

§ 58-20-15. Board of trustees.

(a) A Club shall be operated by a board of trustees. Each trustee shall also be a member of an association. The trustees shall be selected by the Club members under the rules of organization of the Club. The board of trustees shall:

- (1) Establish the terms and conditions of hull insurance and protection and indemnity coverage within the Club, including underwriting and exclusions of coverage;
 - (2) Ensure that all valid claims are paid promptly;
 - (3) Take all necessary precautions to safeguard the assets of the Club;
 - (4) Maintain minutes of its meeting and make those minutes available to the Commissioner;
 - (5) Designate an administrator to carry out the policies established by the trustees; and
 - (6) Establish guidelines for membership in the Club.
- (b) The board of trustees shall not:
- (1) Extend credit to an individual member for payment of a premium, except under a payment plan approved by the Commissioner; or
 - (2) Borrow money from the Club, or in the name of the Club, except in the ordinary course of business.

Whenever the board of trustees borrow money from the Club as authorized by this subdivision it shall first advise the Commissioner of the nature and purpose of the loan, and shall obtain his prior approval of such loan. (1987, c. 330.)