

(C) THE ASSOCIATION MAY:

(1) ESTABLISH A PROGRAM OF OPERATION, SUBJECT TO APPROVAL BY THE COMMISSIONER;

(2) ISSUE POLICIES OF INSURANCE; AND

(3) CEDE REINSURANCE ON RISKS WRITTEN BY INSURERS IN CONFORMITY WITH THE PROGRAM.

(D) EACH MEMBER INSURER SHALL PARTICIPATE IN THE EXPENSES AND LOSSES OF THE ASSOCIATION IN THE PROPORTION THAT THE MEMBER INSURER'S PREMIUMS WRITTEN BEAR TO THE AGGREGATE PREMIUMS WRITTEN BY ALL MEMBERS OF THE ASSOCIATION.

(E) (1) THE ASSOCIATION SHALL BE ADMINISTERED BY A BOARD OF GOVERNORS SUBJECT TO THE REGULATION OF THE COMMISSIONER.

(2) THE INITIAL BOARD OF GOVERNORS OF THE ASSOCIATION SHALL BE THE GOVERNING BOARD OF THE JOINT INSURANCE ASSOCIATION EXISTING ON JULY 1, 1986.

(3) ON OR AFTER JULY 1, 1987, SUCCEEDING BOARDS OF GOVERNORS OF THE ASSOCIATION SHALL CONSIST OF 15 MEMBERS OF THE ASSOCIATION ELECTED ANNUALLY BY THE MEMBERS OF THE ASSOCIATION WHOSE VOTES SHALL BE WEIGHTED IN ACCORDANCE WITH THE MEMBER'S PREMIUMS WRITTEN.

(F) BEFORE AUGUST 1, 1986, THE BOARD OF GOVERNORS SHALL SUBMIT TO THE COMMISSIONER, FOR THE COMMISSIONER'S REVIEW, A PROPOSED PROGRAM OF OPERATION, CONSISTENT WITH THE PROVISIONS OF THIS SUBTITLE, THAT SHALL:

(1) PROVIDE FOR ECONOMICAL, FAIR, AND NONDISCRIMINATORY ADMINISTRATION;

(2) PROVIDE FOR THE PROMPT AND EFFICIENT PROVISION OF COMMERCIAL CASUALTY INSURANCE COVERAGE; AND

(3) CONTAIN OTHER MATTERS INCLUDING, BUT NOT LIMITED TO:

(I) PRELIMINARY ASSESSMENT OF ALL MEMBERS FOR INITIAL EXPENSES NECESSARY TO COMMENCE OPERATION;

(II) ESTABLISHMENT OF NECESSARY FACILITIES;

(III) MANAGEMENT OF THE ASSOCIATION;

(IV) ASSESSMENT OF MEMBER INSURERS TO DEFRAY LOSSES AND EXPENSES;

(V) COMMISSION ARRANGEMENTS;

(VI) REASONABLE AND OBJECTIVE UNDERWRITING STANDARDS;