

2. the sole member of a corporation issued a certificate of authority as a nonprofit health service plan.

(ii) [On or before March 1, 2004, and annually thereafter, a corporation subject to this paragraph shall report to the Commissioner on the amount of the ordinary and necessary expenses paid to each board member in the preceding calendar year.] **ON OR BEFORE JUNE 30 OF EACH CALENDAR YEAR, A CORPORATION SUBJECT TO THIS PARAGRAPH SHALL REPORT TO THE COMMISSIONER ON:**

1. THE TOTAL AMOUNT OF BASE COMPENSATION, COMPENSATION FOR ATTENDANCE AT MEETINGS, AND REIMBURSEMENT FOR ORDINARY AND NECESSARY EXPENSES PAID TO EACH BOARD MEMBER IN THE PRECEDING CALENDAR YEAR; AND

2. THE PROPOSED ANNUAL COMPENSATION, TOGETHER WITH NECESSARY SUPPORTING DOCUMENTATION, TO BE PAID TO BOARD MEMBERS FOR THE NEXT CALENDAR YEAR.

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(d) (1) The compensation committee of the board shall:

(i) identify nonprofit health service plans in the United States that are similar in size and scope to the nonprofit health service plan managed by the board; and

(ii) develop proposed guidelines, for approval by the board[.]:

1. for compensation, including salary, bonuses, and perquisites, of all officers and executives that is reasonable in comparison to compensation for officers and executives of similar nonprofit health service plans; AND

2. FOR COMPENSATION FOR BOARD MEMBERS THAT IS REASONABLE IN COMPARISON TO COMPENSATION FOR BOARD MEMBERS OF SIMILAR NONPROFIT HEALTH SERVICE PLANS.

(2) The board shall review the proposed guidelines at least annually.

(3) The board shall:

(i) provide a copy of the approved guidelines: