



# Minnesota FAIR Plan

## Cash Reserve Policy

Effective immediately, the FAIR Plan will adhere to the following Cash Reserve Policy.

The MN FAIR Plan will at all times maintain cash reserves in an amount not less than two months expected operating expenses. Operating expenses include outstanding case reserves for losses and loss adjustment expense.

The amount of outstanding case reserves will be determined by the FAIR Plan Claims Manager. The value of all outstanding unpaid claims will be reviewed on a monthly basis. It will be the duty of any vendor handling losses, to report their outstanding anticipated balances on a monthly basis.

This amount will be reported to the Executive Director for further action. The Executive Director will report to the Governing Board the present level of case reserves and other expected expenses. The Executive Director will advise the Board if it is felt that an assessment should be considered.

Cash reserves will mean assets convertible to cash within 5 business days of the Executive Director's request.

Nothing in this policy will preclude the investment of funds in excess of two months operating expenses as outlined by the FAIR Plan Investment Policy, and as approved by the Governing Board.

Governing Board  
MN FAIR Plan