The Association shall submit to the Commissioner a Plan and any amendments necessary or suitable to assure the fair, reasonable, and equitable administration of the Association. The Plan and any amendments shall become effective upon the Commissioner's written approval or unless the Commissioner has not disapproved it within 30 days.

(b) If the Association fails to submit a suitable Plan within 120 days after the effective date of this Article or if at any time thereafter the Association fails to submit suitable amendments to the Plan, the Commissioner shall, after notice and hearing, adopt rules that are necessary or advisable to carry out the provisions of this Article. The rules shall continue in force until modified by the Commissioner or superseded by a Plan submitted by the Association and approved by the Commissioner.

(c) All member insurers shall comply with the Plan.

(d) The Plan shall, in addition to other requirements specified in this Article, establish all of the following:

- (1) Procedures for handling the assets of the Association.
- (2) The amount and method of reimbursing members of the Board under G.S. 58-62-31.
- (3) Regular places and times for meetings, including telephone conference calls, of the Board.
- (4) Procedures for records to be kept of all financial transactions of the Association, its agents, and the Board.
- (5) Procedures whereby selections for the Board will be made and submitted to the Commissioner.
- (6) Any additional procedures for assessments under G.S. 58-62-41.
- (7) Additional provisions necessary or proper for the execution of the powers and duties of the Association.
- (8) Procedures whereby a director may be removed for cause, including in the case where a member insurer director becomes a delinquent insurer.
- (9) Policies and procedures for the Board to address conflicts of interests.

(e) The Plan may provide that any or all powers and duties of the Association, except those under G.S. 58-62-36(r) and G.S. 58-62-41, may be delegated to a corporation, association, or other organization that performs or will perform functions similar to those of the Association, or its equivalent, in two 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 subsection is effective only with the approval of both the Board and the Commissioner, and may be made only to a corporation, association, or organization that extends protection not substantially less favorable and effective than that provided by this Article. (1991, c. 681, s. 56; 2018-120, s. 1.1(h).)