

*such claims by the member insurer if they are chargeable to the account for which the assessment is made.*

*(4) Investigate claims brought against the Association and adjust, compromise, settle, and pay covered claims to the extent of the Association's obligation and deny all other claims and may review settlements, releases and judgments to which the insolvent insurer or its insureds were parties to determine the extent to which such settlements, releases and judgments may be properly contested.*

*(5) Notify such persons as the Commissioner directs under Section 510(b)(1).*

*(6) Handle claims through its employees or through one or more insurers or other persons designated as servicing facilities. Designation of a servicing facility if subject to the approval of the Commissioner, but such designation may be declined by a member insurer.*

*(7) Reimburse each servicing facility for obligations of the Association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the Association and shall pay the other expenses of the Association authorized by this Act.*

*(b) The Association may:*

*(1) Employ or retain such persons as are necessary to handle claims and perform other duties of the Association.*

*(2) Borrow funds necessary to effect the purposes of this Act in accord with the plan of operation.*

*(3) Sue or be sued.*

*(4) Negotiate and become a party to such contracts as are necessary to carry out the purpose of this Act.*

*(5) Perform such other acts as are necessary or proper to effectuate the purpose of this Act.*

*(6) Refund to the member insurers in proportion of the contribution of each member insurer to that account that amount by which the assets of the account exceed the liabilities if, at the end of any calendar year, the board of directors finds that the assets of the Association in any account exceed the liabilities of that account as estimated by the board of directors for the coming year.*

#### *509. Plan of Operation.*

*(a)(1) The Association shall submit to the Commissioner 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 Commissioner.*

*(2) If the Association fails to submit a suitable plan of operation within 90 days following the effective date of this Act or if at any time thereafter the Association fails to submit suitable amendments to the plan, the Commissioner shall, after notice and hearing adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this Act. Such rules shall continue in*