

(II) EACH REINSURING CARRIER'S SHARE OF THE PREMIUMS EARNED IN THE PRECEDING CALENDAR YEAR FROM NEWLY ISSUED HEALTH BENEFIT PLANS THAT ARE DELIVERED OR ISSUED FOR DELIVERY DURING THAT CALENDAR YEAR TO SMALL EMPLOYERS IN THE STATE BY REINSURING CARRIERS.

(3) THE ASSESSMENT FORMULA MAY NOT RESULT IN AN ASSESSMENT SHARE FOR A REINSURING CARRIER THAT IS LESS THAN 50% NOR MORE THAN 150% OF AN AMOUNT THAT IS BASED ON THE PROPORTION OF THE REINSURING CARRIER'S TOTAL PREMIUMS EARNED IN THE PRECEDING CALENDAR YEAR FROM HEALTH BENEFIT PLANS THAT ARE DELIVERED OR ISSUED FOR DELIVERY TO SMALL EMPLOYERS IN THE STATE TO TOTAL PREMIUMS EARNED BY ALL REINSURING CARRIERS IN THE PRECEDING CALENDAR YEAR FROM HEALTH BENEFIT PLANS THAT ARE DELIVERED OR ISSUED FOR DELIVERY TO SMALL EMPLOYERS IN THE STATE.

(4) AS APPROPRIATE AND WITH THE APPROVAL OF THE COMMISSIONER, THE BOARD MAY CHANGE THE ASSESSMENT FORMULA ESTABLISHED IN ACCORDANCE WITH THIS SUBSECTION.

(5) THE BOARD MAY PROVIDE FOR ASSESSMENT SHARES ATTRIBUTABLE TO PREMIUMS FROM ALL HEALTH BENEFIT PLANS AND TO PREMIUMS FROM NEWLY ISSUED HEALTH BENEFIT PLANS TO VARY DURING A TRANSITION PERIOD.

(6) SUBJECT TO APPROVAL BY THE COMMISSIONER, THE BOARD SHALL MAKE AN ADJUSTMENT TO THE ASSESSMENT FORMULA FOR REINSURING CARRIERS THAT ARE APPROVED HEALTH MAINTENANCE ORGANIZATIONS AND THAT ARE FEDERALLY QUALIFIED UNDER THE HEALTH MAINTENANCE ORGANIZATION ACT OF 1973 TO THE EXTENT THAT RESTRICTIONS ARE IMPOSED ON THE HEALTH MAINTENANCE ORGANIZATIONS THAT ARE NOT IMPOSED ON OTHER CARRIERS.

(7) PREMIUMS AND BENEFITS PAID BY A REINSURING CARRIER THAT ARE LESS THAN AN AMOUNT DETERMINED BY THE BOARD TO JUSTIFY THE COST OF COLLECTION MAY NOT BE CONSIDERED IN DETERMINING ASSESSMENTS.

(D) ESTIMATE OF ASSESSMENTS NEEDED.

(1) ON OR BEFORE THE LAST DAY OF FEBRUARY OF EACH YEAR, THE BOARD SHALL DETERMINE AND FILE WITH THE COMMISSIONER AN ESTIMATE OF THE ASSESSMENTS NEEDED TO FUND THE LOSSES INCURRED BY THE POOL IN THE PREVIOUS CALENDAR YEAR.

(2) IF THE BOARD DETERMINES THAT THE ASSESSMENTS NEEDED TO FUND THE LOSSES INCURRED BY THE POOL IN THE PREVIOUS CALENDAR YEAR WILL EXCEED 5% OF THE TOTAL PREMIUMS EARNED THAT YEAR FROM HEALTH BENEFIT PLANS THAT ARE DELIVERED OR ISSUED FOR DELIVERY IN THE STATE, THE BOARD SHALL EVALUATE THE OPERATION OF THE POOL AND REPORT ITS FINDINGS TO THE COMMISSIONER WITHIN 90 DAYS AFTER THE END OF THE CALENDAR YEAR IN WHICH THE LOSSES WERE INCURRED.