

(D) THE INITIAL ORGANIZATIONAL MEETING SHALL TAKE PLACE BY OCTOBER 1, 1994.

(E) (1) THE REINSURING CARRIERS SHALL ELECT AN INITIAL BOARD OF DIRECTORS TO BE COMPOSED OF SEVEN MEMBERS.

(2) IF THE INITIAL BOARD IS NOT ELECTED AT THE ORGANIZATIONAL MEETING, THE COMMISSIONER SHALL APPOINT THE INITIAL BOARD WITHIN 60 DAYS AFTER THE ORGANIZATIONAL MEETING.

(3) THE BOARD SHALL INCLUDE REPRESENTATION FROM CARRIERS WHOSE PRINCIPAL HEALTH INSURANCE BUSINESS IS IN THE SMALL EMPLOYER MARKET AND, TO THE EXTENT POSSIBLE, AT LEAST ONE NONPROFIT HEALTH SERVICE PLAN, AT LEAST ONE COMMERCIAL CARRIER, AND AT LEAST ONE HEALTH MAINTENANCE ORGANIZATION.

(4) NO CARRIER, INCLUDING ITS AFFILIATES, MAY BE REPRESENTED BY MORE THAN ONE MEMBER ON THE BOARD.

(5) THE TERM OF A MEMBER IS 3 YEARS EXCEPT THAT THE INITIAL MEMBERS' TERMS SHALL BE STAGGERED FOR PERIODS OF 1 TO 3 YEARS.

(6) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS ELECTED.

(7) VACANCIES SHALL BE FILLED BY AN ELECTION OF THE REMAINING BOARD MEMBERS.

(8) A MEMBER WHO IS ELECTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS ELECTED.

(9) A MEMBER WHO SERVES 2 CONSECUTIVE FULL 3-YEAR TERMS MAY NOT BE REELECTED FOR 3 YEARS AFTER THE COMPLETION OF THOSE TERMS.

(F) (1) THE BOARD SHALL APPOINT AN EXECUTIVE DIRECTOR WHO SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE POOL.

(2) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE BOARD.

(3) UNDER THE DIRECTION OF THE BOARD, THE EXECUTIVE DIRECTOR SHALL PERFORM ANY DUTY OR FUNCTION THAT THE BOARD REQUIRES.

(G) A CHAIRMAN SHALL BE SELECTED BY THE BOARD.

(H) THE POOL MAY EMPLOY A STAFF IN ACCORDANCE WITH THE POOL'S BUDGET.

(I) (1) WITHIN 180 DAYS AFTER THE ELECTION OF THE INITIAL BOARD, THE BOARD SHALL SUBMIT TO THE COMMISSIONER A PLAN OF OPERATION TO ASSURE THE FAIR, REASONABLE, AND FINANCIALLY SOUND ADMINISTRATION OF THE POOL.

(2) (1) IF THE BOARD FAILS TO SUBMIT A PLAN OF OPERATION WITHIN 180 DAYS AFTER ITS ELECTION, THE COMMISSIONER SHALL, AFTER NOTICE AND HEARING, ADOPT A TEMPORARY PLAN OF OPERATION.