

HAS PAID A RENEWAL FEE OF \$100, ITS CERTIFICATE SHALL BE RENEWED.
586.

(A) (1) EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, A DENTAL PLAN ORGANIZATION OPERATING A DENTAL PLAN ON OR AFTER JULY 1, 1984 SHALL ARRANGE FOR A SUITABLE BOND OR SUITABLE RESERVES OBTAIN A SUITABLE BOND OR POSSESS SURPLUS FOR THE PROTECTION OF PERSONS ENROLLED IN THE PLAN.

(2) THE RESERVES--OR--BONDS SURPLUS OR BOND SHALL BE EQUIVALENT TO 7 PERCENT OF GROSS CONTRACT AND CERTIFICATE INCOME FOR 1 YEAR.

(3) THE RESERVES SURPLUS OR BOND SHALL BE ADJUSTED WITHIN 20 DAYS FOLLOWING A CHANGE IN ACTUAL GROSS CONTRACT AND CERTIFICATE INCOME.

(4) THE AMOUNT OF THE RESERVES SURPLUS OR BOND SHALL BE ADJUSTED ANNUALLY, IF NECESSARY, ON JULY 1ST OF EACH SUBSEQUENT YEAR.

(5) THE AMOUNT OF THE RESERVES SURPLUS OR BOND REQUIRED MAY NOT EXCEED \$150,000.

(B) (1) IF THE COMMISSIONER DETERMINES AFTER A HEARING THAT THE RESERVES-OR-BONDS SURPLUS OR BOND PROVIDED BY A DENTAL PLAN ORGANIZATION UNDER SUBSECTION (A) OF THIS SECTION ARE EXCESSIVE IN AMOUNT, THE COMMISSIONER MAY REDUCE THE AMOUNT OF RESERVES SURPLUS OR BOND REQUIRED BY THE DENTAL PLAN ORGANIZATION, BUT ONLY IF THE COMMISSIONER DETERMINES THAT THE DENTAL PLAN ORGANIZATION IS SOLVENT AND HAS UNENCUMBERED SURPLUS ASSETS IN AT LEAST THE AMOUNT OF \$75,000 IN EXCESS OF LIABILITIES.

(2) ANY DENTAL PLAN ORGANIZATION THAT IS PERMITTED TO REDUCE THE AMOUNT OF ITS RESERVES SURPLUS OR BOND UNDER THIS SUBSECTION SHALL MAINTAIN UNENCUMBERED SURPLUS ASSETS IN EXCESS OF LIABILITIES IN NO LESS THAN THE AMOUNT OF \$75,000 THEREAFTER.

~~(C)--THE PROVISIONS OF THIS SECTION DO NOT APPLY TO DENTAL PLANS WHERE--~~

(C) THE GROSS CONTRACT AND CERTIFICATE INCOME FOR ONE YEAR OF A DENTAL PLAN ORGANIZATION PROVIDED FOR IN SUBSECTION (A) OF THIS SECTION MAY NOT INCLUDE INCOME EARNED FROM A DENTAL PLAN WHERE:

(1) PARTICIPATION IS WHOLLY VOLUNTARY ON THE PART OF THE ENROLLEE;

(2) THE COST FOR THE DENTAL PLAN IS BORNE BY THE ENROLLEE; AND

(3) THE ~~OPTION FOR~~ PAYMENT IS BY MEANS OF PAYROLL DEDUCTION ON A WEEKLY, EVERY 2 WEEKS, OR MONTHLY BASIS IS ~~AVAILABLE TO THE ENROLLEE--~~