

§3707. Powers of the board

The board has full power, authority and jurisdiction over the company. [PL 1991, c. 885, Pt. C, §8 (NEW).]

1. General authority. The board may perform all acts necessary or convenient in the exercise of any power, authority or jurisdiction over the company, either in the administration of the company or in connection with the business of the company to fulfill the purposes of this chapter. [PL 1997, c. 661, §8 (AMD).]

2. Standard of performance. The board shall discharge its duties with the care, skill, prudence, and diligence as that of prudent directors acting in a similar enterprise and purpose. [PL 1991, c. 885, Pt. C, §8 (NEW).]

3. Personal liability. The members of the board and officers or employees of the company are not liable personally, either jointly severally, for any debt or obligation created or incurred by the company. [PL 1991, c. 885, Pt. C, §8 (NEW).]

4. President. The board shall appoint a president who shall serve as chief executive officer and may appoint other executive officers as it determines necessary. [PL 1991, c. 885, Pt. C, §8 (NEW).]

5. Investment managers. The board shall appoint investment managers to oversee and manage the investment of assets of the corporation in a manner that safeguards the value of those assets and maximizes investment return commensurate with risk and liquidity restrictions contained in chapter 13.

A. An investment manager appointed by the board is subject to standards applicable to fiduciaries responsible for safeguarding assets of such a corporation. The investment manager must be appointed pursuant to a contract in writing that clearly establishes the fiduciary nature of the relationship of the fiduciary to the company. [PL 1991, c. 885, Pt. C, §8 (NEW).]

B. The board shall set investment policy for the investment managers of the company through an investment committee composed of not less than 3 members nor more than 5 members of the board. Transactions in the sale or purchase of securities by an investment manager may be in a nominee name as designated by the board. Authority to acquire or sell securities for the company must be conveyed to the investment manager in writing by the investment committee. [PL 1991, c. 885, Pt. C, §8 (NEW).]

C. In any agreement empowering the investment managers to act for or on behalf of the company, there must be provisions for periodic reporting by the managers respecting investments held in the name of the company, the yield received on such investments and any principal cash balances held by depositories or the investment managers. [PL 1991, c. 885, Pt. C, §8 (NEW).]

D. Securities and property of the corporation must be held in a manner consistent with the requirements for mutual insurance companies set forth in this Title. [PL 1991, c. 885, Pt. C, §8 (NEW).]

[PL 1991, c. 885, Pt. C, §8 (NEW).]

SECTION HISTORY

PL 1991, c. 885, §C8 (NEW). PL 1997, c. 661, §8 (AMD).

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