
(a) An agreement made under this Article shall contain provisions for:

1. A system or program of loss control;
2. The termination of membership;
3. The payment by the Club of all claims for which a member incurred liability during the period of his membership;
4. The non-payment of claims where a member has individually retained the risk, or where the risk is not specifically covered, or where the amount of the claim exceeds the coverage provided by the Club;
5. The assessment of members;
6. The payment of contributions from members to satisfy deficiencies;
7. The maintenance of claim reserves equal to known incurred losses and loss adjustment expenses and to an estimate of incurred but not reported losses; and
8. Final accounting and settlement of the obligations or refunds to a terminating member when all incurred claims are settled.

(b) The agreement required by this section may also include provisions authorizing the Club to:

1. To establish offices where necessary in this State, and employ necessary staff to carry out its purposes;
2. Retain legal counsel, actuaries, claims adjusters, auditors, engineers, private consultants, and advisors, and other persons as the board of trustees or the administrator deem to be necessary;
3. Amend or repeal its bylaws;
4. Purchase, lease, or rent real and personal property as it deems necessary; and
5. Enter into agreements with financial institutions that permit it to issue checks or other negotiable instruments in its own name. (1987, c. 330.)