

(4) The Commissioner may waive the 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.

Chapter 754 of the Acts of 1988

[SECTION 3. AND BE IT FURTHER ENACTED, That any health maintenance organization operating under a certificate of authority issued by the Insurance Commissioner prior to the effective date of this Act shall maintain, beginning July 1, 1988, surplus in the amount that is at least equal to the greater of \$150,000 or 5% of the earned subscription charges for the preceding 12 months; beginning July 1, 1989, surplus in the amount that is at least equal to the greater of \$200,000 or 5% of the earned subscription charges for the preceding 12 months; and beginning July 1, 1990, surplus in the amount that is at least equal to the greater of \$250,000 or 5% of the earned subscription charges of the preceding 12 months.]

SECTION 2. AND BE IT FURTHER ENACTED, That any health maintenance organization operating under a certificate of authority issued by the Insurance Commissioner prior to the effective date of this Act shall maintain, beginning July 1, 1989, surplus in an amount that is at least equal to the greater of ~~\$500,000 or 5% of the subscription charges earned during the prior calendar year; and beginning July 1, 1990, in an amount that is at least equal to the greater of \$750,000 or 5% of the subscription charges earned during the prior calendar year; of~~ \$250,000 or 5% of the subscription charges earned during the prior calendar year; beginning July 1, 1990, in an amount that is at least equal to the greater of \$500,000 or 5% of the subscription charges earned during the prior calendar year; and beginning July 1, 1991, in an amount that is at least equal to the greater of \$750,000 or 5% of the subscription charges earned during the prior calendar year.