

### **342.811 Powers and duties of board.**

The board of directors of the authority shall function in a manner similar to the governing body of a mutual insurance company established pursuant to KRS Chapter 304, with all of the general corporate powers incidental thereto. The powers and duties of the board shall include, but not be limited to, the power to:

- (1) Sue;
- (2) Hire a manager to administer the authority in accordance with the policies and procedures of the board;
- (3) Hire an internal auditor who shall serve at the pleasure of and report directly to the board on the internal operations of the authority;
- (4) Adopt a corporate seal;
- (5) Develop and file with the Legislative Research Commission bylaws for the operation of the authority;
- (6) Develop bylaws to establish the contingent liability of the policyholders for assessment purposes required in KRS 342.823;
- (7) Examine and adopt an annual operating budget for the authority;
- (8) Serve as investment trustees and fiduciaries of the authority in accordance with the provisions of KRS Chapter 386;
- (9) Incur debt in its own name and enter into financing agreements with the Commonwealth, its own agencies, or with a commercial bank, excluding the authority to issue bonds;
- (10) Develop policy for the operation of the authority consistent with its mission and fiduciary responsibility;
- (11) Adopt a procurement policy consistent with the provisions of KRS Chapter 45A, including competitive bidding procedures;
- (12) Develop and publish an annual report to policyholders, the Governor, the General Assembly, and interested parties that describes the financial condition of the authority, including a statement of expenses, income, and actuarial soundness;
- (13) Pursuant to KRS Chapter 304, determine and establish an actuarially-sound price for insurance offered by the authority, including any dividends or deviations;
- (14) Pursuant to KRS 342.823, assess policyholders;
- (15) Employ a qualified firm to conduct an internal review and management or performance audit of the internal operations of the authority as needed or determined by the board, Attorney General, or Auditor of Public Accounts;
- (16) Approve a personnel policy subject to the provisions of KRS 342.813;
- (17) Approve all contracts entered into by the authority, in accordance with the bylaws and procurement policy of the board;
- (18) Conduct annually an independent audit of the financial condition of the authority;  
and
- (19) Perform all other acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the authority, either in the administration or in

connection with the business of the authority to fulfill the purpose of KRS 342.801 to 342.843.

**Effective:** July 15, 1998

**History:** Amended 1998 Ky. Acts ch. 361, sec. 4, effective July 15, 1998. -- Amended 1996 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 41, effective December 12, 1996. -- Created 1994 Ky. Acts ch. 181, Part 12, sec. 44, effective April 4, 1994.