

**WAC 200-120-120 Standards for operation—Elections of the board of directors.** (1) All or a majority of the board of directors of every joint self-insurance program shall be elected by the owners. Unless otherwise provided in the ownership agreement, the directors shall be elected by a plurality of the votes cast by the owners at a regular meeting of the owners at which at least one-third of the owners are represented in person or by proxy. Voting by proxy shall be permitted in the manner set forth in the ownership agreement. Each proxy shall be read orally as to the owner name and vote and recorded in the meeting minutes. Voting for directors by written mail-in ballot shall not be permitted.

(2) The board of directors shall also include two or more individuals who are affiliated with the nonowner participants. These directors shall be elected by either the owners or the nonowner participants or both or shall be appointed by the directors elected by the owners in accordance with subsection (1) of this section.

(3) The ownership agreement may provide for staggering the terms of the directors by dividing the total number of directors into two or three groups, with each group to be as nearly equal in number as possible.

[Statutory Authority: 2011 c 43. WSR 11-23-093, recodified as § 200-120-120, filed 11/17/11, effective 11/17/11. Statutory Authority: Chapter 48.64 RCW, RCW 48.64.015, and 42.64.020. WSR 11-06-001, § 82-70-120, filed 2/16/11, effective 3/19/11.]