

**120-2-34-.09 Trustee Nominations, Trustee Elections, Application to Serve as Officer, Director or Trustee**

- (1) Each Fund shall be operated by a board of trustees chosen by the mutual agreement of the participating members of such Fund in accordance with O.C.G.A. § 34-9-150 *et seq.*, this Regulation, and with the bylaws of the Fund.
  - (a) Each Fund shall elect no less than three (3) trustees to its board of trustees. The number of board of trustee positions of a Fund may not be changed without the majority consent of its members.
  - (b) Each trustee shall serve a term of no more than six (6) years. All trustees serving on the effective date of this regulation may, however, complete their terms as long as the completion of those terms does not exceed six years from the effective date of this regulation or January 1, 2023, whichever is later. There shall be no limit to the number of terms any one trustee may serve on the board of trustees, so long as they are continuously reelected by the members of the Fund. A minimum of three (3) trustees shall serve terms staggered from at least two other trustee's terms.
  - (c) When vacancies occur on the board of a Fund, the board may appoint interim trustees to fill such vacancies for terms not to extend beyond the next trustee election, so long as such election is held within twelve (12) months from the date upon which the vacancy occurred. When there is a vacancy on the board of the Fund, the members of the Fund shall be given notice of such vacancy and the name of the interim trustee(s), if any, in writing.
  - (d) The members shall have the right to nominate a member or members to stand for election to fill a vacancy on the board of the Fund. The nomination procedure must be specified in the bylaws. The nomination procedure shall not grant the board of the Fund authority to act in a manner which would prejudice the members' right to nominate a member or members to fill the vacancy, as determined by the Commissioner.
  - (e) A Fund's bylaws must specify the criteria considered, if any, in choosing and limiting nominees to serve on the board of the Fund. Such criteria may include, but shall not be limited to, loss ratio, industry segment, geographic location, and participation in safety and educational programs. Such criteria must be approved by the Commissioner prior to being used to choose or limit nominees.
  - (f) The election procedure must be set forth in the bylaws and must be reasonably designed to maximize member participation, as determined by the Commissioner.
  - (g) Once elected by the members of the Fund, each newly elected trustee shall submit to the Fund and to the Commissioner Form GID-265-RS, and must be approved by the Commissioner.
- (2) Each prospective officer or director of a Fund shall submit to the Fund and to the Commissioner Form GID-265-RS.

Authority: O.C.G.A. Sections 33-2-9, 34-9-157 and 34-9-174