

(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) "ASSETS" MEANS ASSETS THAT ARE:

1. AUTHORIZED UNDER § 14-120 OF THIS SUBTITLE; AND
2. DETERMINED BY THE COMMISSIONER TO BE ADMITTED ASSETS UNDER THE GUIDELINES ISSUED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.

(II) "ASSETS" DOES NOT INCLUDE:

1. CASH, NOTES, OR RECEIVABLES THAT RESULT FROM THE SALE OF AN ASSET OF A NONPROFIT HEALTH SERVICE PLAN OR ITS AFFILIATE OR SUBSIDIARY IF THE PURCHASER MAY REQUIRE THE PLAN TO REPURCHASE THE ASSET; OR
2. STOCK OF AN AFFILIATE OR SUBSIDIARY OF THE PLAN IF THE STOCK HAS NOT BEEN ISSUED IN ACCORDANCE WITH A PUBLIC OFFERING OR IS NOT PUBLICLY TRADED ON A RECOGNIZED STOCK EXCHANGE.

(III) NOTWITHSTANDING SUBPARAGRAPH (II)2 OF THIS PARAGRAPH, "ASSETS" INCLUDES STOCK OF AN AFFILIATE OR SUBSIDIARY OF A NONPROFIT HEALTH SERVICE PLAN TO THE EXTENT THAT THE COMMISSIONER DETERMINES THAT THE STOCK HAS A VALUE THAT COULD BE MADE AVAILABLE FOR THE PAYMENT OF CLAIMS AND LOSSES.

(3) "EARNED PREMIUM" MEANS EARNED PREMIUMS UNDER:

- (I) INSURANCE CONTRACTS AND POLICIES; AND
- (II) THE INSURED PART OF OTHER CONTRACTS.

(4) "SURPLUS" MEANS THE AMOUNT BY WHICH ASSETS EXCEED LIABILITIES DESCRIBED IN § 5-103 OF THIS ARTICLE.

(B) IN GENERAL.

EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A CORPORATION AUTHORIZED UNDER THIS SUBTITLE SHALL MAINTAIN A SURPLUS IN AN AMOUNT EQUAL TO THE GREATER OF:

- (1) \$75,000; AND
- (2) 8% OF THE TOTAL EARNED PREMIUM RECEIVED BY THE CORPORATION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.

(C) DIFFERENTIATION OF RISK AND NONRISK BUSINESS.

IF THE SIZE AND STRUCTURE OF THE CORPORATION REQUIRES, THE COMMISSIONER MAY REQUIRE THE DIFFERENTIATION OF THE CORPORATION'S