

**ARTICLE 2. MEMBERSHIP IN POLITICAL SUBDIVISION RISK MANAGEMENT FUND
AND CATASTROPHIC LIABILITY FUND**

Rule 1. Responsibilities

762 IAC 2-1-1 Definitions

Authority: IC 27-1-29-16; IC 27-1-29.1-20

Affected: IC 27-1-29; IC 27-1-29.1-9; IC 27-1-29.1-22; IC 34-6-2-110

Sec. 1. The following definitions apply throughout this rule:

- (1) "Additional assessments" means any assessments made in excess of those paid by the member or former member in order to meet the eligibility requirements of IC 27-1-29-11, IC 27-1-29-12, IC 27-1-29.1-9, and IC 27-1-29.1-22.
- (2) "Assessment" means the assessment set forth in IC 27-1-29-12 or IC 27-1-29.1-22.
- (3) "Capitalization" means the annual surcharge set forth in IC 27-1-29-7(b)(10).
- (4) "Catastrophic liability fund" means the political subdivision catastrophic liability fund established by IC 27-1-29.1.
- (5) "Commission" means the Indiana political subdivision risk management commission established by IC 27-1-29-5.
- (6) "Commissioner" means the commissioner of the Indiana department of insurance.
- (7) "Member" means a political subdivision that is a member of the risk management fund or the catastrophic liability fund.
- (8) "Political subdivision" has the meaning set forth in IC 34-6-2-110.
- (9) "Risk management fund" means the political subdivision risk management fund established by IC 27-1-29.

(Indiana Political Subdivision Risk Management Commission; 762 IAC 2-1-1; filed Sep 3, 2002, 3:34 p.m.: 26 IR 27)

762 IAC 2-1-2 Membership

Authority: IC 27-1-29-16; IC 27-1-29.1-20

Affected: IC 27-1-29-4; IC 27-1-29.1

Sec. 2. (a) A political subdivision that applies to become a member of the risk management fund or the catastrophic liability fund may become a member after the following occurs:

- (1) An application is filed with the manager or vendor of the risk management fund and the catastrophic liability fund.
- (2) The manager or vendor provides the commission with twelve (12) copies of the application.
- (3) The commission votes, by a majority, to accept the political subdivision as a member of the risk management fund or the catastrophic liability fund.
- (4) The political subdivision pays the assessment and capitalization.

(b) A member of the risk management fund or the catastrophic liability fund that wishes to withdraw from the fund or funds shall file a written notice of its intent to withdraw with the commissioner. The written notice shall include all of the following:

- (1) The date of termination of the membership. The date shall not be less than ninety (90) days after filing of the notice.
- (2) The name, address, and state of domicile of the insurer with which the political subdivision is insuring the risk after termination of its membership.
- (3) The name and business address of the insurance producer through whom the new policy of insurance was procured.

(c) At any time prior to the termination date of membership, a member may rescind its intent to withdraw from the risk management fund or the catastrophic liability fund by filing written notice of its intent with the commissioner. *(Indiana Political Subdivision Risk Management Commission; 762 IAC 2-1-2; filed Sep 3, 2002,*

3:34 p.m.: 26 IR 27)

762 IAC 2-1-3 Assessments

Authority: IC 27-1-29-16; IC 27-1-29.1-20

Affected: IC 27-1-29-4; IC 27-1-29.1

Sec. 3. (a) In any twelve (12) month period, no additional assessment shall exceed one hundred percent (100%) of the assessment paid by the member for the last twelve (12) month period in which it was a member.

(b) Notwithstanding subsection (a), a member may voluntarily pay the full amount of any additional assessment at any time.

(c) Members' assessments and capitalization are due no later than the first day of renewal for each year. (*Indiana Political Subdivision Risk Management Commission; 762 IAC 2-1-3; filed Sep 3, 2002, 3:34 p.m.: 26 IR 27*)

762 IAC 2-1-4 Failure to pay assessment

Authority: IC 27-1-29-16; IC 27-1-29.1-20

Affected: IC 27-1-29-4; IC 27-1-29.1

Sec. 4. (a) If a member fails to pay an assessment or capitalization, the commission may do either of the following:

(1) Send a notice of coverage cancellation to the delinquent member providing a minimum of ten (10) days notice before the cancellation is effective.

(2) Assess the interest specified by statute on any outstanding balance.

(b) If a member fails to provide information identified by the commission as necessary for underwriting within ten (10) business days of the member's renewal date the commission may issue a notice of coverage cancellation. Such a cancellation shall be mailed certified mail and shall be effective twenty (20) business days after receipt of the notice by the member.

(c) If a member fails to pay an assessment or a capitalization for longer than sixty (60) days, the commission may give written notice to any state agency, including, but not limited to, the treasurer or auditor, of the political subdivision's default on the payment of an assessment or capitalization under this rule. Upon receipt of such notice, any state agency holding money payable to the delinquent political subdivision shall withhold the delinquent amount therefrom and pay the delinquent amount to the commission. The commission shall apply any such payments to the delinquent assessment or capitalization.

(d) In the event a member withdraws from the risk management fund or the catastrophic liability fund, there shall be no return of any assessment paid prior to the effective of the termination. (*Indiana Political Subdivision Risk Management Commission; 762 IAC 2-1-4; filed Sep 3, 2002, 3:34 p.m.: 26 IR 28*)

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