

ACCOUNT." THE OPERATING ACCOUNT SHALL CONSIST ONLY OF THOSE ASSETS NECESSARY FOR THE ADMINISTRATION OF THE INSURANCE FUND DURING THE NEXT ENSUING TWO-YEAR PERIOD. THE CLAIMS ACCOUNT SHALL CONTAIN ALL MONEYS NOT INCLUDED IN THE OPERATING ACCOUNT AND SHALL NOT EXCEED THE AMOUNT REASONABLY ESTIMATED TO BE SUFFICIENT TO PAY ALL LEGITIMATE CLAIMS ON THE INSURANCE FUND FOR A PERIOD OF THREE YEARS. AT ANY TIME WHEN THE CLAIMS ACCOUNT HAS REACHED ITS MAXIMUM LIMIT OR WOULD REACH ITS MAXIMUM LIMIT BY THE ADDITION OF MONEYS REQUESTED FOR APPROPRIATION BY THE PARTY STATES, THE GOVERNING BOARD SHALL REDUCE ITS BUDGET REQUESTS ON A PRO RATE BASIS IN SUCH A MANNER AS TO KEEP THE CLAIMS ACCOUNT WITHIN SUCH MAXIMUM LIMIT. ANY MONEYS IN THE CLAIMS ACCOUNT BY VIRTUE OF CONDITIONAL DONATIONS, GRANTS OR GIFTS SHALL BE INCLUDED IN CALCULATIONS MADE PURSUANT TO THIS PARAGRAPH ONLY TO THE EXTENT THAT SUCH MONEYS ARE AVAILABLE TO MEET DEMANDS ARISING OUT OF CLAIMS.

(D) THE INSURANCE FUND SHALL NOT PLEDGE THE CREDIT OF ANY PARTY STATE. THE INSURANCE FUND MAY MEET ANY OF ITS OBLIGATIONS IN WHOLE OR IN PART WITH MONEYS AVAILABLE TO IT UNDER SECTION 5-704(G) OF THIS COMPACT, PROVIDED THAT THE GOVERNING BOARD TAKES SPECIFIC ACTION SETTING ASIDE SUCH MONEYS PRIOR TO INCURRING ANY OBLIGATION TO BE MET IN WHOLE OR IN PART IN SUCH MANNER. EXCEPT WHERE THE INSURANCE FUND MAKES USE OF MONEYS AVAILABLE TO IT UNDER SECTION 5-704(G) HEREOF, THE INSURANCE FUND SHALL NOT INCUR ANY OBLIGATION PRIOR TO THE ALLOTMENT OF MONEYS BY THE PARTY STATES ADEQUATE TO MEET THE SAME.

(E) THE INSURANCE FUND SHALL KEEP ACCURATE ACCOUNTS OF ALL RECEIPTS AND DISBURSEMENTS. THE RECEIPTS AND DISBURSEMENTS OF THE INSURANCE FUND SHALL BE SUBJECT TO THE AUDIT AND ACCOUNTING PROCEDURES ESTABLISHED UNDER ITS BYLAWS. HOWEVER, ALL RECEIPTS AND DISBURSEMENTS OF FUNDS HANDLED BY THE INSURANCE FUND SHALL BE AUDITED YEARLY BY A CERTIFIED OR LICENSED PUBLIC ACCOUNTANT AND A REPORT OF THE AUDIT SHALL BE INCLUDED IN AND BECOME PART OF THE ANNUAL REPORT OF THE INSURANCE FUND.

(F) THE ACCOUNTS OF THE INSURANCE FUND SHALL BE OPEN AT ANY REASONABLE TIME FOR INSPECTION BY DULY AUTHORIZED OFFICERS OF THE PARTY STATES AND BY ANY PERSONS AUTHORIZED BY THE INSURANCE FUND.

5-710. ENTRY INTO FORCE AND WITHDRAWAL.

(A) THIS COMPACT SHALL ENTER INTO FORCE WHEN ENACTED INTO LAW BY ANY FIVE OR MORE STATES. THEREAFTER, THIS COMPACT SHALL BECOME EFFECTIVE AS TO ANY OTHER STATE UPON ITS ENACTMENT THEREOF.

(B) ANY PARTY STATE MAY WITHDRAW FROM THIS COMPACT BY ENACTING A STATUTE REPEALING THE SAME, BUT NO SUCH WITHDRAWAL SHALL TAKE EFFECT UNTIL TWO YEARS AFTER THE EXECUTIVE HEAD OF THE WITHDRAWING STATE HAS GIVEN NOTICE IN WRITING OF THE WITHDRAWAL TO THE EXECUTIVE HEADS OF