

(iii) No health maintenance organization shall be required to maintain a stock or surplus in excess of a value of \$1,000,000.

(3) (I) FOR THE PROTECTION OF THE HEALTH MAINTENANCE ORGANIZATION'S MEMBERS AND CREDITORS, THE APPLICANT SHALL DEPOSIT AND MAINTAIN IN TRUST WITH THE STATE TREASURER \$250,000 \$100,000 IN CASH OR GOVERNMENT SECURITIES OF THE TYPE DESCRIBED IN § 110 OF ARTICLE 48A.

(II) 1. TO THE EXTENT APPLICABLE, THE DEPOSITS SHALL BE ACCEPTED AND HELD IN TRUST BY THE STATE TREASURER IN ACCORDANCE WITH THE PROVISIONS OF §§ 108 THROUGH 118 OF ARTICLE 48A.

2. FOR THE PURPOSE OF APPLYING THIS SUBPARAGRAPH, A HEALTH MAINTENANCE ORGANIZATION SHALL BE TREATED AS AN INSURER.

[(3)] (4) The Commissioner may waive the stock or surplus AND DEPOSIT requirements contained in this subsection if the Commissioner is satisfied that:

(i) The health maintenance organization has sufficient net worth and an adequate history of generating net income to assure financial viability for the next year;

(ii) The health maintenance organization's performance and obligations are guaranteed by another person with sufficient net worth and an adequate history of generating net income; or

(iii) The assets of the health maintenance organization or contracts with insurers, governments, providers, or other persons are sufficient to reasonably assure the performance of the health maintenance organization's obligations.

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SECTION 3. AND BE IT FURTHER ENACTED, That {any health maintenance organization certified by the Insurance Commissioner prior to the effective date of this Act shall maintain stock or surplus as follows: effective July 17, 1984 in an amount that is the greater of \$100,000 or 1% of the earned subscription charges for the preceding 12 months; effective July 17, 1985 in an amount that is equal to the greater of \$100,000 or 3% of the earned subscription charges for the preceding 12 months. No} NO Health Maintenance Organization shall be required to maintain stock or surplus in excess of a value of \$1,000,000. The INSURANCE Commissioner may waive the stock or surplus AND DEPOSIT requirements contained in this section if the Commissioner is satisfied the health maintenance organization meets one of the criteria under Section 19-710(d){(3)}(4) of this Act.