

191—56.16(87,505) Refunds.

56.16(1) Any moneys for a fund year in excess of the amount necessary to fund all obligations for that fund year may be declared to be refundable by the board of trustees not less than 11 months after the end of the fund year.

56.16(2) Each member shall be given a written description of the refund plan at the time of application for membership. A refund plan for moneys in excess of the amount necessary to fund all obligations for a fund year or disbursal of claims fund moneys may be instituted by the association. Such plan must be filed and approved with the commissioner. Payment of a refund based on a member's participation in a previous fund year payable in the following year shall not be contingent on continued membership in the association after that fund year.

56.16(3) A request to the division for authorization to disburse surplus claims moneys shall be made in writing at least 30 days prior to the desired distribution date. The request shall include a current financial statement for the association, a statement by the association that the desired disbursal will not impair the financial condition of the association, a current quarterly status report and a report establishing the adequacy of the reserves in the fiscal year for which the disbursal is requested. The date of payment shall be agreed to by the trustees and the commissioner, but in no event shall such distribution take place less than 11 months after the end of the fiscal year.

56.16(4) If the loss reserves of an association are found to be unreasonably low, the commissioner shall require the reserves to be certified annually by a reserve specialist approved by the commissioner.