

(3) That each contract issued, or proposed to be issued, to subscribers to the plan is in a form approved by the Insurance Commissioner, and that the rates charged, or proposed to be charged, for each form of such contract are fair and reasonable; AND

(4) THAT THE APPLICANT HAS A SURPLUS, AS DEFINED IN § 355A OF THIS SUBTITLE, OF THE GREATER OF:

(I) \$100,000; OR

(II) AN AMOUNT EQUAL TO THAT REQUIRED UNDER § 355A OF THIS SUBTITLE.

[(4) That no contributions to the funds of the corporation for working capital are repayable by the corporation except out of the earned premiums over and above operating expenses, payments to participating hospitals, physicians, chiropractors, chiropractors, pharmacists, dentists, psychologists, or optometrists and such reserve as the Insurance Commissioner may deem adequate;

(5) That the amount of money actually received by the applicant upon the terms specified in paragraph (4) hereof for working capital is sufficient to carry all acquisition costs and operating expenses for a period of at least three months from the date of the issuance of the certificate of authority or license, but in no case to be less than ten thousand dollars (\$10,000), provided, however, that any corporation seeking an initial certificate of authority under this subtitle after July 1, 1969, shall have working capital of at least \$100,000;

(6) That the corporation shall maintain a reasonable reserve. If the Commissioner determines after a hearing that the reserves are excessive in amount, he may order the corporation to submit a plan for distribution of the excess in a fair and equitable method, or in the event the corporation fails to submit such a plan within 60 days, he may compile a plan and order the corporation to implement it. The distribution shall be made only to subscribers who are covered by the corporation at the time distribution is made. Reserves equal to 2 months of the nonprofit health service plan's prior calendar year's claims and operating expenses shall be considered reasonable.]

(c) Any corporation to which such certificate of authority or license has been issued, until expiration or revocation thereof, shall be authorized to issue contracts in the form or forms filed with the Insurance Commissioner, to the persons who may become subscribers to such plan.

[(d) Any corporation authorized on or after July 1, 1982 to issue contracts under the provisions of this subtitle shall at all times maintain unencumbered assets in the amount of \$75,000 in excess of liabilities. Any corporation which received its authorization under this subtitle prior to July 1, 1982, shall maintain unencumbered assets in excess of liabilities in the amount of \$25,000 prior to July 1, 1984, and in the amount of \$75,000 thereafter, provided that the Insurance Commissioner may, upon petition, extend the latter date until July 1, 1985 if the Commissioner is satisfied that the petitioning corporation will be able to meet the requirements of this subsection within the period of the one-year extension.]