

2. Would be available in case of the impairment or insolvency of the managed care organization; and

(iv) The availability of the money held in trust by the Secretary to pay claims in case of impairment or insolvency of the managed care organization.

(2) Notwithstanding subsection (a)(2)(ii) of this section, a managed care organization shall have an initial surplus that exceeds liabilities by at least \$1,250,000. If a managed care organization has an initial surplus that is at least \$1,250,000 but less than \$1,500,000, prior to approval, the Department shall designate funds under paragraph (1)(iii) of this subsection sufficient to provide an initial surplus of at least \$1,500,000.

(c) (1) (i) Each managed care organization shall maintain a surplus that exceeds the liabilities of the managed care organization in the amount that is at least equal to the greater of \$750,000 or 5 percent of the subscription charges earned during the prior calendar year as recorded in the annual report filed by the managed care organization with the Commissioner.

(ii) No managed care organization shall be required to maintain a surplus in excess of a value of \$3,000,000.

(2) (i) For the protection of the managed care organization's enrollees and creditors, the applicant shall deposit and maintain in trust with the State Treasurer \$100,000 in cash or government securities of the type described in § 5-701(b) of the Insurance Article.

(ii) 1. The deposits shall be accepted and held in trust by the State Treasurer in accordance with the provisions of Title 5, Subtitle 7 of the Insurance Article.

2. For the purpose of applying this subparagraph, a managed care organization shall be treated as an insurer.

(D) EACH MANAGED CARE ORGANIZATION SHALL COMPLY WITH RISK BASED CAPITAL STANDARDS IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE INSURANCE COMMISSIONER UNDER § 4-311 OF THE INSURANCE ARTICLE.

[(d)](E) On or before June 1 of each year, the Secretary shall submit to the General Assembly, in accordance with § 2-1246 of the State Government Article, a report on:

(1) The number of managed care organizations for which the Secretary has designated money to be held in trust under this [subsection] SECTION; and

(2) The amount of money held in trust by the Secretary that has been paid out in cases of insolvency or impairment of managed care organizations.

19-710.

(E) THE PROVISIONS OF TITLE 4, SUBTITLE 3 OF THE INSURANCE ARTICLE (RISK BASED CAPITAL STANDARDS FOR INSURERS) APPLY TO HEALTH MAINTENANCE ORGANIZATIONS IN THE SAME MANNER AS THEY APPLY TO INSURERS.